

Recording Requested By and
When Recorded, Mail To:

Monterey County Public Works Department
312 E. Alisal Street
Salinas, CA 93901-4371
(831) 755-4800

Joseph F. Pitta
Monterey County Recorder
Recorded at the request of
Chicago Title

CRROBERTA
12/28/1999
15:09:02

DOCUMENT: 9994944

Titles: 1/ Pages: 12

Fees... 41.00

Taxes...

Other...

AMT PAID \$41.00

0009994944

Space above for Recorder's Use

SUBDIVISION IMPROVEMENT AGREEMENT

This Agreement is made and entered into by and between the County of Monterey, a political subdivision of the State of California, hereinafter called "County", and the undersigned, hereinafter called "Subdivider".

WITNESSETH

WHEREAS, Subdivider has filed for approval by County's Board of Supervisors a final map entitled "Final Map, Cañada Woods Commercial Center," and seeks the approval and acceptance of same for recordation; and

WHEREAS, Subdivider has by said map offered to dedicate to County for public use certain lands, public utility easements and natural drainage easements shown and designated thereon; and

WHEREAS, County will approve and accept said map for recordation upon the execution of this Agreement by the Subdivider and upon the provision of all security required hereunder.

Now, therefore, in consideration of the premises, it is mutually agreed as follows:

I. DESCRIPTION OF WORK

Subdivider shall grade and install base and surface for all streets and private drives; install concrete curb and gutter, A.C. dike, storm drainage system, water system, utilities, landscaping and/or erosion control in accordance with this Agreement and the following documents; and to the satisfaction of the Public Works Director:

- (a) The improvement plans submitted by the Subdivider's Engineer and approved by the Public Works Director.

- (b) County of Monterey "Standard Property Development Specifications"; "Roadway Design Standards"; and "Standard Details"; all dated October 1977, and "Residential Subdivision Water Supply Standards" dated January 1977.
- (c) Title 19, Monterey County Code (County's Subdivision Ordinance).
- (d) The current edition of "Standard Specifications", State of California, Business and Transportation Agency, Department of Transportation (CALTRANS).

In the event that there is any conflict between the provisions of this Agreement and the provisions of documents (a), (b) or (d) listed above, this Agreement shall prevail.

II. TIME OR COMMENCEMENT AND COMPLETION

Work hereunder shall be completed prior to two years from the date of recordation. If Subdivider fails to complete the work by said date, or any authorized extension thereof, County may complete the same and recover the cost and expense thereof from the Subdivider.

III. EXTENSION OF TIME

The County Surveyor may grant extensions of time to the Subdivider within which to complete the work if he finds that good cause exists therefor and Subdivider obtains the written consent of Subdivider's surety. The denial by the County Surveyor of any such request for extension of time may be appealed by Subdivider to the Board of Supervisors of County.

IV. SECURITY FOR SUBDIVISION IMPROVEMENTS

Performance by subdivider over this Agreement shall be secured by Deed of Trust to the County of Monterey in the form of a Deed of Trust attached hereto as Exhibit "A" ("Deed of Trust"), to be recorded concurrently with the recordation of the final map for Cañada Woods Commercial Center. The Deed of Trust shall constitute security for the subdivision improvements for Cañada Woods Commercial Center pursuant to Government Code Section 66499(a)(4). The Deed of Trust shall guarantee faithful performance of all work required under this Agreement in compliance with all of the applicable provisions of Title XIX of the County Code and shall secure payment to the contractor, his sub-contractors, and the persons renting equipment or furnishing labor or materials to them for the improvements required under this Agreement. The lien created by the Deed of Trust shall be in the amount of One Million Two Hundred Forty-Five Thousand Five Hundred Eighteen (\$1,245,518.00) representing the following:

A. Road Grading, Pavement, V-Gutter, Curb, and Gutter: Sixty Thousand Four Hundred One Dollars (\$60,401.00) to secure performance, and Thirty Thousand Two Hundred Dollars and Fifty Cents (\$30,200.50) to secure labor and materials, for a total security of Ninety Thousand Six Hundred One Dollars and Fifty Cents (\$90,601.50).

B. Storm Drainage Improvements: Forty-Five Thousand Seven Hundred Eight Dollars (\$45,708.00) to secure performance, and Twenty-Two Thousand Eight Hundred Fifty-Four Dollars (\$22,854.00) to secure labor and materials, for a total security of Sixty-Eight Thousand Five Hundred Sixty-Two Dollars (\$68,562.00).

C. Water Mains, Valves, and Fire Hydrants: Seventy-Four Thousand Fifty Dollars (\$74,050.00) to secure performance, and Thirty-Seven Thousand Twenty-Five Dollars (\$37,025.00) to secure labor and materials, for a total security of One Hundred Eleven Thousand Seventy-Five Dollars (\$111,075.00).

D. Water Treatment Plant, Buildings, and Pumps: Four Hundred Fifty Thousand Dollars (\$450,000.00) to secure performance, and Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) to secure labor and materials, for a total security of Six Hundred Seventy-Five Thousand Dollars (\$675,000.00).

E. Sewer Mains, 3-Day Storage Facility, and Pump Station: One Hundred Twenty-Four Thousand Seven Hundred Dollars (\$124,700.00) to secure performance, and Sixty-Two Thousand Three Hundred Fifty Dollars (\$62,350.00) to secure labor and materials, for a total security of One Hundred Eighty-Seven Thousand Fifty Dollars (\$187,050.00).

F. Ten Percent Contingency: Seventy-Five Thousand Four Hundred Eighty-Six Dollars (\$75,486.00) to secure performance, and Thirty-Seven Thousand Seven Hundred Forty-Three Dollars (\$37,743.00) to secure labor and materials, for a total security of One Hundred Thirteen Thousand Two Hundred Twenty-Nine Dollars (\$113,229.00).

Upon request of Subdivider, the Director of Public Works shall execute any and all documents necessary to subordinate the Deed of Trust securing Subdivider's performance hereunder, which document shall be recorded concurrently with the Deed of Trust executed by Subdivider or Subdivider's successors in interest to secure a construction loan or loans constituting security pursuant to Government Code Section 66499 for the construction of the subdivision improvements for the Cafiada Woods Commercial Center, or any portion thereof ("Loan").

For purposes of such subordination, the total Loan amount shall not exceed One Million Two Hundred Forty-Five Thousand Five Hundred Eighteen (\$1,245,518.00) in principal. All payments on the principal and interest for the Loan should be made in at least quarterly installments. Proceeds from the Loan shall be used for the construction of subdivision improvements for the Cafiada Woods Commercial Center. Costs incurred in obtaining the Loan and Loan fees shall be paid by the subdivider and shall not be considered a portion of the principal amount of the Loan.

The Loan and Deed of Trust securing the Loan shall expressly require that the County receive notice of any default by subdivider. Any extension or renewal under the Loan shall not affect the priority of the Deed of Trust securing the Loan.

V. UNDERGROUND UTILITIES

The following utilities provided for in this subdivision shall be placed underground: electric power lines, gas lines, water lines, telephone lines and television cables, if applicable. Underground utility services, including laterals to the lots, have been installed by the Subdivider prior to placement of road base, concrete curb and gutter and/or A.C. Dike and pavement.

VI. PRIVATE ROAD SIGNS AND TRAFFIC CONTROL DEVICES

Private road signs shall be furnished and installed by Subdivider. The type of signs and locations in which they are to be installed shall be subject to the approval of the County Surveyor. Any County street name signs or traffic control devices required by County shall be furnished and installed by County prior to final acceptance of the subdivision under this Agreement and all costs shall be paid by the Subdivider in accordance with the County Board of Supervisors' "Street Name Sign Policy for County Roads," dated April 23, 1968.

VII. PLANTING AND MAINTENANCE OF CUT AND FILL AREA

Subdivider shall seed and/or plant all cut and fill areas of the subdivision as approved by the Public Works Director including private drives as shown on said final map. All erosion control work shall be done prior to the acceptance of the subdivision improvement work. The seeding and planting work shall be done between November and April or sufficient water provided to ensure germination and growth until established. Subdivider shall maintain the planted areas for two years from the time of completion of the work above described.

Six months prior to termination of the two year maintenance period, the plantings shall exhibit a normal healthy growth sufficient in the opinion of the Public Works Director to control erosion. If in the opinion of the Public Works Director, this condition does not exist, replanting shall be done at the Subdivider's expense. If necessary, topsoil and commercial fertilizer shall be used by the Subdivider to promote the desired effect. The planted areas and streets shall be kept by Subdivider in a clean, neat and workmanlike condition, free of trash and other unsightly materials that might accumulate because of planting and landscaping activities. Any failure of the cut or fill slopes within the two year maintenance period shall be rectified by Subdivider.

Should the Subdivider request the release of the security described in Section IV of this Agreement, prior to the end of the maintenance period, Subdivider shall deliver to County a landscape and maintenance bond (or cash in lieu thereof) in the amount of Five Thousand Dollars (\$5,000.00), if required. The bond shall be for two years and in a form approved by the Public Works Director and County Counsel and shall be conditioned upon the performance of Section VII of this Agreement.

The parties agree that upon expiration of the two-year maintenance period, the Subdivider's successor shall assume maintenance of the planted areas within the subdivision with the exception of private driveways which shall be maintained by individual property owners.

VIII. FIRE HYDRANTS, STORM DRAINAGE SYSTEMS AND WATER SYSTEM

The Subdivider shall pay for all maintenance and operation of private roads and private drives, fire hydrants, private water system and storm drainage systems from the time of installation until acceptance of the improvements for the subdivision by the Board of Supervisors as completed in accordance with the Agreement and until a Homeowners' Association or other entity with legal authorization to collect fees sufficient to support the services is formed to assume responsibility for the services. Fire hydrants are to be in operation prior to occupancy of any dwelling within the subdivision.

IX. TRENCHING PERMITS

Any employer or contractor who plans to construct a trench or excavation five feet or deeper shall first comply with Labor Code Section 6224 relating to State Permits.

X. TRAFFIC IMPACT FEES

The Subdivider shall pay a traffic impact fee towards developer funded Carmel Valley Road/Highway 1 intersection traffic improvements. The payment shall be in a form and amount acceptable to the County Department of Public Works.

The developer shall also pay a traffic impact fee which will be used to fund Carmel Valley Road traffic improvements as required by the County pursuant to Board of Supervisors Resolution 92-395. Subdivider intends to obtain clarification of Condition No. 64 of Board of Supervisors Resolution No. 95-384 confirming the Board's action to require the construction of improvements to Carmel Valley Road in lieu of payment of fees. In the event that said clarification is adopted, the Subdivider shall be relieved of the obligation to pay traffic impact fees for Carmel Valley Road improvements.

XI. INSPECTION

All inspection of subdivision improvements shall be performed by Subdivider's engineer. An encroachment permit shall be required from the Public Works Department for any work within the public right of way. A Registered Civil Engineer shall file "as built" plans (originals) in the Public Works Department with a letter certifying improvements have been made in conformance to improvement plans and local ordinance.

XII. INDEMNIFICATION

The Subdivider shall defend, indemnify and save harmless County and its officers, agents and employees from actions or claims of any description brought on account of any damages sustained by any person(s) or property arising out of the performance of work under this Agreement by Subdivider, or his agents or any party in a contractual arrangement with Subdivider to perform improvement work in the subdivision.

XIII. DEFAULT

Should the Subdivider fail to construct the subdivision improvements for the Cañada Woods Commercial Center in accordance with the provisions of this Agreement and fail to cure such non-compliance within the time period allowed under the provisions of Section XIV, County may, at its option, declare default. Upon declaring default, County may institute a foreclosure of the Deed of Trust by filing a complaint to foreclose on the Deed of Trust or by recording a Notice of Default pursuant to the procedures set forth in the California Civil Code in order to cover the amount secured by the Deed of Trust for the sole purpose of causing the subdivision improvements and labor and material for Cañada Woods Commercial Center to be made. The Cañada Woods Commercial Center subdivision shall be sold pursuant to the foreclosure unless the Subdivider redeems the property in accordance with Section XV. In the event of an inconsistency with the terms of this Agreement in the California Civil Code regarding foreclosure proceedings, this Agreement shall prevail.

XIV. NON-COMPLIANCE

Upon determining that the Subdivider is not in compliance with this Agreement, County shall notify the subdivider of such non-compliance in writing. Upon receiving notice from County, Subdivider shall have 180 days to cure the non-compliance. If the Subdivider fails to cure such non-compliance, County may declare default as provided in Section XIII, above.

XV. REDEMPTION

Up until the time of any foreclosure, the Subdivider may redeem the property by:

- 1) Completing the improvements required herein and providing County with a written certification from the subdivision improvement engineer stating that all improvements required herein are complete, including payment of labor and materials, in which case, the Trustees shall postpone the foreclosure sale for fifteen days to allow County to verify the engineer's certification. Further postponements may be allowed at the Trustees' discretion. If the County verifies that the improvements have been completed, the foreclosure proceedings shall be of no further force or effect; or

- 2) Presenting County with surety meeting the requirements of Section IV in guaranteeing that the improvements including labor and material will be completed within sixty days, in which case, foreclosure proceedings shall be terminated and have no further force and effect.

XVI. RELEASE AND RECONVEYANCE

Portions of the Cafiada Woods Commercial Center subdivision shall be released from the lien of the Deed of Trust and reconveyed to Subdivider by the Director of Public Works when the value of improvements completed or partially completed exceeds the lien amount prior to the completion of all subdivision improvements listed in Section IV, provided the following pre-conditions are met:

- a. Subdivider is not in default under any of the terms of this Agreement or the Deed of Trust;
- b. All real property constituting security for the performance of this Agreement, other than portions of the property previously reconveyed or being reconveyed pursuant to the terms of this Agreement, shall remain subject to the lien of the Deed of Trust;
- c. Subdivider shall pay the cost of recording the partial reconveyance by the County;
- d. Subdivider shall dedicate rights of access, ingress and egress on the Final Map in favor of the property secured by the Deed of Trust as County may require, in a form and content as shall be satisfactory to the County; and
- e. The portions of the property to be reconveyed shall each be legal lots of record under the California Subdivision Map Act.

Upon Subdivider's performance of all obligations required under this Agreement, or upon a substitution of security under the provisions of Section IV, the Director of Public Works shall reconvey all portions of the property not previously reconveyed to the Subdivider.

XVII. SUBSTITUTE SECURITY

No sooner than twelve months after the recordation of the Final Map and if deemed necessary by the County's Director of Public Works to secure performance hereunder, Subdivider shall obtain substitute security substituting the Deed of Trust with an instrument or instruments of credit satisfactory to said Director. If the Director of Public Works determines that substitute security is required, he shall give subdivider at least sixty days prior written notice. Substitute securities shall be from one or more financial institutions subject to regulation by the state or federal government agreeing that the funds necessary to meet the remainder of performance hereunder are on deposit as a guarantee for payment and agreeing that the funds designated by the instrument shall become trust funds for the purpose set forth in this Agreement. Payments from this fund shall be payable to the County of Monterey on demand from the Public Works Director on his statement that payment is necessary, pursuant to this Agreement to start or complete the improvements contemplated herein. Other forms of security authorized by Government Code Section 66499(a)(1-5) and (b) satisfactory to the Public Works Director may also be used as substitute security. Notwithstanding the foregoing,

Subdivider may, at any time, substitute the Deed of Trust securing its performance hereunder with substitute security meeting the requirements of this section.

XVIII. CONTRACT PROVISIONS

It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set out opposite their respective signatures.

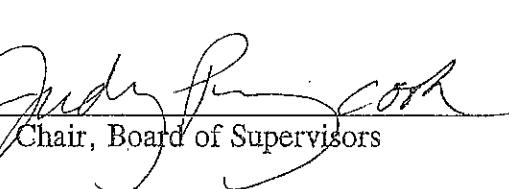
COUNTY OF MONTEREY:

DATED: December 7, 1999

ATTEST:

Clerk of the Board of Supervisors

Date: December 7, 1999

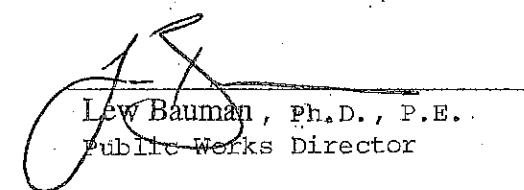


Judy R. Cook
Chair, Board of Supervisors

Sally R. Reed, Clerk of the Board
By: 
Nancy Lukensill, Deputy

APPROVED:

Date: 12/14/99

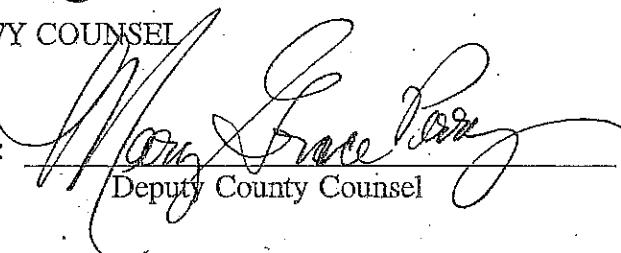

Lew Bauman, Ph.D., P.E.
Public Works Director

APPROVED AS TO FORM:

ADRIENNE GROVER, ACTING COUNTY COUNSEL
COUNTY OF MONTEREY

Date: 12/6/99

By:

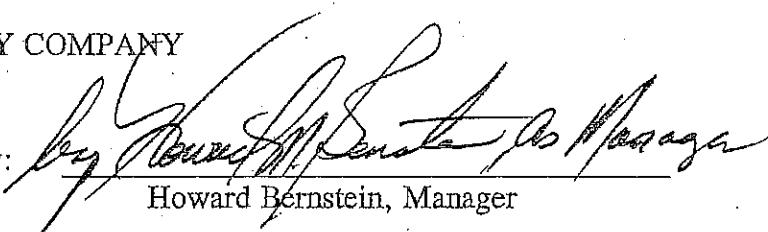

Mary Grace Park
Deputy County Counsel

SUBDIVIDER:

CANADA WOODS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

DATE: 12/1/99

By:


Howard Bernstein, Manager

STATE OF CALIFORNIA)
COUNTY OF MONTEREY)

On this 7th day of December, 1999, before me, Sally R. Reed, Clerk of the Board of Supervisors, in and for said County and State, personally appeared **JUDY PENNYCOOK**, known to me to be the Chair of said Board of Supervisors of the County of Monterey, and known to me to be the person who executed the within instrument on behalf of said political subdivision, and acknowledged to me that such County of Monterey executed the same.

SALLY R REED, Clerk of the
Board of Supervisors of Monterey
County, State of California

By: Nancy Lukensill Deputy

TRUST B U/T/A DATED JULY 27, 1978,
AS AMENDED AND RESTATED IN ITS ENTIRETY ON APRIL 1, 1991,
AND AS AMENDED ON MAY 25, 1995

DATE: Nov 26, 1999 By: Emily Martin Williams
Emily Martin Williams, Trustee

TRUST Q U/T/A DATED JULY 27, 1978,
AS AMENDED AND RESTATED IN ITS ENTIRETY ON APRIL 1, 1991,
AND AS AMENDED ON MAY 25, 1995

DATE: Nov 26, 1999 By: Emily Martin Williams
Emily Martin Williams, Trustee

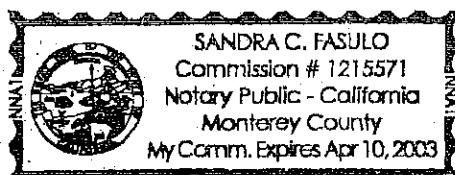
DATE: Nov. 26, 1999 By: John Leonard Williams
John Leonard Williams

DATE: November 26, 1999 By: Kate Elizabeth Marsh
Kate Elizabeth Marsh

STATE OF CALIFORNIA)
COUNTY OF MONTEREY)
)
) ss.
)

On Nov. 26, 1999, before me, Sandra C. Fasulo, Notary
Public, personally appeared Emily Martin Williams
, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Sandra C. Fasulo
Notary Public in and for said
County and State

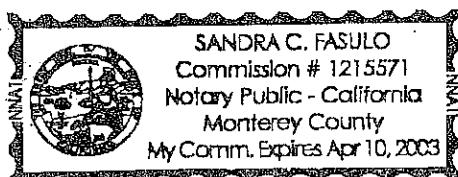
STATE OF CALIFORNIA)

) ss.

COUNTY OF MONTEREY)

On Nov. 26, 1999, before me, Sandra C. Fasulo, Notary Public, personally appeared Kate Elizabeth Marsh, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



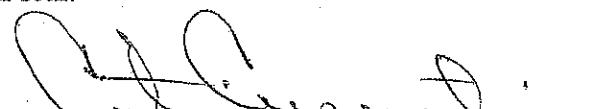
STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

On December 1, 1999, before me, Cristina Currenti, Notary Public, personally appeared Howard M. Bernstein, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public in and for said
County and State

STATE OF NEVADA

)

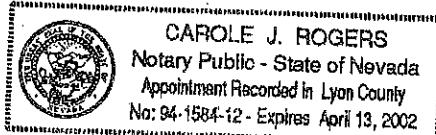
) ss.

COUNTY OF LYON

)

On November 23, 1999, before me, Carole J. Rogers, Notary Public, personally appeared John Leonard Killiams, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Carole J. Rogers
Notary Public in and for said
County and State

END OF DOCUMENT

Joseph F. Pitta
Monterey County Recorder
Recorded at the request of

CRROBERTA
12/28/1999
15:09:03

EXHIBIT **Chicago Title**

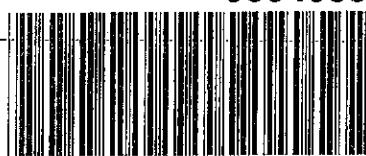
DOCUMENT: **9994950**

Titles: 1/ Pages: 7

Recording Requested by and

When Recorded Return to:

MONTEREY COUNTY DEPARTMENT
OF PUBLIC WORKS
312 East Alisal Street
Salinas, CA 93901



0009994950

Fees... 26.00
Taxes...
Other...
AMT PAID \$26.00

SUBORDINATED DEED OF TRUST

NOTICE: This Deed of Trust contains a subordination clause which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

This DEED OF TRUST, made this _____ day of _____ between Canada Woods, LLC, a Delaware limited liability company; Emily Martin Williams, Trustee of Trust B U/T/A dated July 27, 1978, as amended and restated in its entirety on April 1, 1991, and as amended on May 25, 1995; Emily Martin Williams, Trustee of Trust Q U/T/A dated July 27, 1978, as amended and restated in its entirety on April 1, 1991, and as amended on May 25, 1995; John Leonard Williams, a married man, as his sole and separate property, and Kate Elizabeth Marsh, a married woman, as her sole and separate property, as tenants in Common, ("Trustor"), Chicago Title Insurance Company ("Trustee"), and the County of Monterey, a political subdivision of the State of California ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property situated in the County of Monterey, California, described in Exhibit "1" for the purpose of securing the performance of that certain unrecorded "Subdivision Improvement Agreement" (herein the "Agreement") executed on 12-28, 1999, by Trustor and Beneficiary. The Agreement is hereby incorporated by reference.
series # 9994944

To Protect the Security of this Deed of Trust, Trustor Agrees:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

2. To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

3. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

The foregoing notwithstanding, this Deed of Trust is subject to partial releases and reconveyances of the security hereunder pursuant to the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any documents necessary to cause the releases and reconveyances required under the Agreement.

5. That upon written request of Beneficiary or Beneficiary's designee stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Agreement and this Deed (unless directed in such request to retain them).

6. That upon default by Trustor in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record, Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the Recorder of the Monterey County, shall be conclusive proof of estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10. This Deed of Trust is subject to subordination in accordance with the terms and conditions of the Agreement. Upon request by Trustor, Beneficiary shall join with Trustor, and instruct Trustee to so join, to execute and record any document necessary to cause the subordination of this Deed of Trust in accordance with the Agreement.

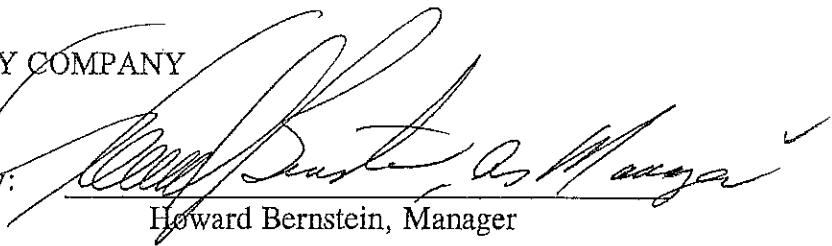
The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to them in c/o Derinda L. Messenger at Lombardo & Gilles, P.O. Box 2119, Salinas, California 93902.

TRUSTOR:

CANADA WOODS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

DATE: 12/10/99

By:



Howard Bernstein, Manager

TRUST B U/T/A DATED JULY 27, 1978,
AS AMENDED AND RESTATED IN ITS ENTIRETY ON APRIL 1, 1991,
AND AS AMENDED ON MAY 25, 1995

DATE: 12/28/1999

By:

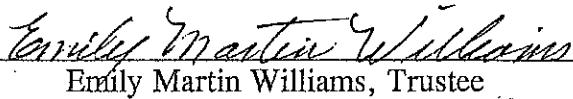


Emily Martin Williams
Emily Martin Williams, Trustee

TRUST Q U/T/A DATED JULY 27, 1978,
AS AMENDED AND RESTATED IN ITS ENTIRETY ON APRIL 1, 1991,
AND AS AMENDED ON MAY 25, 1995

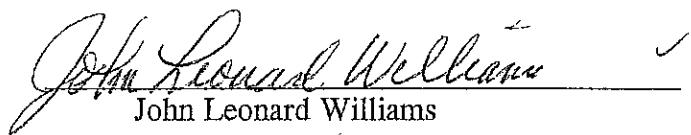
DATE: 12/28/1999

By:



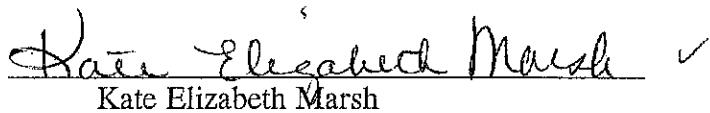
Emily Martin Williams
Emily Martin Williams, Trustee

DATE: 12/16/99



John Leonard Williams

DATE: 12/20/99

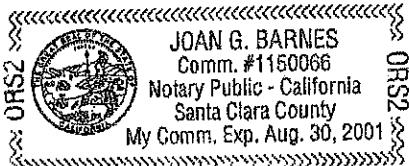


Kate Elizabeth Marsh
Kate Elizabeth Marsh

STATE OF CALIFORNIA)
SANTA CLARA) ss.
COUNTY OF MONTEREY)

On DEC. 20, 1999, before me, JOAN G. BARNES, Notary Public, personally appeared KATE ELIZABETH MARSHTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



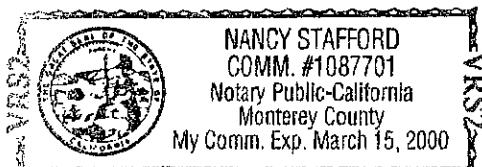
Joan G. Barnes

Notary Public in and for said
County and State

STATE OF CALIFORNIA)
)
COUNTY OF MONTEREY)
)

On December 28, 1999, before me, NANCY STAFFORD, Notary Public, personally appeared EMILY MARTIN WILLIAMS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Nancy Stafford

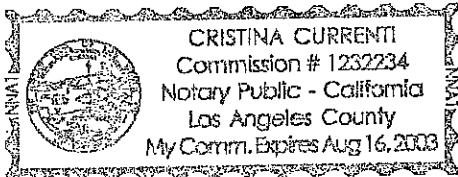
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)
)

On December 10, 1999, before me, Christina Cervanti, Notary Public, personally appeared HOWARD Bernstein, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument

and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

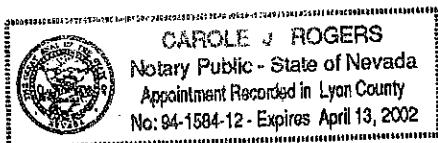


Notary Public in and for said
County and State

STATE OF NEVADA)
) ss.
COUNTY OF LYON)

On December 16, 1999, before me, CAROLE J. ROGERS, Notary Public, personally appeared John Leonard Williams, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Carole J. Rogers
Notary Public in and for said
County and State

EXHIBIT 1

All that real property described as Parcels B, D, E, and F as shown on that map filed for record on 12-28, 1999 in Volume 21, Cities and Towns, at Page 1, in the Office of the Recorder for the County of Monterey, State of California.

END OF DOCUMENT

RECORDING REQUESTED BY:

When Recorded Mail Document To:
Monterey County Department of Public Works
168 W. Alisal Street, 2nd Floor
Salinas CA 93901

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Chicago Title

CRMARIA
6/29/2009
8:00:00

DOCUMENT: **2009040351**

Titles: 1/ Pages: 3

Fees... 16.00
Taxes...
Other...
AMT PAID \$16.00



52604440-m
SPACE ABOVE THIS LINE FOR RECORDER'S USE

PARTIAL RECONVEYANCE

Chicago Title Company, a California Corporation,
as present trustee under that certain Subordinated Deed of Trust dated **December 10, 1999**,
executed by **Canada Woods, LLC, a Delaware, limited liability company** as Trustor(s),

and recorded as Instrument No. **9994950** on **December 28, 1999**, in book, at page of Official Records, in the Office of
the County Recorder of **Monterey County, California**,

has received from the Beneficiary thereunder, said Subordinated Deed of Trust and the note or notes secured thereby for
endorsement and a written request to reconvey and in accordance with said request and the provisions of said
Subordinated Deed of Trust does hereby reconvey, without warranty, to the person or persons legally entitled thereto, the
estate now held by it thereunder in and to that portion of the property described in said Subordinated Deed of Trust,
described as follows:

Parcels D, E, & F as described in Exhibit "A" attached hereto and incorporated herein by this reference.
See also Exhibit "B" attached hereto and incorporated herein by this reference.

DATED: June 25, 2009

Chicago Title Company, a California Corporation

State of California
County of San Francisco
On 6/23/09 before me,
Leslie Hom, Notary Public
(here insert name and title of the officer), personally appeared
Rod Pasion

BY: Rod Pasion
Rod Pasion

who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of
California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature Leslie Hom (Seal)

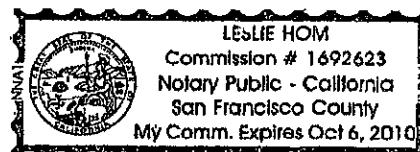


EXHIBIT "A"

Parcels D, E, & F as shown on that map entitled "Tract No. 1334 Canada Woods Commercial Center" filed for record on 12/28/1999 in Volume 21 "Cities and Towns", at Page 1 in the Office of the Recorder for the County of Monterey, State of California.

EXHIBIT "B"

The labor and material security, in the amount of \$415,173.00, under that certain Subordinated Deed of Trust dated December 10, 1999 and recorded as Instrument No. 9994950 on December 28, 1999, remains upon Parcel B shown on that map entitled "Tract No. 1334 Canada Woods Commercial Center" filed for record on 12/28/1999 in Volume 21 "Cities and Towns", at Page 1 in the Office of the Recorder for the County of Monterey, State of California.

END OF DOCUMENT