

NOTE

SOUTH BAY MORTGAGE COMPANY

#001-89

September 10, 1989

Lawndale, California

City State

14717 BURIN AVENUE, #300, LAWDALE, CA 90260

Property Address

1. BORROWER'S PROMISE TO PAY: In return for a loan that I have received, I promise to pay U.S. \$ 77,600 (this amount is called "principal"), plus interest, to the order of the Lender, who is South Bay Mortgage Company. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST: Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at the annual rate of 7.75%. The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6 (B) of this Note.

3. PAYMENTS: (A) TIME AND PLACE OF PAYMENTS. I will pay principal and interest by making payments every month. I will make my monthly payments on the First (1st) day of each and every month, beginning on November 1, 1998. I will make these payments every month until I have paid the entire principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on or before November 1, 2028 (due date of the Note), I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my monthly payments at 8765 Long Beach Blvd, Long Beach, Ca 90804, or at a different place if required by the Note Holder.

(B) AMOUNT OF MONTHLY PAYMENT: My monthly payment will be in the amount of U.S. \$555.94.

4. BORROWER'S RIGHT TO REPAY: I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full payment or partial prepayments without paying any prepayment charge. The Note Holder will apply all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES: If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (iii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED: (A) LATE CHARGE FOR OVERDUE PAYMENTS: If the Note Holder has not received the full amount of any of my monthly payments by the end of 15 days after the date any such payment is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) DEFAULT: If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

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(C) NOTICE OF DEFAULT: If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 10 days after the date on which the notice is delivered or mailed to me (or, if the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation buy all or part of Lender's rights under the Security Instrument, in which case the notice will specify a date, not less than 30 days from the date the notice is given the Borrower).

(D) NO WAIVER BY NOTE HOLDER: Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) PAYMENT OF NOTE HOLDER'S COSTS AND EXPENSES: If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note whether or not a lawsuit is brought, to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES: Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE: If more than one person signs this Note, each person is fully and personally obligated, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its right under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS: I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE: This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER:

If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercised is prohibit by federal law as of the date of this Security Instrument.

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If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

11. MISCELLANEOUS PROVISIONS: In the event the Note Holder at any time discovers that this Note or the Security Instrument or any other document related to this loan, called collectively the "Loan Documents," contains an error which was caused by a clerical or ministerial mistake, calculation error, computer error, printing error or similar error (collectively "Errors"), I agree, upon notice from the Note Holder, to re-execute any Loan Documents that are necessary to correct any such Errors and I also agree that I will not hold the Note Holder responsible for any damage to me which may result from any such Errors.

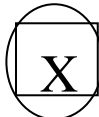
If any of the Loan Documents are lost, stolen, mutilated or destroyed and the Note Holder delivers to me an indemnification in my favor, signed by the Note Holder, then I will sign and deliver to the Note Holder a Loan Document identical in form and content which will have the effect of the original for all purposes.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Dated: August 21, 1989

Oscar Ray Klient

Oscar Ray Klient

<p>STATE OF CALIFORNIA</p> <p>COUNTY OF <u>Santa Barbara</u> } SS</p> <p>On <u>July 21, 1989</u></p> <p>before me, the undersigned, a Notary Public in and for said State, personally appeared _____</p> <p><u>Oscar Ray Klient</u></p> <p>personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name _____</p> <p>subscribed to the within instrument and acknowledged that <u>he</u> executed the same.</p> <p>WITNESS my hand and official seal.</p> <p>Signature <u>Josie Aurora</u></p>	<p>_____</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;">  <p>OFFICIAL SEAL JOSIE AURORA</p> <p>Notary Public - California Santa Clara County Commission Expires August 25, 1989</p> </div> <p>(This area for official notarial seal)</p>
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