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Recording Requested by and
When Recorded Mail to:
Caravan Properties, LLC
185 "F" Street, #100
San Diego, CA 92101

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SPACE ABOVE THIS LINE
FOR RECORDING USE

DEED OF TRUST
Securing Seller Loan
with Assignment of Rents

This DEED OF TRUST is made this 1 day of May, 2000, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic ("Trustor"); Commonwealth Title, a California Corp. ("Trustee"), and ARTIE M. OWEN, an Individual, and CARAVAN PROPERTIES, L.L.C., California Limited Liability Company (collectively, the "Beneficiary").

Trustor grants, transfers and assigns to Trustee in trust, upon the trusts, covenants, conditions and agreements and for the uses and purposes hereinafter contained, with power of sale, and right of entry and possession, all of its title and interest in that real property (the "Site") in the City of San Diego, County of San Diego, State of California, described in Attachment A attached hereto and incorporated herein by this reference.

Together with Beneficiary's interest in all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Site; and

Together with the rents, issues and profits thereof; and together with all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, laundry equipment, steam and hot-water boilers, stoves, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantles, cabinets, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, and all shades, awnings, screens, blinds and other furnishings, it being hereby agreed that all such fixtures and furnishings shall to the extent permitted by law be deemed to be permanently affixed to and a part of the realty; and

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Together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and

Together with all plans, drawings, specifications, etc., and articles of personal property now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Site which are necessary to the completion and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner.

To have and to hold the property hereinbefore described (including the Site and all appurtenances), all such property being referred to collectively herein as the "Property," to Trustee, its successors and assigns forever.

FOR THE PURPOSE of securing (1) payment of contingent indebtedness of the Trustor to the Beneficiary in the principal sum of Four Hundred Thousand Dollars (\$400,000) (the "Seller Loan") as set forth in and evidenced by a promissory note of even date herewith between Trustor and Beneficiary (the "Seller Note"), together with all sums due thereunder including interest and other charges; (2) the performance of each agreement of Trustor in this Deed of Trust and the Seller Note; (3) all extensions, amendments, modifications or renewals of the Seller Note, however evidenced, and additional advances evidenced by any note reciting that it is secured hereby;

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That all sums due and payable as set forth in the Seller Note will be paid at the time and in the manner provided therein;
2. That it will not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;
3. That the Seller Note is incorporated herein and made a part of this Deed of Trust. Upon default under the Seller Note, Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;
4. That all rents, profits and income from the Property covered by this Deed of Trust are hereby assigned to Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder, to collect such rents, profits and income;

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5. That upon default hereunder or under the Seller Note, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the Site insured against loss by fire and such other hazards, casualties and contingencies as may be required in writing from time to time by Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than one hundred percent (100%) of the insurable value or not less than the unpaid balance of the first deed of trust on the Property and this Deed of Trust, whichever is more. (For purposes of this Deed of Trust insurable value shall mean the total replacement cost of the improvements.) Such policies shall be endorsed with standard mortgage clause with loss payable to Beneficiary and certificates thereof together with copies of original policies shall be deposited with Beneficiary;

7. To pay, at least ten (10) days before delinquency, any taxes and assessments affecting said Property when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof which appear to be prior or superior hereto, all costs, fees and expenses of this Deed of Trust;

8. To keep said Property in good condition and repair, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor (unless contested in good faith if Trustor provides security satisfactory to Beneficiary that any amounts found to be due will be paid and no sale of the Property or other impairment of the security hereunder will occur); to comply with all laws affecting said Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said Property in violation of law and/or covenants, conditions and/or restrictions affecting said Property; not to permit or suffer any alteration of or addition to the buildings or improvements hereafter constructed in or upon said Property without the consent of Beneficiary;

9. 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 attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear;

10. Should Trustor fail to make any payment or 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 purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or

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powers of Beneficiary or Trustee; may pay, purchase, contest or 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, may pay necessary expenses, employ counsel, and pay his reasonable fees;

11. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by Beneficiary shall be added to the principal sum secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the rate specified in the Seller Note;

13. Trustor further covenants that it will not voluntarily create, suffer or permit to be created against the Property, subject to this Deed of Trust, any lien or liens except as authorized by Beneficiary and further that it will keep and maintain the Property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Site;

14. That any and all improvements made or about to be made upon the Site, and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office;

15. Trustor herein agrees to pay to Beneficiary or to the authorized loan servicing representative of Beneficiary a charge not to exceed \$15.00 for providing a statement regarding the obligation secured by this Deed of Trust as provided by Section 2954, Article 2, Chapter 2, Title 14, Division 3 of the California Civil Code.

IT IS MUTUALLY AGREED THAT:

16. Upon default by Trustor in making any payments provided for herein or in the Seller Note secured hereby, and if such default is not made good within fifteen (15) days of the due date, 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 the Property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust, the Seller Note and all documents evidencing expenditures secured hereby;

17. 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

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of sale, either as a whole or in separate parcels, and in such order as it may determine 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 at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorneys' fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the rate specified in the Seller Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

18. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Deed of Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee;

19. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

20. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Seller Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto;"

21. The trust created hereby is irrevocable by Trustor;

22. This Deed of Trust 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 include not only the original Beneficiary hereunder but also any future owner and holder including pledgees, of the Seller Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of each Trustor hereunder are joint and several;

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

24. The undersigned Trustor requests that copies of any notice of default and of any notice of sale hereunder be mailed to it at the Redevelopment Agency of the City of San Diego c/o the Southeastern Economic Development Corporation, 995 Gateway Center Way, Suite 300, San Diego, California 92102, with a copy sent to Kane, Ballmer & Berkman, Attn: Royce K. Jones, 515 S. Figueroa Street, Suite 1850, Los Angeles, CA 90071.

25. Trustor shall permit Beneficiary and its agents or representatives, to inspect the Property at any and all reasonable times, with or without advance notice. Inspections shall be conducted so as not to interfere with the tenants' use and enjoyment of the Property.

26. Trustor shall be subject to and comply with all of the restrictions set forth in the Seller Note and Trustor hereby consents to such restrictions and agrees to be bound thereby. Such restrictions shall be in addition to and not in limitation of the rights of Beneficiary expressly set forth in this Deed of Trust.

27. For purposes of this Deed of Trust, "Hazardous Materials" mean and include any hazardous, toxic or dangerous waste, substance or material including, without limitation, flammable explosives, radioactive materials, asbestos, hazardous wastes, toxic substances and any materials or substances defined as hazardous materials, hazardous substances or toxic substances in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended (42 U.S.C. §§9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§6901, et seq.) and those substances defined as hazardous wastes in §25117 of the California Health and Safety Code or as hazardous substances in §25316 of the California Health and Safety Code or in any regulations promulgated under either such law, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

28. In addition to the general and specific representations, covenants and warranties set forth in the Deed of Trust or otherwise, Trustor represents, covenants and warrants, with respect to Hazardous Materials, as follows:

(a) Neither Trustor nor, to the best knowledge of Trustor, any other person, has ever caused or permitted any Hazardous Materials to be manufactured, placed, held, located or disposed of on, under or at the Site or any part thereof, and neither the Site nor any part thereof, or

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any property adjacent thereto, has ever been used (whether by the Trustor or, to the best knowledge of the Trustor, by any other person) as a manufacturing site, dump site or storage site (whether permanent or temporary) for any Hazardous Materials;

(b) Trustor hereby agrees to indemnify Beneficiary, its officers, members, employees, contractors and agents, and hold Beneficiary, its officers, members, employees, contractors and agents harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Beneficiary, its officers, members, employees, contractors or agents for, with respect to, or as a direct or indirect result of, the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials on or under the Site or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials from the Site (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under CERCLA, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials), regardless of whether or not caused by, or within the control of Trustor. However, notwithstanding the foregoing, in no event shall the above indemnification be construed by any of the parties hereto to apply to any party other than the Beneficiary, or its officers, members, employees, contractors and agents nor shall it preclude the Trustor from asserting any rights or claims it may have against any other parties relative to such escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials from the Site as set forth hereinabove.

(c) Trustor has not received any notice of: (i) the happening of any event involving the use, spillage, discharge or cleanup of any Hazardous Materials ("Hazardous Discharge") affecting Trustor or the Property or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Trustor or the Site ("Environmental Complaint") from any person or entity, including, without limitation, the United States Environmental Protection Agency ("EPA"). If Trustor receives any such notice after the date hereof, then Trustor will give, within seven (7) business days thereafter, oral and written notice of same to Beneficiary.

(d) Without limitation of Beneficiary's rights under this Deed of Trust, Beneficiary shall have the right, but not the obligation, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Materials or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation, the EPA, asserting the existence of any Hazardous Materials or an Environmental Complaint on or pertaining to the Site which, if true, could result in an order, suit or other action against Trustor affecting any part of the Site by any governmental agency or otherwise which, in the sole opinion of Beneficiary, could jeopardize its security under this Deed of Trust. All reasonable costs and expenses incurred by

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Beneficiary in the exercise of any such rights shall be secured by this Deed of Trust and shall be payable by Trustor upon demand together with interest thereon at a rate equal to the highest rate payable under the Seller Note secured hereby.

(e) The foregoing representation, covenants, indemnities and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations, covenants, indemnities and warranties shall survive such release.

29. The following shall be an Event of Default:

- (a) Failure of Trustor to pay, when due, principal and interest and any other sums or charges on the Seller Note, in accordance with the provisions set forth in the Seller Note;
- (b) A material substantive violation of the terms, conditions or covenants of this Deed of Trust; or
- (c) A default under any senior deed of trust.

30. Upon the occurrence of an Event of Default as described in Section 29, Trustor shall be obligated to repay the Seller Loan and Beneficiary may, by action, suit or proceeding at law or in equity, sue for, and enforce payment of any and all amounts due pursuant to the terms of the Seller Note and/or sue to enforce the performance of the obligations of Trustor under the Seller Note or this Deed of Trust, subject to the terms and conditions of the Seller Note and this Deed of Trust.

31. The Seller Note secured by this Deed of Trust evidences a non-recourse only obligation of Trustor.

32. All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose, or the exercise of any other remedy provided by this Deed of Trust, including the curing of any Event of Default, shall be the responsibility of Trustor.

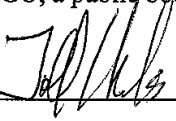
33. Each successor owner of an interest in the Property other than through foreclosure or deed in lieu of foreclosure, shall take its interest subject to this Deed of Trust.

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“TRUSTOR”

REDEVELOPMENT AGENCY OF THE CITY OF
SAN DIEGO, a public body, corporate and politic

Dated: 4/25/00

By: 
TOD HOOKS

“BENEFICIARY”

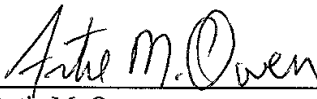
ARTIE M. OWEN,
An Individual

Dated: _____

By: 
Artie M. Owen

CARAVAN PROPERTIES, L.L.C., a
California Limited Liability Company

Dated: _____

By: 
Artie M. Owen
Managing Member

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NOTARY ACKNOWLEDGMENT

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State of California
County of San Diego

On April 25, 2000,
(Date)

before me, JEANNETTE I SANTOS, a Notary Public,
(Printed name of Notary Public)

personally appeared Todd Hooks,
Name(s) of Signer(s)

~~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.

Jeannette I Santos
(Signature of Notary Public)



(Seal)

My Commission expires August 29, 2001
(Expiration date)

Principal place of business is in San Diego County, California
(State)

ALL-PURPOSE ACKNOWLEDGMENT

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State of California

County of San Diego } SS.

On 4/27/00 before me, L. Matthew
(DATE) (NOTARY)
personally appeared Artie M. Owen
SIGNER(S)

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.

L. Matthew
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

INDIVIDUAL
 CORPORATE OFFICER
TITLE(S)

PARTNER(S)
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: Managing Mbr

DESCRIPTION OF ATTACHED DOCUMENT

Deed of Trust
TITLE OR TYPE OF DOCUMENT

9
NUMBER OF PAGES

May 1, 2000
DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
Self and Caravan Properties, LLC

OTHER

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ATTACHMENT A

LEGAL DESCRIPTION OF PROPERTY

Lots "M" and "N" in Block 19 and Lots "A" and "B" in Block 20 and all of "J" Street (30 feet wide) lying Southerly of and adjoining the Southerly lines of Lots "A" and "B" in Block 20 of Las Alturas Unit No. 5, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 2053, filed in the Office of the County Recorder of San Diego County, August 17, 1927.

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