

1 Roland C. Colton, ESQ., SBN 79896
2 **LAW OFFICES OF ROLAND C. COLTON**
3 28202 Cabot Road
4 Third Floor
5 Laguna Niguel, CA. 92677
6 Telephone: (949) 365-5660
7 Facsimile: (949) 365-5662

8 Attorneys for Plaintiff NAHID BIRJANDI

9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
SANTA ANA

11 **CV10-3223 R (PJWx)**

12 NAHID BIRJANDI,

13 Plaintiff,

14 v.

15 WACHOVIA MORTGAGE, FSB; HOME
16 LOAN CONSULTANTS, INC.; YVONNE
17 BALLI; and DOES 1 THROUGH 50,
18 INCLUSIVE.

19 Defendants.

Case No.:

COMPLAINT FOR:

1. **FRAUD;**
2. **CONSTRUCTIVE FRAUD;**
3. **BREACH OF CONTRACT;**
4. **BREACH OF FIDUCIARY DUTY;**
5. **UNJUST ENRICHMENT;**
6. **NEGLIGENCE;**
7. **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING;**
8. **REFORMATION OF PROMISSORY NOTE.**
9. **VIOLATION OF TRUTH IN LENDING ACT**
10. **UNFAIR AND DECEPTIVE BUSINESS ACT PRACTICES**
11. **PREDATORY LENDING**

Request for Trial by Jury

22 COMES NOW Plaintiff NAHID BIRJANDI, who allege causes of action against
23 Defendants WACHOVIA MORTGAGE, FSB, HOME LOAN CONSULTANTS, INC., and
24 YVONNE BALLI as follows:
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SUBJECT PROPERTY

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2 1. At all times relevant herein, Plaintiff owned a house located at 59 Asilomar
3 Road, Laguna Niguel, County of Orange California 92677, more fully described as:

4 Parcel 1:

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6 Parcel 2, as shown on Exhibit "B" attached to Lot Line Adjustment LLA 91-09 recorded
7 October 30, 1991 as Instrument No. 91-459742 of Official Records of Orange County,
8 California.

9
10 Except all oil, oil rights, minerals, mineral rights, natural gas, natural gas rights, and
11 other hydrocarbons by whatsoever name known that may be within or under said land,
12 together with the perpetual right of drilling, mining, exploring and operating therefrom
13 and removing the same from said land or any other land, including the right to whipstock
14 or directionally drill and mine from lands other than said land, oil or gas wells, tunnels
15 and shafts into, through or across the subsurface of said land, and to bottom such
16 whipstocked or directionally drilled wells, tunnels and shaft under and beneath or beyond
17 the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and
18 operate any such wells or mines, without however, the right to drill, mine, explore and
19 operate through the surface or the upper 500 feet of the subsurface of said land or
20 otherwise in such manner as to endanger the safety of any highway that may be
21 constructed on said lands, as reserved by deed record, Official Records.

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23 Parcel 2:

24 Non-exclusive easements for access, ingress and egress, maintenance, repair, drainage,
25 encroachment, and for other purposes, all as described in the Master Declaration of
26 Covenants, Conditions and Restrictions and Reservation of Easements for bear brand
27 ("Master Declaration") recorded February 11, 1988 as Instrument No. 88-062900, the
28 Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for

1 Ocean Ranch and Supplemental Declaration of Annexation to bear brand (Delegate
2 District No. 6) (“Declaration”) recorded December 7, 1989 as Instrument No. 89-
3 554948, and the Supplemental Declaration of Covenants, Conditions and Restrictions
4 and Reservation of Easements and notice of Addition of Territory for Ocean Ranch
5 (Tract 13396) and bear brand (Delegate District No. 6) (“Supplemental Declaration”) recorded July 21, 1993 as Instrument No. 93-0463667, all of Official Records of Orange
6 County, California.
7

8
9 **JURISDICTION AND VENUE**

10 2a. This court has jurisdiction over this action inasmuch as defendant WACHOVIA
11 MORTGAGE, FSB, is a federally chartered savings association (also known as a federal savings
12 bank), and federal savings banks are regulated by federal law, the Home Owners’ Loan Act
13 (“HOLA”). Jurisdiction is further conferred upon this court, inasmuch as this case involves the
14 “processing origination and service” of a loan, including the “terms of credit”, and “loan related
15 fees.” 12 C.F.R. §§560.2(b)(4), (b)(5). Jurisdiction is further conferred upon this court,
16 inasmuch as Plaintiff has asserted claims arising under the Truth-in-Lending Act. 15 U.S.C.
17 §1601 et seq. Jurisdiction is further conferred upon this court under 28 U.S.C. §1331, because
18 certain claims involve federal questions. Supplemental jurisdiction exists for the state law
19 claims, pursuant to 28 U.S.C. §1367 and rule 18(a) of the Federal Rules of Civil Procedure.

20 2b. This court has jurisdiction over this action because the claims set forth herein
21 arise under federal law and the matter in controversy exceeds any minimum sum or value for
22 this court to assert jurisdiction.

23 3. Venue is proper in this court because the Property that is the subject of this dispute
24 is located in the County of Orange, State of California, within the geographical jurisdiction of
25 this court. Furthermore, the refinance of the loan occurred in the City of Laguna Niguel, County
26 of Orange, State of California. within the geographical jurisdiction of this court.
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PARTIES

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4. Plaintiff NAHID BIRJANDI (“Birjandi”) at all times herein was and is an individual, residing in Orange County, California.

5. At all times relevant, defendant WACHOVIA MORTGAGE FSB (“WACHOVIA”) has transacted and continues to transact business throughout the State of California, including Orange County.

6. At all times relevant, defendant HOME LOAN CONSULTANTS, INC. (“HOME LOAN CONSULTANTS”) has transacted and continues to transact business throughout the State of California, including Orange County.

7. At all times relevant, YVONNE BALLI (“BALLI”) is an individual residing in the State of California, County unknown.

8. The true names and capacities of DOES 1 through 50, inclusive, whether individual, corporate, or otherwise, are unknown to Plaintiff, and are therefore sued by fictitious names. Plaintiff will amend this complaint to reflect their true names and identities when they are ascertained. Plaintiff is informed and believes, and thereon alleges, that each of the fictitiously named Defendants is responsible in some manner for the occurrence and acts alleged herein, and is responsible to Plaintiff for the damages and other relief as herein alleged.

9. The above-named Defendants WACHOVIA, HOME LOAN CONSULTANTS, and BALLI, along with DOES 1 through 50, inclusive, are collectively referred to hereinafter as “Defendants”.

10. Plaintiff is informed and believe and thereon allege, that all times relevant herein, each of the Defendants was the agent, employee, partners, joint venturer, or co-conspirator of the remaining Defendants, and in doing the things alleged herein was acting within the scope of such agency, employment, partnership, joint venture, or conspiracy. Plaintiff is informed and believes, and thereon alleges, that the conduct of each Defendant as alleged herein was known to and ratified by each of the other Defendants, and that the benefits thereof were accepted by each of the Defendants.

FACTUAL BACKGROUND

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11. On or about January of 2008, Plaintiff began discussions with BALLI of HOME LOAN CONSULTANTS concerning the re-finance of her Property. Her then existing-existing first mortgage was with Washington Mutual in the amount of \$1,700,000, with a five-year fixed rate of interest of 5.25%. The interest rate was scheduled to convert to an adjustable rate in April, 2008, and she desired to refinance the residence in order to secure a new fixed rate of interest for a five-year term.

12. On or about January 18, 2008, she received a “rate lock” from HOME LOAN CONSULTANTS indicating a locked rate of 5.375% for a \$1,800,000 first mortgage (which mortgage amount was ultimately increased slightly to \$1,836,000).

13. After the loan went to underwriting, Dr. Birjandi was informed that her loan had been approved, although the interest rate had gone up slightly to 5.626%. Plaintiff was further promised that the loan would contain a fixed rate of interest for the first five years of the mortgage.

14. The closing of the loan took place on March 13, 2008. At the closing, Maria T. Coffey, a notary, provided the loan documents for the refinance of Plaintiff’s residence. BALLI, the loan representative from HOME LOAN CONSULTANTS was not present. After Plaintiff reviewed the mortgage documents, it was discovered that there was no Promissory Note. Finding this unusual, a phone call was placed to BALLI. BALLI indicated surprise that the Promissory Note was not in the package of documents and proceeded to email to Plaintiff’s representative the Promissory Note along with a Truth-in-Lending Disclosure Statement.

15. The Truth-in-Lending Disclosure Statement that was emailed by BALLI properly indicated five years of fixed payments on the \$1,836,000 loan at the monthly amount of \$8,606.25, at the fixed rate of interest of 5.626% (with an annual percentage rate of 5.730%). The Promissory Note that she emailed set forth an Interest Rate Modification Period, wherein the borrower would pay “interest at a fixed yearly rate of 5.626%”. The emailed documents were printed and taken to the conference room where Plaintiff proceeded to execute the Promissory Note in the presence of the notary, along with other loan documents.

1 16. At the closing, on March 13, 2008, Plaintiff executed a Uniform Residential
2 Loan/Equity Line of Credit Application. The Uniform Residential Loan/Equity Line of Credit
3 Application that Plaintiff executed reflected an interest rate of 5.626%. At the time that Plaintiff
4 executed this document (and the other loan documents), Plaintiff requested a copy of each
5 document she signed; she was informed by the notary, Maria T. Coffey, that a full set would be
6 made and mailed to her. Despite repeated requests, it was not until many months later that
7 Plaintiff received a copy of the loan documents. Included in the loan documents was a copy of
8 the Uniform Residential Loan/Equity Line of Credit Application (“Forged Application”) that
9 Plaintiff alleged signed, a copy of which is attached as Exhibit “A” to this complaint. Pages 3
10 and 4 of the Forged Application appear to contain the correct signature of Plaintiff. However,
11 the signature purported to belong to Plaintiff on page 1 of the Forged Application is clearly a
12 forgery. This is the page of the Application which also shows the incorrect interest rate of
13 7.150% (at the time that Plaintiff executed the Uniform Residential Loan/Equity Line of Credit
14 Application, the interest rate set forth on page 1 was 5.626%).

15 17. At the closing, Plaintiff received and executed a Truth-in-Lending Disclosure
16 Statement, a copy of which is attached as Exhibit “B” to the complaint. The Truth-in-Lending
17 Disclosure Statement properly indicated the annual percentage rate of 5.730%. However, after
18 receiving a copy of the loan documents several months after the loan was closed, Plaintiff
19 received a copy of a forged Truth-in-Lending Disclosure Statement (“Forged Disclosure
20 Statement”), a copy of which is attached as Exhibit “C” to the complaint. The Forged
21 Disclosure Statement indicates an incorrect annual percentage rate of 7.832% and also bears a
22 forged signature of the Plaintiff.

23 18. At the closing, Plaintiff signed the Adjustable Rate Mortgage Note that had been
24 emailed to Plaintiff’s counsel when it was discovered that the loan documents did not contain a
25 Promissory Note. A copy of the Adjustable Rate Mortgage Note indicating a “5 Year Fixed
26 Rate Pick-a-Payment Loan” and a fixed interest rate of 5.626% for the five-year period is
27 attached as Exhibit “D” to the complaint (the Adjustable Rate Mortgage Note is sometimes
28 referred to herein as the “Promissory Note”).

1 19. Many months later, when Plaintiff finally received a copy of the Promissory
2 Note, she received a false Adjustable Rate Mortgage Note (“Forged Mortgage Note”), showing
3 a 3 Year Fixed Rate Pick-a-Payment Loan (in lieu of the 5 Year Fixed Rate that had been
4 promised to Plaintiff) and an interest rate of 7.150% (in lieu of the 5.626% interest rate that had
5 been promised to Plaintiff), a copy of which is attached as Exhibit “E” to the complaint.

6 20. At the loan closing, Plaintiff also executed a Deed of Trust, a copy of which is
7 attached as Exhibit “F” to the complaint. The Deed of Trust does not reference the rate of
8 interest, not the length of the fixed payment period for the interest. The signature on the Deed
9 of Trust appears to be the authentic signature of Plaintiff. However, Exhibit “A” to the Deed of
10 Trust contains a forged signature of Plaintiff’s husband, Roland Colton. In fact, it appears that
11 the person who forged Mr. Colton’s signature misspelled his first name (it appears to be spelled
12 “Rolland” with two l’s). Further, the Notary Public only references the signature of Plaintiff,
13 Nahid Birjandi, on the document.

14 21. As noted previously, Plaintiff requested a copy of the loan documents for her
15 records at the time of the closing of the loan, and was advised that a complete set would be
16 mailed to her in a few days.

17 22. Shortly thereafter, in March of 2008, the WACHOVIA mortgage closed and was
18 recorded.

19 23. Soon after the loan closed, Plaintiff received her first loan statement from
20 WACHOVIA. The loan statement indicated that interest was accruing at the rate of 7.150% (in
21 lieu of 5.626%) at the rate of \$10,939.50 per month (Exhibit “D”). It also indicated that a
22 monthly payment of \$8,607.32 was available under “Option 1”, which would involve the accrual
23 of *deferred* interest in the amount of \$2,332.18.

24 24. Alarmed at receiving the initial loan statement showing a much higher rate of
25 interest that Plaintiff had agreed to, BALLI was contacted on April 10, 2008 and advised of the
26 error and a further request was made for a complete set of the documents that Plaintiff had
27 signed a month earlier.

28 25. BALLI seemed genuinely perplexed by the higher rate and promised that she

1 would look into the matter and get it cleared up quickly, and further promised to send a
2 complete set of Plaintiff's loan documents. Further discussions occurred with BALLI, wherein
3 she indicated that it was "taking a little longer than expected" to obtain the loan documents.

4 26. Following the April 29, 2008 email, repeated attempts were made to follow-up
5 with BALLI about the interest rate issue and loan documents. Eventually, she stopped
6 returning calls and Plaintiff became aware that BALLI had left HOME LOAN
7 CONSULTANTS some time earlier. At that time, communications began with Dean Ingle,
8 Branch Manager of HOME LOAN CONSULTANTS. Although Mr. Ingle was cordial and
9 expressed an interest in resolving this matter, he proved less than responsive and accomplished
10 little over the ensuing months.

11 27. On June 3, 2008, Mr. Ingle was advised that Plaintiff's mortgage statement was
12 being mailed to an incorrect address in San Diego, and was further advised that WACHOVIA
13 continued to charge her negative interest. On July 28, 2008, Mr. Ingle again was contacted by
14 Plaintiff's representative, (after several messages were left without a return call) requesting an
15 update on efforts to resolve Plaintiff's mortgage issues. On July 31, 2008, Mr. Ingle emailed
16 back, indicating to me that he would provide contact information for individual(s) at
17 WACHOVIA with whom he had engaged in discussed about resolving the matter. However,
18 no response was heard from him and further emails were sent to him in September 2008.

19 28. After finally received a set of loan documents, it was learned that the Promissory
20 Note was missing from the set that had been mailed to Plaintiff. Whereupon, on September 12,
21 2008, Mr. Ingle was advised that the so-called "complete" loan package that Plaintiff had
22 received from HOME LOAN CONSULTANTS was, in fact, incomplete. Missing was the
23 Promissory Note. More than two weeks later, on September 30, 2008, Mr. Ingle advised
24 Plaintiff's representation that he was still working on getting the documents. After hearing
25 nothing from him for more than a month, Plaintiff's representative sent him another email on
26 November 3, 2008. After receiving WACHOVIA contact information, Plaintiff finally received
27 a fax from WACHOVIA on November 19, 2008, containing a copy of the Promissory Note.

28 29. Upon reviewing the fax from WACHOVIA, Plaintiff noticed to her shock and

1 consternation that the Promissory Note sent was not the one that she signed, despite the fact that
2 it purported to bear her signature—albeit an obviously forged signature. The forged Promissory
3 Note that was provided to her also indicated a three-year fixed rate, not the five-year fixed rate
4 of interest that had been agreed to, and that was set forth in the Promissory Note that she
5 executed at closing.

6 30. More disconcerting was the fact that the Note indicated an interest rate of
7 7.150%. It is clear that someone forged Plaintiff's signature on this Note, or else possibly
8 substituted the signature page from the Note she executed at closing and matched it with the
9 fraudulent Note. This matter was brought Mr. Ingle's attention, with several urgent phone
10 message left. Mr. Ingle never responded to any of these messages.

11 31. Whereupon, on February 12, 2009, counsel for Plaintiff sent a letter to HOME
12 LOAN CONSULTANTS and WACHOVIA entitled "Notice of Intent to Commence Legal
13 Action" informing them of Plaintiff's intention to commence legal action.

14 32. Plaintiff would never have entered into the loan if she had known that the rate
15 would not be 5.626% for the first five years of the loan. Furthermore, if Plaintiff had allowed
16 her loan with Washington Mutual to become adjustable, her rate of interest during the first year
17 adjustable period (from April 2008 to April 2009) would have been less than 4.5%. Based upon
18 the current index, it appears that her rate of interest for the succeeding year (April 2009 to April
19 2010) would have also been under 5%.

20
21 **FIRST CAUSE OF ACTION**

22 ***(Fraud—Against All Defendants)***

23 33. Although reference is made at times to California statutes, each of the claims set
24 forth herein constitute common law claims.

25 34. Plaintiff realleges and incorporates herein by this reference each of the
26 allegations contained in Paragraphs 1 through 32 above, as though fully set forth herein.

27 35. As set forth above, Defendants BALLI and HOME LOAN CONSULTANTS
28 falsely represented to Plaintiff that she would receive a fixed rate of interest of 5.626% on her

1 mortgage with WACHOVIA for the initial five years of the mortgage. Furthermore, Defendants
2 BALLI and HOME LOAN CONSULTANTS acted as the authorized agents of WACHOVIA in
3 making the false representations to Plaintiff.

4 36. When Defendants made the representation of a fixed rate of interest of 5.626%
5 on Plaintiff's mortgage, Defendants had no intention of providing such a rate of interest. In
6 truth, Defendants intended on charging Plaintiff a rate of interest of 7.15%, and Defendants
7 further engaged in acts, as alleged herein, to cover up the deception.

8 37. Plaintiff reasonably relied upon the representations made by Defendants to
9 provide a fixed rate of interest of 5.626% on her mortgage in executing the loan documents and
10 consummating the re-finance with WACHOVIA, including the representations contained within
11 the (1) Uniform Residential Loan/Equity Line of Credit Application that Plaintiff did actually
12 sign, not the Forged Application (Exhibit "A") which contains a falsely elevated rate of interest,
13 (2) the Truth-in-Lending Disclosure Statement that Plaintiff did actually sign (Exhibit "B"), not
14 the Forged Disclosure Statement (Exhibit "C"), and (3) the Adjustable Rate Mortgage Note that
15 Plaintiff did actually sign (Exhibit "D"), not the Forged Mortgage Note (Exhibit "E").

16 38. Plaintiff's reliance on the representations of Defendants was reasonable,
17 particularly in light of the fact that Defendants provided her with the correct Loan Application,
18 Truth-in-Lending Disclosure Statement and Promissory Note at closing, that did accurately
19 reflect the terms that had been represented to her and that she agreed to. Plaintiff signed the
20 Loan Application, Truth-in-Lending Disclosure Statement and Promissory Note (which Truth-
21 in-Lending Disclosure Statement and Promissory Note) were emailed to her at closing. Plaintiff
22 did not realize that Defendants would destroy the true Loan Application, Truth-in-Lending
23 Disclosure Statement and the Promissory Note) that she signed at closing and replace it with
24 forged and fraudulent documents that reflected a higher rate of interest than she had agreed to
25 and a shorter length of time for the fixed rate of interest.

26 39. If Plaintiff had known that the Defendants intended to charge Plaintiff a rate of
27 interest of 7.15%, Plaintiff would not have entered into the refinance with HOME LOANS
28 CONSULTANTS and WACHOVIA. Furthermore, if Plaintiff had allowed her loan with

1 Washington Mutual to become adjustable, her rate of interest during the first year adjustable
2 period (from April 2008 to April 2009) would have been less than 4.5%. Based upon the
3 current index, it appears that her rate of interest for the succeeding year (April 2009 to April
4 2010) would have also been under 5%.

5 40. In furtherance of the fraud, Defendants caused forged signatures to be made on
6 the Forged Application, Forged Disclosure Statement and Forged Mortgage Note, which
7 purportedly indicated that Plaintiff had agreed to the higher rate of interest. Defendants further
8 destroyed the Uniform Residential Loan/Equity Line of Credit Application, Truth-in-Lending
9 Disclosure Statement and Promissory Note that Plaintiff actually did sign. Neither the Forged
10 Application, the Forged Disclosure Statement, nor the Forged Mortgage Note were the loan
11 documents that Plaintiff executed at the loan closing.

12 41. Moreover, when Plaintiff had requested a complete set of loan documents, the set
13 she received many months later, the Promissory Note had mysteriously been excluded from the
14 package.

15 42. Defendants caused the Forged Application, Forged Disclosure Statement and
16 Forged Mortgage Note to be inserted into Plaintiff's loan file (destroying the true copies).
17 Defendants further attempted to cover up the fraud by failing to provide Plaintiff with a copy of
18 the loan documents at the closing.

19 43. It took many months for Plaintiff to finally receive a copy of some of the loan file
20 from Defendants, including the Forged Application and Forged Disclosure Statement. Even
21 then, Defendants failed to provide a copy of the Promissory Note to Plaintiff. Thereafter, with
22 repeated requests from Plaintiff's counsel, a copy of the Forged Mortgage Note was finally
23 received in November of 2008 (approximately seven months after the loan closed).
24 Consequently, Plaintiff was completely unaware until November of 2008 that Defendants had
25 caused her signature to be forged on a fraudulent Promissory Note (bearing the higher interest
26 rate) and that Defendants had caused said Promissory Note to be recorded.

27 44. In committing the fraud alleged herein, Defendants intended to benefit financially
28 by receiving a higher rate of interest on the loan than had been represented and agreed to.

1 Defendants further benefitted by having Plaintiff finance her Property with Defendants.
2 Defendants further benefitted by receiving additional loan fees and other remuneration from the
3 placement of the loan.

4 45. Plaintiff is informed and believes, and on that basis alleges, that the conduct
5 alleged above was done with a conscious disregard of Plaintiff's rights, and that the conduct of
6 Plaintiff was willful, wanton, malicious, oppressive, and constitutes despicable conduct that has
7 subjected Plaintiff to unjust hardship in conscious disregard of Plaintiff's rights so as to justify
8 an award of exemplary and punitive damages in an amount according to proof.

9 46. As a direct and proximate result of the wrongful acts of Defendants, Plaintiff has
10 suffered and will suffer general and special damages.

11
12 **SECOND CAUSE OF ACTION**

13 ***(Constructive Fraud—Against all Defendants)***

14 47. Plaintiff realleges and incorporates herein by this reference each of the
15 allegations contained in Paragraphs 1 through 46 above, as though fully set forth herein.

16 48. As a result of the tortious conduct described above, Defendants, and each of them,
17 committed and/or aided and abetted misrepresentations to Plaintiff, and concealed material facts
18 from Plaintiff, and thus committed and/or aided and abetted constructive fraud.

19 49. California Civil Code Section 2224 provides, in pertinent part, as follows:
20 "One who gains a thing by fraud, accident, mistake, undue influence, the violation of a
21 trust, or other wrongful act, is, unless he has some other and better rights thereto, an
22 involuntary trustee of the thing gained, for the benefit of the person who would have
23 otherwise have had it."

24 50. Constructive fraud is also recognized as a common law cause of action.

25 51. Defendants received, *inter alia*, equity, property, money, and other valuable
26 consideration as a result of the aforementioned wrongful acts, and benefitted therefrom.
27 Defendants, and each of them, have no right to the proceeds of their wrongful activities, and are
28 involuntary trustees, holding in constructive trust for Plaintiffs an amount to be proven at trial,

1 plus interest in accordance with Section 2224 of the California Civil Code.

2 52. As a result of Defendants' constructive fraud, Plaintiff has suffered damages as
3 more fully set forth in Paragraphs 1 through 78, and elsewhere in this complaint. Defendants
4 further should be required to disgorge to Plaintiffs the gain which they have unjustly obtained at
5 the expense of Plaintiffs.

6
7 **THIRD CAUSE OF ACTION**

8 ***(Breach of Contract—Against all Defendants)***

9 53. Plaintiff realleges and incorporates herein by this reference each of the
10 allegations contained in Paragraphs 1 through 52 above, as though fully set forth herein.

11 54. As stated above, Defendants and Plaintiff entered into a written loan and/or
12 mortgage agreement, wherein Defendants promised to lend \$1,836,000 to Plaintiff to refinance
13 her residence, and Defendants promised to Plaintiff that she would have a fixed-interest rate of
14 5.626% for a period of 5 years.

15 55. Plaintiff has performed all terms, conditions and provisions to be performed on
16 her part with respect to the loan agreement.

17 56. Defendants breached the loan agreement by unlawfully increasing the fixed rate
18 of interest from 5.626% to 7.15%, and by further reducing the period in which Plaintiff would
19 have a fixed rate of interest from 5 years to 3 years.

20 57. Defendants further breached the agreement by committing the wrongful acts as set
21 forth in the complaint.

22 58. By virtue of the foregoing, and as a direct and proximate result of Defendants'
23 conduct, acts, and/or omissions, Plaintiff has been damaged in an amount which will proven at
24 trial, which will include, *inter alia*, the difference in interest rate between the 5.626% rate that
25 she was promised and the 7.15% rate of interest that she is being charged on her mortgage.

26 59. Furthermore, Plaintiff will be damaged in an amount which will be proven at
27 trial, which proof will include, *inter alia*, for the 4th and 5th years of the WACHOVIA mortgage
28 the difference between the 5.626% rate of interest that she was promised and the adjustable rate

1 of mortgage which WACHOVIA wishes to charge for those years.

2 60. As additional damages, Plaintiff will be entitled to recover damages for the
3 difference between the interest rate charged by WACHOVIA and the rate of interest that
4 Plaintiff would have paid if she had remained with her former lender, Washington Mutual, on
5 the adjustable rate mortgage which would have been under 5% for the period April 2008 to
6 April 2009 and for the period April 2009 to April 2010, and for years thereafter.

7 61. By virtue of the foregoing, Plaintiff has suffered additional general, special,
8 and/or consequential damages in an unascertained amount, all according to proof, as a
9 proximate result of the acts and/or omissions alleged herein. Plaintiff will seek leave to amend
10 this complaint to allege such additional amounts when they have been fully ascertained.

11
12 **FOURTH CAUSE OF ACTION**

13 ***(Breach of Fiduciary Duty—Against HOME LOAN and BALLI)***

14 62. Plaintiff realleges and incorporates herein by this reference each of the
15 allegations contained in Paragraphs 1 through 61 above, as though fully set forth herein.

16 63. Defendants HOME LOAN CONSULTANTS and BALLI offered to act as
17 Plaintiff's loan representative in connection with obtaining a mortgage on her residence. By
18 acting as Plaintiff's loan representative, a special relationship existed between Plaintiff and
19 HOME LOAN CONSULTANTS and BALLI, wherein, HOME LOAN CONSULTANTS and
20 BALLI were in a position of special trust with respect to their activities in furtherance of
21 obtaining a mortgage for Plaintiff.

22 64. As a result of the position of special trust, Plaintiff reasonably relied upon the
23 integrity and ethics of HOME LOAN CONSULTANTS and BALLI, in connection with their
24 efforts to obtain and/or place a mortgage for Plaintiff.

25 65. As fiduciaries, Defendants owed a duty of loyalty and care to Plaintiff. Such
26 fiduciary duty required that Defendants deal in good-faith, and in inherent fairness with respect
27 to any transactions and/or negotiations involving the placement of the loan, the preparation of
28 loan documents that properly reflected the representation made with respect to the rate of the

1 fixed interest and the length of time that the fixed rate of interest would be in place.

2 66. Despite having accepted the trust and confidence reposed in them by Plaintiff,
3 Defendants breached their fiduciary duties by committing unlawful acts as described herein,
4 including placing the mortgage at a higher rate of interest than agreed to, by forging loan
5 documents bearing signatures of Plaintiff, and by such other conduct as will be proven at trial.

6 67. As a direct, sole and proximate result of the breach of fiduciary duties by
7 Defendants, Plaintiff has suffered and will continue to suffer damages in an amount to be
8 proven at trial.

9 68. Plaintiff is informed and believes, and on that basis alleges, that the conduct
10 alleged above was done with malice and oppression, intended by Defendants to cause injury to
11 Plaintiff, with a conscious disregard of Plaintiff's rights, with the intent to vex, injure and annoy
12 Plaintiff, thereby subjecting Plaintiff to cruel and unjust hardship, so as to justify an award of
13 exemplary and punitive damages in an amount according to proof.

14
15 **FIFTH CAUSE OF ACTION**

16 *(Unjust Enrichment—Against all Defendants)*

17 69. Plaintiff realleges and incorporates herein by this reference each of the
18 allegations contained in Paragraphs 1 through 68 above, as though fully set forth herein.

19 70. As a result of the wrongful and fraudulent conduct, and conspiracy described
20 above, Defendants have been unjustly enriched at the expense of Plaintiff, by charging Plaintiff
21 a higher rate of interest than was agreed to, and by reducing the length of time that the fixed
22 interest rate is in place.

23 71. Defendants, and each of them, should be required to disgorge to Plaintiff the
24 benefits and profits generated by each of the foregoing Defendants which the said Defendants
25 have unjustly obtained and/or withheld from Plaintiff, in an amount to be proven at trial, plus
26 interest.

27
28 **SIXTH CAUSE OF ACTION**

1 *(Negligence—Against all Defendants)*

2 72. Plaintiffs reallege and incorporate herein by this reference each of the allegations
3 contained in Paragraphs 1 through 71 above, as though fully set forth herein.

4 73. Defendants had a duty not to act in a manner harmful to Plaintiff. Defendants
5 breached that duty in doing the things set forth above.

6 74. Defendants further had a duty to exercise reasonable care and prudence to insure
7 that the actions taken by Defendants as set forth above would not prejudice or harm Plaintiff,
8 including cause Plaintiff to pay a higher rate of interest than was agreed to, or by reducing the
9 length of time in which Plaintiff would receive a fixed rate of interest on her mortgage.

10 75. Defendants breached their duty by failing to exercise reasonable care and
11 prudence

12 in insuring that the loan and/or mortgage documents properly reflected the rate of interest that
13 had been promised to Plaintiff and had been agreed to by the parties, and failing to exercise
14 reasonable care and prudence in insuring that the loan and/or mortgage documents properly
15 reflected the length of time in which the fixed rate of interest would apply.

16 76. As a proximate and direct result of Defendants' negligence, as alleged herein,
17 Plaintiff has been damaged in an amount which will be proven at trial.

18
19 **SEVENTH CAUSE OF ACTION**

20 *(Breach of Implied Covenant of Good Faith & Fair Dealing—Against all Defendants)*

21 77. Plaintiffs reallege and incorporate herein by this reference each of the allegations
22 contained in Paragraphs 1 through 76 above, as though fully set forth herein.

23 78. By virtue of the loan and/or mortgage agreements that Defendants entered into with
24 Plaintiff, there existed an implied covenant of good faith and fair dealing arose whereby
25 Defendants had a duty to act in good faith and to deal fairly with Plaintiff in the performance of
26 promises and covenants made by Defendants to Plaintiff.

27 79. Defendants breached their fiduciary duties, and their duty of good faith and fair
28 dealing owed to Plaintiff by committing the wrongful acts alleged in the complaint, including

1 concealing their intent to charge a higher rate of interest than had been agreed to, and further
2 concealing their intent to reduce the length of time in which a fixed rate of interest would apply
3 to the mortgage. Defendants further breached their fiduciary duties, and their duty of good faith
4 and fair dealing owed to Plaintiff by committing the wrongful acts alleged in the complaint,
5 including modifying the terms of the mortgage without the knowledge or consent of Plaintiff, in
6 a manner that has caused damage to Plaintiff wherein the rate of interest charged by Defendants
7 is at a rate higher than agreed to by the parties and length of time in which the fixed rate of
8 interest applies to the mortgage has been reduced from 5 years to 3 years.

9 80. Defendants are informed and believe, and on that basis allege that Defendants
10 breached their duty of good faith and fair dealing owed Plaintiff by other acts and omissions of
11 which Plaintiff is presently unaware. Plaintiff will seek leave of court to amend this complaint
12 when such other acts and omissions of Defendants are discovered.

13 81. As a direct and proximate result of the above-mentioned wrongful conduct,
14 Plaintiff has been damaged in an amount which will be proven at trial.

15
16 **EIGHTH CAUSE OF ACTION**

17 ***(Reformation of Promissory Note—Against WACHOVIA)***

18 82. Plaintiff realleges and incorporates herein by this reference each of the
19 allegations contained in Paragraphs 1 through 81 above, as though fully set forth herein.

20 California Civil Code §3399 provides:

21 “When, through fraud or a mutual mistake of the parties, or a mistake of one party,
22 which the other at the time knew or suspected, a written contract does not truly express
23 the intention of the parties, it may be revised on the application of a party aggrieved, so
24 as to express that intention, so far as it can be done without prejudice to rights acquired
25 by third parties, in good faith and for value.”

26 83. Reformation is also recognized as a common-law remedy.

27 84. The forged Promissory Note fails to reflect the true intent of the parties with
28 respect to the fixed rate of interest, and the period of time in which the fixed rate of interest

1 would apply on the mortgage.

2 85. The above-described failure of the Promissory Note to reflect the true fixed rate
3 of interest and the period of time in which the fixed rate of interest was to apply was a result of
4 Defendants' fraud as described above.

5 86. Without knowledge of Defendants' fraud and deceit, and reasonably relying on
6 the representations made by Defendants, Defendants created a fraudulent Promissory Note that
7 differed materially from the Promissory Note that she executed at closing. Plaintiff's reliance
8 on the representations of Defendants was reasonable, particularly in light of the fact that
9 Defendants provided here with a Promissory Note at closing, that did accurately reflect the
10 terms that had been represented to her and that she agreed to. Plaintiff signed the Promissory
11 Note that was emailed to her at closing. Plaintiff did not realize that Defendants would destroy
12 the Promissory Note that she signed at closing and replace it with a forged and fraudulent one
13 that reflected a higher rate of interest than she had agreed to and a shorter length of time for the
14 fixed rate of interest.

15 87. Furthermore, Defendants knew and realized that the forged documents referenced
16 herein mistakenly set forth the rate of interest and period for the fixed interest rate. Defendants
17 were aware that the forged documents did not truly express the intention of the parties at the
18 time that the loan was consummated. Defendants further realized and knew that Plaintiff would
19 not have executed documents containing the higher rate of interest and shorter fixed rate period
20 contained in the forged documents referenced herein.

21 88. In view of the promises made with respect to the loan that WACHOVIA agreed
22 to extend to Plaintiff, request is hereby made that the Court use its equitable power to effect a
23 reformation of the Promissory Note, that conforms to the agreement was reached by Plaintiff
24 and Defendants, *to wit*, that:

- 25 (a) The rate of interest on the Promissory Note be reformed to reflect the
26 fixed rate of 5.626% (in lieu of the 7.15% fixed rate of interest reflected
27 in the forged Promissory Note);
- 28 (b) That the length of time of the fixed interest rate be reformed to reflect a

1 five-year period (in lieu of the three-year period reflected in the forged
2 Promissory Note).

3 89. Plaintiff will suffer prejudice and pecuniary loss unless the Promissory Note is
4 reformed to reflect the true terms of the mortgage. No other parties will be prejudiced by the
5 reformation requested.

6
7 **NINTH CAUSE OF ACTION**

8 ***(Violation of Truth-in-Lending—Against all Defendants)***

9 90..Plaintiff realleges and incorporates herein by this reference each of the
10 allegations contained in Paragraphs 1 through 89 above, as though fully set forth herein.

11 91. The Trust in Lending Act (TILA) applies because the transaction involves the
12 extension of credit to a consumer for personal, family or household purposes that is subject to a
13 finance charge and/or payable by written agreement in more than four installments pursuant to
14 15 U.S.C. §§1601-1666j.

15 92. Defendants violated TILA by failing to provide Plaintiff with accurate material
16 disclosures required under TILA, as alleged herein. In particular, Plaintiff was provide a Truth-
17 in-Lending Statement that reflected a fixed rate of interest of 5.626% during the initial years of
18 the loan. However, Defendants have charged a rate of interest of 7.15% for those same years of
19 the loan.

20 93. Defendants further violated TILA by failing to provide Plaintiff with accurate
21 material disclosures required under TILA, by failing to adequately disclose that Plaintiff's loan
22 would be subject to negative amortization, thereby reducing Plaintiff's equity in the residence.

23 94. Defendants further violated TILA by failing to provide Plaintiff with accurate
24 material disclosures under TILA involving the applicable rate of interest, the amount of interest
25 paid over the life of the loan, as intended by the legislature when the statute was approved.

26 95. Plaintiff chose this loan without knowing that it was a negative amortizing loan
27 and subject to a loan to value greater than the original loan value.

28 96. The variable interest rates were not adequately disclosed in the documentation

1 provided to Plaintiff. In fact, the interest rate represented to Plaintiff was substantially lower
2 than the amount that Defendants actually charged.

3 97. Due to Defendants' violations of the TILA, Plaintiff is entitled to enhanced
4 remedies and damages under the TILA, including double the amount of the interest charged and
5 reimbursement of attorney's fees.

6
7 **TENTH CAUSE OF ACTION**

8 ***(Unfair and Deceptive Business Act Practices—Against All Defendants)***

9 98. Plaintiff realleges and incorporates herein by this reference each of the
10 allegations contained in Paragraphs 1 through 97 above, as though fully set forth herein.

11 99. Defendants failed to properly adjust and disclose facts and circumstances relating
12 to Plaintiff's mortgage loan and placed Plaintiff in a loan, by way of misleading facts, which
13 Plaintiff would never have approved but for the misleading and undisclosed facts, as herein
14 alleged. Defendants did have knowledge of these facts and circumstances but failed to disclose
15 them, as herein alleged. Defendants also used various rates and charges to disguise the actual
16 payment schedule and interest rate.

17 100. By reason of Defendants fraudulent, deceptive, unfair and other wrongful
18 conduct as herein alleged, said Defendants violated California Business and Professions Code
19 §17200 et seq. by consummating an unlawful, unfair and fraudulent business practice, designed
20 to impair/deprive Plaintiff of her equity and to extract an interest rate significantly higher than
21 was promised by Defendants to Plaintiff.

22 101. By reason of the foregoing, Plaintiff has suffered and continues to suffer damages
23 in a sum which is, as yet unascertained.

24
25 **ELEVENTH CAUSE OF ACTION**

26 ***(Predatory Lending; California Bus. & Prof. Code §17200—Against All Defendants)***

27 102. Plaintiff realleges and incorporates herein by this reference each of the
28 allegations contained in Paragraphs 1 through 101 above, as though fully set forth herein.

1 103. The Office of Comptroller of the Currency defines Predatory Lending as any lien
2 secured by real estate which shares well known common characteristics that result in Unfair and
3 Deceptive Business Practices under California Business and Professions Code §17200 et seq.

4 104. Acts undertaken by the Defendants here that are consistent with the Office of the
5 Comptroller's definition include the fact that this loan was marketed in a way which fails to
6 disclose all material terms and includes terms and provisions which are unfair, fraudulent and/or
7 unconscionable.

8 105. This loan was marketed in whole or in part on the basis of fraud, exaggeration,
9 misrepresentation or the concealment of a material fact.

10 106. The loan does not plainly and prominently disclose on the good faith estimate of
11 closing costs the size of any yield spread premium paid directly or indirectly, in whole or in part,
12 to a mortgage loan officer.

13 107. This loan is a Negative Amortization Loan, where the borrower is under the
14 belief that the payment and rate are actually such that the balance will not increase. In reality,
15 the loan made by Defendants caused the loan balance to increase monthly, despite the payment
16 of the mortgage payment.

17 108. By reason of the foregoing, Plaintiff has suffered and continues to suffer damages
18 in a sum which is, as yet unascertained.

19
20 **PRAYER FOR RELIEF**

21 **WHEREFORE,** Plaintiffs pray for judgment against Defendants as follows:

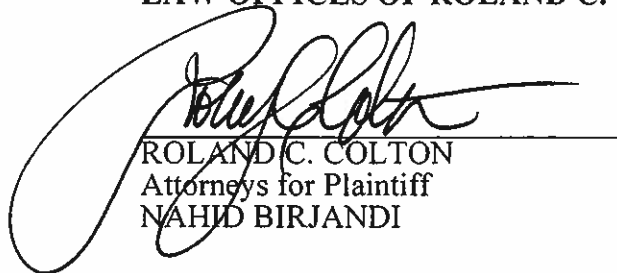
- 22 1. General damages in according to proof;
- 23 2. Exemplary and/or punitive damages, according to proof, where appropriate;
- 24 3. Special and/or consequential damages in an amount to be ascertained, according
25 to proof;
- 26 4. Double the amount of interest wrongfully charged;
- 27 5. A reformation of the Promissory Note to reflect the fixed-rate of interest agreed
28 to and the length of time that the fixed-rate of interest was agreed to;

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- 6. For an accounting;
- 7. Prejudgment interest, where appropriate;
- 8. For reasonable attorney's fees according to proof;
- 9. For costs of suit incurred herein; and
- 10. For such other and further relief as the Court may deem just and proper.

DATED: April 26, 2010

LAW OFFICES OF ROLAND C. COLTON



ROLAND C. COLTON
Attorneys for Plaintiff
NAHID BIRJANDI

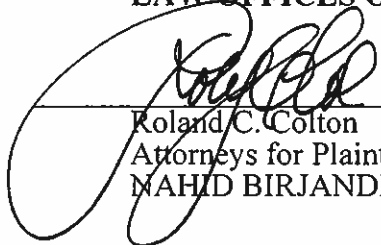
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REQUEST FOR TRIAL BY JURY

Plaintiff hereby requests that all causes of action, other than equitable relief, be tried before a jury in this matter.

LAW OFFICES OF ROLAND C. COLTON

Dated: April 26, 2010



Roland C. Colton
Attorneys for Plaintiff
MAHID BIRJANDI

EXHIBIT "A"

REDACTED VERSION



WACHOVIA

www.wachovia.com

0048271159

Uniform Residential Loan/Equity Line of Credit Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this loan application is for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below)

Handwritten signature of the borrower

I TYPE OF MORTGAGE AND TERMS OF LOAN
Mortgage Applied for: VA, FHA, Conventional, Other (explain)
Agency Case Number:
Lender Case Number: 0048271159
Amount: \$1,538,000.00
Interest Rate: 7.150%
No. of Months: 360
Amortization Type: GPM
Fixed Rate:
Other (explain): ARM (type):
3 YEAR FIXED RATE PICK-A-PAYMENT

II PROPERTY INFORMATION AND PURPOSE OF LOAN
Subject Property Address (street, city, state, ZIP): 63 ASSELMAN ROAD, LAGUNA HILLS, CA 92653-1021
Legal Description of Subject Property (attach description if necessary):
Year Built: 1988
Purpose of Loan: Purchase, Construction, Equity Line of Credit, Refinance, Construction-Permanent, Other (explain)
Property will be: Primary Residence, Secondary Residence, Investment

Complete this line if construction or construction-permanent loan.
Year Let Acquired:
Original Cost:
Amount Existing Loan:
(e) Present Value of Lot:
(d) Cost of Improvements:
Total (a+b):

Complete this line if this is a refinance loan.
Year Acquired:
Original Cost:
Amount Existing Loan:
Purpose of Refinance:
Describe Improvements made or to be made:
Title will be held in what name(s):
Manner in which Title will be held:
Estate will be held in: Fee Simple, Leasehold (state expiration date)

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)

III BORROWER INFORMATION
Borrower: Name (include Jr. or Sr. if applicable), Social Security Number, Home Phone (incl. area code), DOB (MM/DD/YYYY), Yes School
Co-Borrower: Name (include Jr. or Sr. if applicable), Social Security Number, Home Phone (incl. area code), DOB (MM/DD/YYYY), Yes School

Borrower's or Co-Borrower's E-Mail Address:
Married, Unmarried (include single, divorced, widowed), Separated, Dependents (not listed by Co-Borrower), Dependents (not listed by Borrower)
Present Address (street, city, state, ZIP), Own, Rent, No. Yrs.
Mailing Address, if different from Present Address

If residing at present address for less than two years, complete the following
Former Address (street, city, state, ZIP), Own, Rent, No. Yrs.
Former Address (street, city, state, ZIP), Own, Rent, No. Yrs.

IV. EMPLOYMENT INFORMATION
Borrower: Name & Address of Employer, Self Employed, Yes on this job, Position/Title/Type of Business, Business Phone (incl. area code)
Co-Borrower: Name & Address of Employer, Self Employed, Yes on this job, Position/Title/Type of Business, Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following
Name & Address of Employer, Self Employed, Dates (from - to), Monthly Income
Position/Title/Type of Business, Business Phone (incl. area code)

Borrower's Initials X
Co-Borrower's Initials X
Freddie Mac Form 68 07/06
Fannie Mae Form 1003 07/06
0F446A (2004-03-5) ALL STATES



0048271163

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION							
Source Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed	
Base Empl. Income*	\$	\$	\$	\$			
Qualify							
Business							
Commodities							
Dividend/Interest							
Net Rental Income							
Other (before completing see the notes in "Describe Other Income" below)		0.00					
Total	\$	\$	\$	\$			

* Self-Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income	Notes	Address, child support, or separate maintenance income need not be reported if the Borrower (B) or Co-Borrower (C) does not	is it considered for repaying this loan	Monthly Amount
BC				\$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried borrowers, or separately by each borrower, on a combined basis, otherwise, separate Statements and Schedules to this Statement and supporting schedules must be completed about that spouse or other person also.

Completed Jointly Not Jointly

ASSETS		Cash or Market Value	LIABILITIES		
Description			Monthly Payment & Months Left to Pay	Unpaid Balance	
Cash deposits (include purchases held by)	\$				
List checking and savings accounts below					
Name and address of Bank, BNL, or Credit Union					
Total Current Checking/Savings					
Acct. no.	\$				
Name and address of Bank, BNL, or Credit Union					
Acct. no.	\$				
Name and address of Bank, BNL, or Credit Union					
Acct. no.	\$				
Name and address of Bank, BNL, or Credit Union					
Acct. no.	\$				
Stocks & Bonds (Company name/number & description)	\$				
Total Stocks/Bonds/Invest/Stock					
Life Insurance net cash value	\$				
Piece artwork \$ 0.00	\$				
Unrefined Liquid Assets	\$				
Real estate owned (enter market value from schedule of real estate owned)	\$				
Unpaid interest in retirement fund	\$				
Net worth of business(es) owned (include financial statements)	\$				
Automobiles owned (make and year)	\$				
Other Assets (describe)	\$				
Total Assets a.	\$		Total Liabilities b.		

Borrower's Initials N.B.

Co-Borrower's Initials _____

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VI. ASSETS AND LIABILITIES (cont.)							
Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)							
Property Address (enter B if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgage & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
Totals							

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s)

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS												
a. Purchase price	<p>If you answer "Yes" to any questions a through l, please use continuation sheet for explanation</p> <p>a. Are there any outstanding judgments against you?</p> <p>b. Have you been declared bankrupt within the past 7 years?</p> <p>c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?</p> <p>d. Are you a party to a lease?</p> <p>e. Have you directly or indirectly been obligated on any loan which resulted in late foreclosure, or judgment? (This would include such loans as home mortgage loans, auto loans, education loans, manufactured (mobile) home loans, any mortgage financial if "Yes," provide details, including date, name and address of lender, FHA or VA case number, if any, and reasons for the action.)</p> <p>f. Are you presently delinquent or in default on any Federal debt or any other debt, mortgage, financial obligation, loan, or loan guarantee? If "Yes," give details as described in the preceding question.</p> <p>g. Are you obligated to pay alimony, child support, or separate maintenance?</p> <p>h. Is any part of the down payment borrowed?</p> <p>i. Are you a co-maker or endorser on a note?</p> <p>j. Are you a U.S. citizen?</p> <p>k. Are you a permanent resident alien?</p> <p>l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.</p> <p>m. Have you had an ownership interest in a property in the last three years?</p> <p>(1) What type of property did you own: principal residence (PR), second home (SH), or investment property (IP)?</p> <p>(2) How did you hold title to the home: solely by yourself (S), jointly with your spouse (SP), or jointly with another person (JP)?</p>	<table border="1"> <tr> <th colspan="2">Borrower</th> <th colspan="2">Co-Borrower</th> </tr> <tr> <th>Yes</th> <th>No</th> <th>Yes</th> <th>No</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Borrower		Co-Borrower		Yes	No	Yes	No				
Borrower		Co-Borrower												
Yes		No	Yes	No										
b. Alterations, improvements, repairs														
c. Land (if acquired separately)														
d. Refinance (incl. debts to be paid off)														
e. Estimated unpaid loans														
f. Estimated closing costs														
g. PMI, MIP, Funding Fee														
h. Discount (if Borrower will pay)														
i. Total costs (add items a through h)														
j. Subordinate financing														
k. Borrower's closing costs paid by Seller														
l. Other Credits (explain)														
Cash Outside Of Escrow														
m. Loan amount (exclude PMI, MIP, Funding Fee financed)														
n. PMI/MIP/Funding Fee financed														
o. Loan amount (add m & n)														
p. Cash from Borrower (Federal L & L & Item 8)														

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of the information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including but not limited to fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be accepted or included in this application; (6) the Lender, its servicer, successors and assigns may continuously rely on the information contained in this application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the loan; (7) in the event that my payments on the loan become delinquent, the Lender, its servicer, successors and assigns may in addition to any other rights and remedies that I may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (8) ownership of the Loan under administration of the Loan account may be transferred with such action as may be required by law; (9) neither Lender nor its agents, brokers, insurers, servicers, processors or assigns has made any representation or warranty express or implied to me regarding the property or the condition or value of the property; and (10) my transmission of this application or my "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and state laws (including state and video recording), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective as my original signature and as if a paper version of this application was delivered containing my original written signature.

Acknowledgment: Each of the undersigned hereby acknowledges that any owner of the Loan, its servicer, successors and/or assigns, may verify or privately any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature: *[Signature]* Date: 3-13-08 Co-Borrower's Signature: *[Signature]* Date: *[Blank]*

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

Please complete this section only if: (1) you are a natural person (not a trust, partnership, corporation, etc.); and (2) the purpose of this loan is to purchase property or refinance property that currently has a loan on it or obtain an equity line of credit.

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of the information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, the lender is required to note the information on the basis of visual observation or surname if you have made this application in person. If you do not wish to furnish the information, please check the box below (Lender may review the above material to ensure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

<input checked="" type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be Completed by Interviewer

This application was taken by: Face-to-face interview Mail Telephone Internet

Interviewer's Name (print or type): *[Signature]* Date: *[Signature]*

Interviewer's Phone Number (incl. area code): (800) 951-7811

Name and Address of Interviewer's Employer: HOME LOAN CONSULTANTS, 2615 FLANDERS DRIVE, SUITE # 150, SAN DIEGO CA, 92121

0048271169

Continuation Sheet/Residential Loan Application		
Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.	Borrower	Agency Case Number
	Co-Borrower	Lender Case Number

[A large, diagonal handwritten mark, possibly a signature or scribble, spans across the middle of the page.]

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18 United States Code, Section 1001, et seq.

Borrower's Signature	Date	Co-Borrower's Signature	Date
<i>[Handwritten Signature]</i>	3-13-08		

EXHIBIT "B"

TRUTH IN LENDING DISCLOSURE STATEMENT
(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Applicants: **BIRJANDI, NAHID**
Property Address: **59 Asilomar Rd,**
Application No:

Prepared By: **Yvonne**
Laguna Niguel, CA 92677
Date Prepared: **Jan 14, 2008**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
5.730 %	\$ 2,131,452.50	\$ 1,808,557.00	\$ 3,940,009.50

REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit
PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payments Are Due	When Payments Are Due	Number of Payments	Amount of Payments Are Due	When Payments Are Due
60	\$8,606.25	03/01/2008	299	\$11,412.11	03/01/2013
1	\$11,413.75	02/01/2038			

DEMAND FEATURE: This obligation has a demand feature.
 VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signature
Credit Life		I want credit life insurance. Signature:
Credit Disability		I want credit disability insurance. Signature:
Credit Life and Disability		I want credit life and disability insurance. Signature:

INSURANCE: The following insurance is required to obtain credit:

Credit life insurance Credit disability Property insurance Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor

If you purchase property flood insurance from creditor you will pay for a one year term.

SECURITY: You are giving a security interest in: 59 Asilomar Rd, Laguna Niguel, CA 92677

The goods or property being purchased Real property you already own.

FILING FEES:

LATE CHARGE: If a payment is more than 15 days late, you will be charged 5.000% of the payment

PREPAYMENT: If you pay off early, you

may will not have to pay a penalty.

may will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

may may, subject to conditions may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties

* means an estimate all dates and numerical disclosures except the late payment disclosures are estimates.

* * NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

Jan 14, 2008
(Applicant) (Date)

Jan 14, 2008
(Applicant) (Date)

Jan 14, 2008
(Applicant) (Date)

Jan 14, 2008
(Applicant) (Date)

Jan 14, 2008
(Lender) (Date)

EXHIBIT "C"

WACHOVIA MORTGAGE, FSB	FEDERAL TRUTH IN LENDING DISCLOSURE REQUIRED BY REGULATION Z
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Customer's Name
NAHID BIRJANDI

Date **March 12, 2009**
Loan No **0048271159**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled	The total price of your purchase on credit including your down payment of
7.832 %	\$ 3,397,735.38	\$ 1,826,495.25	\$ 5,224,230.63	Not Applicable
				Not Applicable

Your payment schedule will be.

Number of Payments	Amount of Payments	When Payments are Due:
		MONTHLY beginning on
12	\$ 8,607.32	05/01/08
12	9,252.87	05/01/09
12	9,946.84	05/01/10
12	10,692.85	05/01/11
12	11,494.81	05/01/12
12	12,356.92	05/01/13
12	13,283.69	05/01/14
12	14,279.97	05/01/15
12	15,350.97	05/01/16
251	15,718.41	05/01/17
1	16,714.84	04/01/38

VARIABLE RATE: THIS LOAN CONTAINS AN ADJUSTABLE RATE FEATURE. SEE THE ADJUSTABLE LOAN PROGRAM DISCLOSURE STATEMENT PREVIOUSLY GIVEN TO YOU.

This loan DOES NOT HAVE A DEMAND FEATURE.

Insurance You may obtain property insurance from anyone you want who is acceptable to the Lender

Security You are giving a security interest in the real property located at **59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021**

Filing Fees \$ 125.00

Late Charge If a payment is late, you will be charged **5.00%** of the payment

Prepayment If you pay off the loan early, you **MAY** have to pay a penalty and you **WILL NOT** be entitled to a refund of **ANY PART OF THE FINANCE CHARGE ALREADY PAID.**

Assumption **SOMEONE BUYING YOUR HOUSE CAN ASSUME THE REMAINDER OF THE LOAN UNDER CERTAIN TERMS AND CONDITIONS. TERMS MAY BE DIFFERENT FROM YOUR ORIGINAL TERMS - SEE YOUR ADJUSTABLE LOAN PROGRAM DISCLOSURE STATEMENT.**

Due on Sale If the property securing the loan is sold or transferred to anyone without first obtaining Lender's written consent, all sums owed could become immediately due and payable in this event failure to pay all the sums declared due and payable may result in the forced sale of the property

See your Contract documents for additional information about non-payment, default, any required repayment in full before the scheduled date and other important terms and conditions of your loan

By signing below, you acknowledge that you received a copy of this FEDERAL TRUTH IN LENDING DISCLOSURE


NAHID BIRJANDI

3/13/09
Date



GF424A1 (2004-03-0)

FINAL DISTRIBUTION 1 COPY-RETURN SIGNED TO LENDER 1 COPY-CUSTOMER 2 COPIES-FILE

CA

LENDER'S USE ONLY

EXHIBIT “D”

WACHOVIA MORTGAGE, FSB

ADJUSTABLE RATE MORTGAGE NOTE

5 YEAR FIXED RATE PICK-A-PAYMENTSM LOAN

WACHOVIA AVERAGE DEPOSIT ACCOUNT RATE (COST OF SAVINGS) INDEX

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE, MY MONTHLY PAYMENT AND MY UNPAID PRINCIPAL BALANCE. MY MONTHLY PAYMENT INCREASES, MY INTEREST RATE INCREASES AND MY PRINCIPAL BALANCE INCREASES ARE LIMITED. THIS NOTE IS SECURED BY A SECURITY INSTRUMENT OF THE SAME DATE.

LOAN NUMBER: 0048271159

DATE: March 12, 2008

BORROWER(S): NAHID BIRJANDI, A MARRIED WOMAN sometimes called "Borrower" and sometimes simply called "I" or "me."

PROPERTY ADDRESS: 59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$1,836,000.00, called "Principal," plus interest, and any other charges incurred during the course of the loan, to the order of the Lender. The Lender is WACHOVIA MORTGAGE, FSB, a FEDERAL SAVINGS BANK, ITS SUCCESSORS AND/OR ASSIGNEES, or anyone to whom this Note is transferred.

2. INTEREST RATE MODIFICATION PERIOD

This Note contains a "Modification Period." The Modification Period begins at the same time the obligations evidenced by this Note begin and it continues until April 1, 2011.

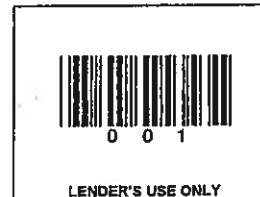
During this Modification Period, I will pay interest at the fixed yearly rate of 5.626%. After the Modification Period, I will pay interest as described in Section 3 of this Note.

3. INTEREST

(A) Interest Rate

Interest will be charged on unpaid Principal until the full amount of the Principal has been paid. I will pay interest at the yearly rate of the Margin stated in Section 3(E) below plus the then current index. The interest rate I will pay may change as described in this Section 3. Interest will be charged on the basis of a twelve month year and a thirty day month.

The interest rate required by this Section 3 is the rate I will pay both before and after any default described in Section 8(B) of this Note.



(B) Interest Change Dates

The interest rate I will pay may change on the **1st day of April, 2013** and on the same day every month thereafter. Each date on which my interest rate could change is called an "Interest Change Date." The new rate of interest will become effective on each Interest Change Date.

(C) Interest Rate Limit

My lifetime maximum interest rate limit is **12.250%**, called "Lifetime Rate Cap."

(D) Index

Beginning with the first Interest Change Date, my interest rate will be based on an index. The index is the "Cost of Savings Index" as published by Wachovia Corporation. The Cost of Savings Index is the weighted average of the interest rates in effect as of the last business day of each calendar month on the U.S. dollar denominated personal time deposits (as defined by the Board of Governors of the Federal Reserve System for purposes of reporting deposits on FR 2900 by commercial banks) held by the U.S. branches and non-U.S. branches located on U.S. military facilities of the depository institution subsidiaries of Wachovia Corporation that hold federally insured deposits.

For this purpose, a business day is any calendar day other than Saturday, Sunday, or any legal holiday for national banks.

The index will be published monthly by Wachovia Corporation, on or before the fifteenth day of each month, and made readily available. The most recent index figure available on each Interest Change Date is called the "Current Index".

If an index is substituted pursuant to Section 3(F) of this Note, the alternate index will become the index.

(E) Calculation of Interest Rate Changes

Lender will calculate my new interest rate by adding **3.300** percentage points, called the "Margin," to the Current Index. Subject to the limit stated in Section 3(C) above, the result of this calculation will be my new interest rate until the next Interest Change Date.

If Lender fails to utilize the entire interest rate increase to which it is entitled under this Note on any Interest Change Date by failing to add all or part of the allowable Margin to the Current Index, then Lender may add any such allowable Margin to the Current Index on any future Interest Change Date. Lender may not, at a later date, "carryover" or add interest to which it is not entitled under this Note on any Interest Change Date.

(F) Alternate Index

The Lender may choose an alternate index if the index is no longer available. For purposes of this Section 3(F), the Cost of Savings Index or an alternate index is no longer available if:

(1) The Lender, in its sole discretion, determines that (a) the Board of Governors of the Federal Reserve System has made a material change in the definition of personal time deposits or time deposits for purposes of reporting deposits on FR 2900 or a comparable successor report; or (b) the index is otherwise calculated in a substantially different manner or based on substantially different information than at the time the index became applicable to this Note; or

(2) Applicable laws or regulations prevent the Lender from using the index to calculate interest under this Note.

The selection of an alternate index shall be at Lender's sole discretion. The alternate index may be a national or regional index or another type of index accepted or approved by the Lender's primary regulator. The Lender will give me notice of the alternate index.

4. 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 **1st day of each month beginning on May 1, 2008**. I will make these payments every month until I have paid (i) all the Principal and interest; and (ii) any other charges described below that I may owe under this Note; and (iii) any charges that may be due under the Security Instrument. If, on **April 1, 2038**, 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 **P.O. Box 659566, San Antonio, TX 78265** or at a different place if required by notice from the Lender.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ **8,607.32**. This amount will change as described in Sections 4(C) and 4(D) below. My initial monthly payment amount was selected by me from a range of initial payment amounts approved by Lender and may not be sufficient to pay the entire amount of interest accruing on the unpaid Principal balance.

(C) Payment Change Dates

My monthly payment will change as required by Section 4(D) below beginning on the **1st day of May, 2013** and on that day every **12th** month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment will also change at any time Section 4(F) or 4(G) below requires me to pay a different amount.

I will pay the amount of my new monthly payment each month beginning on each Payment Change Date and as provided in Section 4(F) or 4(G) below.

(D) Calculation of Payment Changes

Subject to Sections 4(F) and 4(G), on the Payment Change Date my monthly payment may be changed to an amount sufficient to pay the unpaid principal balance, including any deferred interest as described in Section 4(E) below, together with interest at the interest rate in effect on the day of calculation by the Maturity Date. However, the amount by which my payment can be increased will not be more than 7-1/2% of the then existing Principal and Interest payment. This 7-1/2% limitation is called the "Payment Cap." The Lender will perform this Payment Change calculation at least 60 but not more than 90 days before the Payment Change Date.

(E) Deferred Interest; Additions to My Unpaid Principal

From time to time, my monthly payments may be insufficient to pay the total amount of monthly interest that is due. If this occurs, the amount of interest that is not paid each month, called "Deferred Interest," will be added to my Principal and will accrue interest at the same rate as the Principal.

(F) Limit on My Unpaid Principal; Increased Monthly Payment

My unpaid principal balance can never exceed 125% of the Principal I originally borrowed, called "Principal Balance Cap." If, as a result of the addition of deferred interest to my unpaid principal balance, the Principal Balance Cap limitation would be exceeded on the date that my monthly payment is due, I will instead pay a new monthly payment. Notwithstanding Sections 4(C) and 4(D) above, I will pay a new monthly payment which is equal to an amount that will be sufficient to repay my then unpaid principal balance in full on the Maturity Date at the interest rate then in effect, in substantially equal payments.

(G) Payment Cap Limitation; Exceptions

Beginning with the 10th Payment Change Date and every 5th Payment Change Date thereafter, my monthly payment will be calculated as described in Section 4(D) above except that the Payment Cap limitation will not apply. Additionally, the Payment Cap limitation will not apply on the final Payment Change Date.

(H) Notice of Payment Changes

The Lender will deliver or mail to me a notice of any changes in the amount of my monthly payment, called "Payment Change Notice," before each Payment Change Date. The Payment Change Notice will include information required by law.

5. FAILURE TO MAKE ADJUSTMENTS

If for any reason Lender fails to make an adjustment to the interest rate or payment amount as described in this Note, regardless of any notice requirement, I agree that Lender may, upon discovery of such failure, then make the adjustments as if they had been made on time. I also agree not to hold Lender responsible for any damages to me which may result from Lender's failure to make the adjustment and to let the Lender, at its option, apply any excess monies which I may have paid to partial prepayment of unpaid Principal.

6. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal before it is due is called a "Prepayment". When I make a Prepayment, I will tell the Lender in writing that I am doing so. The Lender may require that any partial Prepayments be made on the date my regularly scheduled payments are due. If I make a partial Prepayment, there will be no changes in the due dates or amount of my regularly scheduled payments unless the Lender agrees to those changes in writing. I may pay deferred interest on this Note at any time without charge and such payment will not be considered a "Prepayment" of Principal.

7. MAXIMUM 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 (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Lender 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.

8. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Lender has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Lender. The amount of the charge will be 5.00% of my overdue payment of Principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

I will be in default if (i) I do not pay the full amount of each monthly payment on the date it is due; or (ii) I fail to perform any of my promises or agreements under this Note or the Security Instrument; or (iii) any statement made in my application for this loan was materially false or misleading or if any statement in my application for this loan was materially false or misleading by reason of my omission of certain facts; or (iv) I have made any other statement to Lender in connection with this loan that is materially false or misleading.

(C) Notice of Default

If I am in default, the Lender may send me a written notice, called "Notice of Default," telling me that if I do not pay the overdue amount by a certain date, the Lender may require me to pay immediately the amount of Principal which has not been paid and all the interest that I owe on that amount, plus any other amounts due under the Security Instrument.

(D) No Waiver by Lender

Even if, at a time when I am in default, the Lender does not require me to pay immediately in full as described above, the Lender will still have the right to do so if I am in default at a later time.

(E) Payment of Lender's Costs and Expenses

The Lender will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses may include, for example, reasonable attorneys' fees and court costs.

9. 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 or any Borrower at 59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021, or at a single alternative address if I give the Lender notice of my alternative address. I may give notice to Lender of a change in my address in writing or by calling Lender's customer service telephone number provided on my billing statement. I may designate only one mailing address at a time for notification purposes.

Except as permitted above for changes of address, any notice that must be given to the Lender under this Note will be given by mailing it by first class mail to the Lender at Wachovia Mortgage, FSB, P.O. Box 659558, San Antonio, TX 78265 or at a different address if I am given a notice of that different address.

10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who takes over these obligations is also obligated to keep all of the promises made in this Note. The Lender may enforce its rights 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.

11. WAIVERS

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

12. SECURED NOTE - ACCELERATION

In addition to the protections given to the Lender under this Note, the Security Instrument dated the same date as this Note gives the Lender security against which it may proceed if I do not keep the promises which I made 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 and includes the following Paragraph 26:

AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED

Acceleration of Payment of Sums Secured. Lender may, at its option, require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may, at its option, require immediate payment in full if Borrower is not a natural Person and a beneficial interest in Borrower is sold or transferred without Lender's prior written permission. However, Lender shall not require immediate payment in full if this is prohibited by Federal Law in effect on the date of the Security Instrument.

If Lender exercises the option to require immediate payment in full, Lender will give me notice of acceleration. If I fail to pay all Sums Secured by this Security Instrument immediately, Lender may then or thereafter invoke any remedies permitted by this Security Instrument without further notice to or demand on me.

Exception to Acceleration of Payment of Sums Secured. If the sale or transfer of all or any part of the Property, or of a beneficial interest in Borrower, if Borrower is not a natural Person, is the first one to occur after the date of this Security Instrument, Lender will not exercise the option to accelerate payment in full of all Sums Secured and the loan may be assumed if:

- (i) Lender receives a completed written application from transferee to evaluate the creditworthiness of transferee as if a new loan were being made to the transferee by Lender;
- (ii) Lender approves the creditworthiness of the transferee in writing;
- (iii) transferee makes a cash downpayment sufficient to meet Lender's then current underwriting standards;
- (iv) an assumption fee, in an amount to be determined by Lender (but not to exceed 1% of the balance of Principal and interest due under the Secured Notes at the time of sale or transfer of the Property or of the interest in the Borrower) is paid to Lender; and
- (v) the transferee executes an assumption agreement which is satisfactory to Lender.

The loan may be assumed under its then existing terms and conditions with one exception; the Lifetime Rate Cap may be changed. The Lifetime Rate Cap shall be changed to an interest rate which is the sum of the interest rate in effect on the date of a sale or transfer of the Property or beneficial interest in Borrower plus 5 percentage points, if that sum exceeds the Lifetime Rate Cap stated in the Secured Notes.

13. GOVERNING LAW; SEVERABILITY

This Note shall be governed by and construed under federal law and federal rules and regulations including those for federally chartered savings institutions, called "Federal Law." In the event that any of the terms or provisions of this Note are interpreted or construed by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of this Note.

14. CLERICAL ERRORS

In the event the Lender 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 mistake, calculation error, computer error, printing error or similar error, I agree, upon notice from the Lender, to reexecute any Loan Documents that are necessary to correct any such error(s) and I also agree that I will not hold the Lender responsible for any damage to me which may result from any such error.

15. LOST, STOLEN OR MUTILATED DOCUMENTS

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

THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

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

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BORROWER(S):

(Seal)

NAHID BIRJANDI

EXHIBIT “E”

WACHOVIA MORTGAGE, FSB

**ADJUSTABLE RATE MORTGAGE NOTE
3 YEAR FIXED RATE PICK-A-PAYMENTSM LOAN**

WACHOVIA AVERAGE DEPOSIT ACCOUNT RATE (COST OF SAVINGS) INDEX

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE, MY MONTHLY PAYMENT AND MY UNPAID PRINCIPAL BALANCE. MY MONTHLY PAYMENT INCREASES, MY INTEREST RATE INCREASES AND MY PRINCIPAL BALANCE INCREASES ARE LIMITED. THIS NOTE IS SECURED BY A SECURITY INSTRUMENT OF THE SAME DATE.

LOAN NUMBER 0048271159

DATE March 12, 2008

BORROWER(S) NAHID BIRJANDI, A MARRIED WOMAN sometimes called "Borrower" and sometimes simply called "I" or "me"

PROPERTY ADDRESS 59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$1,836,000.00, called "Principal," plus interest, and any other charges incurred during the course of the loan, to the order of the Lender. The Lender is WACHOVIA MORTGAGE, FSB, a FEDERAL SAVINGS BANK, ITS SUCCESSORS AND/OR ASSIGNEES, or anyone to whom this Note is transferred.

2. INTEREST RATE MODIFICATION PERIOD

This Note contains a "Modification Period." The Modification Period begins at the same time the obligations evidenced by this Note begin and it continues until April 1, 2011.

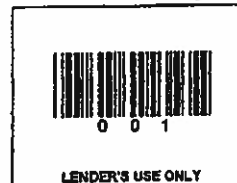
During this Modification Period, I will pay interest at the fixed yearly rate of 7.150%. After the Modification Period, I will pay interest as described in Section 3 of this Note.

3. INTEREST

(A) Interest Rate

Interest will be charged on unpaid Principal until the full amount of the Principal has been paid. I will pay interest at the yearly rate of the Margin stated in Section 3(E) below plus the then current index. The interest rate I will pay may change as described in this Section 3. Interest will be charged on the basis of a twelve month year and a thirty day month.

The interest rate required by this Section 3 is the rate I will pay both before and after any default described in Section 8(B) of this Note.



SD260A (2007-04-4)

ADJUSTABLE PICK-A-PAYMENT NOTE - 3 YEAR FIXED

CA

Page 1

0048271159

(B) Interest Change Dates

The interest rate I will pay may change on the 1st day of April, 2011 and on the same day every month thereafter. Each date on which my interest rate could change is called an "Interest Change Date." The new rate of interest will become effective on each Interest Change Date.

(C) Interest Rate Limit

My lifetime maximum interest rate limit is 12.250%, called "Lifetime Rate Cap."

(D) Index

Beginning with the first Interest Change Date, my interest rate will be based on an Index. The Index is the "Cost of Savings Index" as published by Wachovia Corporation. The Cost of Savings Index is the weighted average of the interest rates in effect as of the last business day of each calendar month on the U.S. dollar denominated personal time deposits (as defined by the Board of Governors of the Federal Reserve System for purposes of reporting deposits on FR 2900 by commercial banks) held by the U.S. branches and non-U.S. branches located on U.S. military facilities of the depository institution subsidiaries of Wachovia Corporation that hold federally insured deposits.

For this purpose, a business day is any calendar day other than Saturday, Sunday, or any legal holiday for national banks.

The Index will be published monthly by Wachovia Corporation, on or before the fifteenth day of each month, and made readily available. The most recent index figure available on each Interest Change Date is called the "Current Index."

If an Index is substituted pursuant to Section 3(F) of this Note, the alternate index will become the Index.

(E) Calculation of Interest Rate Changes

Lender will calculate my new interest rate by adding 3.300 percentage points, called the "Margin," to the Current Index. Subject to the limit stated in Section 3(C) above, the result of this calculation will be my new interest rate until the next Interest Change Date.

If Lender fails to utilize the entire interest rate increase to which it is entitled under this Note on any Interest Change Date by failing to add all or part of the allowable Margin to the Current Index, then Lender may add any such allowable Margin to the Current Index on any future Interest Change Date. Lender may not, at a later date, "carryover" or add interest to which it is not entitled under this Note on any Interest Change Date.

(F) Alternate Index

The Lender may choose an alternate index if the Index is no longer available. For purposes of this Section 3(F), the Cost of Savings Index or an alternate index is no longer available if:

(1) The Lender, in its sole discretion, determines that (a) the Board of Governors of the Federal Reserve System has made a material change in the definition of personal time deposits or time deposits for purposes of reporting deposits on FR 2900 or a comparable successor report, or (b) the Index is otherwise calculated in a substantially different manner or based on substantially different information than at the time the Index became applicable to this Note, or

(2) Applicable laws or regulations prevent the Lender from using the Index to calculate interest under this Note.

The selection of an alternate index shall be at Lender's sole discretion. The alternate index may be a national or regional index or another type of index accepted or approved by the Lender's primary regulator. The Lender will give me notice of the alternate index.

4 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 1st day of each month beginning on May 1, 2008. I will make these payments every month until I have paid (i) all the Principal and interest, and (ii) any other charges described below that I may owe under this Note, and (iii) any charges that may be due under the Security Instrument. If, on April 1, 2038, 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 P.O. Box 659568, San Antonio, TX 78265 or at a different place if required by notice from the Lender.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ 8,607.32. This amount will change as described in Sections 4(C) and 4(D) below. My initial monthly payment amount was selected by me from a range of initial payment amounts approved by Lender and may not be sufficient to pay the entire amount of interest accruing on the unpaid Principal balance.

(C) Payment Change Dates

My monthly payment will change as required by Section 4(D) below beginning on the 1st day of May, 2009 and on that day every 12th month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment will also change at any time Section 4(F) or 4(G) below requires me to pay a different amount.

0048271159

I will pay the amount of my new monthly payment each month beginning on each Payment Change Date and as provided in Section 4(F) or 4(G) below

(D) Calculation of Payment Changes

Subject to Sections 4(F) and 4(G), on the Payment Change Date my monthly payment may be changed to an amount sufficient to pay the unpaid principal balance, including any deferred interest as described in Section 4(E) below, together with interest at the interest rate in effect on the day of calculation by the Maturity Date. However, the amount by which my payment can be increased will not be more than 7-1/2% of the then existing Principal and Interest payment. This 7-1/2% limitation is called the "Payment Cap." The Lender will perform this Payment Change calculation at least 60 but not more than 90 days before the Payment Change Date.

(E) Deferred Interest; Additions to My Unpaid Principal

From time to time, my monthly payments may be insufficient to pay the total amount of monthly interest that is due. If this occurs, the amount of interest that is not paid each month, called "Deferred Interest," will be added to my Principal and will accrue interest at the same rate as the Principal.

(F) Limit on My Unpaid Principal, Increased Monthly Payment

My unpaid principal balance can never exceed 125% of the Principal I originally borrowed, called "Principal Balance Cap." If, as a result of the addition of deferred interest to my unpaid principal balance, the Principal Balance Cap limitation would be exceeded on the date that my monthly payment is due, I will instead pay a new monthly payment. Notwithstanding Sections 4(C) and 4(D) above, I will pay a new monthly payment which is equal to an amount that will be sufficient to repay my then unpaid principal balance in full on the Maturity Date at the interest rate then in effect, in substantially equal payments.

(G) Payment Cap Limitation, Exceptions

Beginning with the 10th Payment Change Date and every 5th Payment Change Date thereafter, my monthly payment will be calculated as described in Section 4(D) above except that the Payment Cap limitation will not apply. Additionally, the Payment Cap limitation will not apply on the final Payment Change Date.

(H) Notice of Payment Changes

The Lender will deliver or mail to me a notice of any changes in the amount of my monthly payment, called "Payment Change Notice," before each Payment Change Date. The Payment Change Notice will include information required by law.

5. FAILURE TO MAKE ADJUSTMENTS

If for any reason Lender fails to make an adjustment to the interest rate or payment amount as described in this Note, regardless of any notice requirement, I agree that Lender may, upon discovery of such failure, then make the adjustments as if they had been made on time. I also agree not to hold Lender responsible for any damages to me which may result from Lender's failure to make the adjustment and to let the Lender, at its option, apply any excess monies which I may have paid to partial prepayment of unpaid Principal.

6. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal before it is due is called a "Prepayment". When I make a Prepayment, I will tell the Lender in writing that I am doing so. The Lender may require that any partial Prepayments be made on the date my regularly scheduled payments are due. If I make a partial Prepayment, there will be no changes in the due dates or amount of my regularly scheduled payments unless the Lender agrees to those changes in writing. I may pay deferred interest on this Note at any time without charge and such payment will not be considered a "Prepayment" of Principal. During the first 3 years of the loan term if I make one or more Prepayments that, in the aggregate, exceed \$5,000 in any calendar month, I must pay a prepayment charge equal to 2% of the amount such Prepayments exceed \$5,000 in that calendar month. After the first 3 years of the loan term, I may make a full or partial Prepayment without paying any prepayment charge.

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7. MAXIMUM 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 (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Lender 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.

8. BORROWER'S FAILURE TO PAY AS REQUIRED**(A) Late Charges for Overdue Payments**

If the Lender has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Lender. The amount of the charge will be 5.00% of my overdue payment of Principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

I will be in default if (i) I do not pay the full amount of each monthly payment on the date it is due, or (ii) I fail to perform any of my promises or agreements under this Note or the Security Instrument, or (iii) any statement made in my application for this loan was materially false or misleading or if any statement in my application for this loan was materially false or misleading by reason of my omission of certain facts, or (iv) I have made any other statement to Lender in connection with this loan that is materially false or misleading.

(C) Notice of Default

If I am in default, the Lender may send me a written notice, called "Notice of Default," telling me that if I do not pay the overdue amount by a certain date, the Lender may require me to pay immediately the amount of Principal which has not been paid and all the interest that I owe on that amount, plus any other amounts due under the Security Instrument.

(D) No Waiver by Lender

Even if, at a time when I am in default, the Lender does not require me to pay immediately in full as described above, the Lender will still have the right to do so if I am in default at a later time.

(E) Payment of Lender's Costs and Expenses

The Lender will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses may include, for example, reasonable attorneys' fees and court costs.

9. 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 or any Borrower at 59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021, or at a single alternative address if I give the Lender notice of my alternative address. I may give notice to Lender of a change in my address in writing or by calling Lender's customer service telephone number provided on my billing statement. I may designate only one mailing address at a time for notification purposes.

Except as permitted above for changes of address, any notice that must be given to the Lender under this Note will be given by mailing it by first class mail to the Lender at Wachovia Mortgage, FSB, P O Box 656558, San Antonio, TX 78265 or at a different address if I am given a notice of that different address.

10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who takes over these obligations is also obligated to keep all of the promises made in this Note. The Lender may enforce its rights 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.

11. WAIVERS

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

12. SECURED NOTE - ACCELERATION

In addition to the protections given to the Lender under this Note, the Security Instrument dated the same date as this Note gives the Lender security against which it may proceed if I do not keep the promises which I made 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 and includes the following Paragraph 26:

AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED

Acceleration of Payment of Sums Secured. Lender may, at its option, require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may, at its option, require immediate payment in full if Borrower is not a natural Person and a beneficial interest in Borrower is sold or transferred without Lender's prior written permission. However, Lender shall not require immediate payment in full if this is prohibited by Federal Law in effect on the date of the Security Instrument.

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If Lender exercises the option to require immediate payment in full, Lender will give me notice of acceleration. If I fail to pay all Sums Secured by this Security Instrument immediately, Lender may then or thereafter invoke any remedies permitted by this Security Instrument without further notice to or demand on me.

Exception to Acceleration of Payment of Sums Secured. If the sale or transfer of all or any part of the Property, or of a beneficial interest in Borrower, if Borrower is not a natural Person, is the first one to occur after the date of this Security Instrument, Lender will not exercise the option to accelerate payment in full of all Sums Secured and the loan may be assumed if

- (i) Lender receives a completed written application from transferee to evaluate the creditworthiness of transferee as if a new loan were being made to the transferee by Lender.
- (ii) Lender approves the creditworthiness of the transferee in writing.
- (iii) transferee makes a cash downpayment sufficient to meet Lender's then current underwriting standards,
- (iv) an assumption fee, in an amount to be determined by Lender (but not to exceed 1% of the balance of Principal and interest due under the Secured Notes at the time of sale or transfer of the Property or of the interest in the Borrower) is paid to Lender; and
- (v) the transferee executes an assumption agreement which is satisfactory to Lender.

The loan may be assumed under its then existing terms and conditions with one exception, the Lifetime Rate Cap may be changed. The Lifetime Rate Cap shall be changed to an interest rate which is the sum of the interest rate in effect on the date of a sale or transfer of the Property or beneficial interest in Borrower plus 5 percentage points, if that sum exceeds the Lifetime Rate Cap stated in the Secured Notes.

13. GOVERNING LAW, SEVERABILITY

This Note shall be governed by and construed under federal law and federal rules and regulations including those for federally chartered savings institutions, called "Federal Law." In the event that any of the terms or provisions of this Note are interpreted or construed by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of this Note.

14. CLERICAL ERRORS

In the event the Lender 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 mistake, calculation error, computer error, printing error or similar error, I agree, upon notice from the Lender, to reexecute any Loan Documents that are necessary to correct any such error(s) and I also agree that I will not hold the Lender responsible for any damage to me which may result from any such error.

15. LOST, STOLEN OR MUTILATED DOCUMENTS

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

THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS

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SIGNATURE PAGE

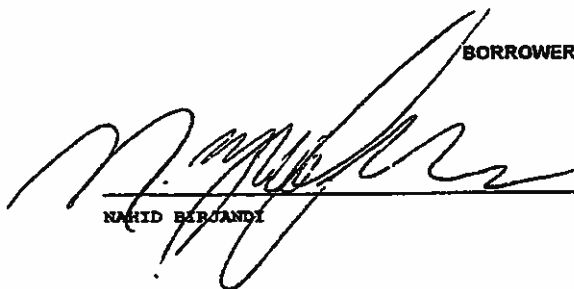
NOTICE TO BORROWER(S):

BY SIGNING THIS NOTE YOU AGREE TO PAY A PREPAYMENT CHARGE IN CERTAIN CIRCUMSTANCES. PLEASE CAREFULLY READ THIS ENTIRE NOTE (INCLUDING THE PREPAYMENT PROVISION) BEFORE YOU SIGN IT.

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

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BORROWER(S):



NAHID BABJANDI (Seal)

EXHIBIT “F”

LSI Local Solutions
Fidelity Information Services

Recorded in Official Records, Orange County

Tom Daly, Clerk-Recorder

66.00

2008000126780 09:38am 03/19/08

108 73 D11 21

0.00 0.00 0.00 0.00 60.00 0.00 0.00 0.00

RECORDING REQUESTED BY:
WACHOVIA MORTGAGE, FSB

WHEN RECORDED MAIL TO:
WACHOVIA MORTGAGE, FSB
FINAL DOCUMENTATION
CLOSING DEPARTMENT
P.O. BOX 659548
SAN ANTONIO, TX 78265-9548

LOAN NUMBER: 0048271159

NOTE AMOUNT: \$1,836,000.00

FOR RECORDER'S USE ONLY

4157089
WFD-251-06

DEED OF TRUST

THIS IS A FIRST DEED OF TRUST WHICH SECURES A NOTE WHICH CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE, FREQUENCY AND AMOUNT OF PAYMENTS AND PRINCIPAL BALANCE (INCLUDING FUTURE ADVANCES AND DEFERRED INTEREST). AT LENDER'S OPTION THE SECURED NOTE MAY BE RENEWED OR RENEGOTIATED. THE SECURED NOTE PROVIDES FOR MONTHLY PAYMENTS OF PRINCIPAL AND INTEREST.

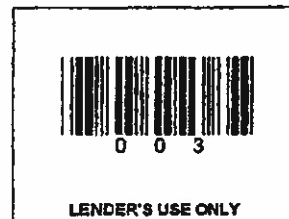
THE MAXIMUM AGGREGATE PRINCIPAL BALANCE SECURED BY THIS DEED OF TRUST IS \$2,295,000.00 WHICH IS 125% OF THE ORIGINAL PRINCIPAL NOTE AMOUNT.

I. DEFINITIONS OF WORDS USED IN THIS DEED OF TRUST

(A) Security Instrument. This Deed of Trust, which is dated March 12, 2008, will be called the "Security Instrument."

(B) Borrower. NAHID BIRJANDI, A MARRIED WOMAN, sometimes will be called "Borrower" and sometimes simply "I" or "me."

(C) Lender. WACHOVIA MORTGAGE, FSB, ITS SUCCESSORS AND/OR ASSIGNEES, will be called "Lender." Lender is a FEDERAL SAVINGS BANK, which is organized and exists under the laws of the United States. Lender's address is 4101 Wiseman Blvd., San Antonio, TX 78251 .



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(D) **Note.** The note signed by Borrower and having the same date as this Security Instrument, including all extensions, renewals, substitutions and modifications thereof, will be called the "Note." The Note shows that I owe Lender the original principal amount of U.S. \$1,836,000.00, plus accrued and deferred interest and such other amounts as stated in the Note. I have promised to pay this debt in regularly scheduled periodic payments as provided in the Note and to pay the debt in full by April 1, 2038 ("Maturity Date").

(E) **Property.** The property that is described below in Section III entitled "Description of the Property" will be called the "Property."

(F) **Sums Secured.** The amounts described below in Section II entitled "Borrower's Transfer of Rights in the Property" sometimes will be called the "Sums Secured."

(G) **Person.** Any person, organization, governmental authority or other party will be called "Person."

(H) **Trustor, Beneficiary, Trustee.** Borrower is the "Trustor," Lender is the "Beneficiary" and Golden West Savings Association Service Co., A California Corporation is the "Trustee."

II. BORROWER'S TRANSFER OF RIGHTS IN THE PROPERTY

I irrevocably grant and convey the Property to the Trustee, in trust for Lender, with a power of sale subject to the terms of this Security Instrument. This means that, by signing this Security Instrument, I am giving Lender and Trustee those rights that are stated in this Security Instrument and also those rights that the law gives to lenders who are beneficiaries of a deed of trust and to trustees of a deed of trust. I am giving Lender and Trustee these rights to protect Lender from possible losses that might result if I fail to:

(i) pay all amounts owed to Lender under the Note and all other notes secured by this Security Instrument, called the "Secured Notes," including future advances made by Lender and any changes to the Secured Notes made with the written consent of Lender;

(ii) pay, with interest, any amounts that Lender spends under Paragraphs 2 and 7 below to protect the value of the Property and Lender's rights in the Property; and

(iii) keep all of my other promises and agreements under this Security Instrument, the Secured Notes and any changes to the Secured Notes made with the written consent of Lender.

III. DESCRIPTION OF THE PROPERTY

I give Trustee rights in the Property described below:

(i) The Property which is located at 59 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021. The legal description of the Property is attached as Exhibit "A" which is made a part of this Security Instrument. This Property is called the "Described Property."

(ii) All buildings and other improvements that are located on the Described Property;

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(iii) All rights in other property that I have as owner of the Described Property. These rights are known as easements, rights and appurtenances attached to the Property;

(iv) All rents or royalties and other income from the Described Property;

(v) All mineral, oil and gas rights and profits, water rights and stock that are part of the Described Property;

(vi) All rights that I have in the land which lies in the streets or roads in front of, behind or next to, the Described Property;

(vii) All fixtures that are now or in the future will be on the Described Property or on the property described in subsection (ii) of this Section;

(viii) All of the rights and property described in subsections (ii) through (vii) of this Section that I acquire in the future;

(ix) All replacements of or additions to the property described in subsections (ii) through (viii) of this Section; and

(x) All of the amounts that I pay to Lender under Paragraph 2 below.

IV. BORROWER'S RIGHT TO GRANT A SECURITY INTEREST IN THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that: (i) I lawfully own the Property; (ii) I have the right to grant and convey the Property to Trustee; and (iii) there are no outstanding claims, charges, liens or encumbrances against the Property, except for those which are of public record.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself and the Trustee has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

COVENANTS

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY

I will pay to Lender, on time, all principal and interest due under the Secured Notes and any prepayment and late charges due under the Secured Notes.

2. PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay all amounts necessary to pay taxes and hazard insurance premiums on the Property as well as assessments, leasehold payments, ground rents or mortgage insurance premiums (if any).

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(B) Escrow Accounts

Subject to applicable law, no escrow shall be required except upon written demand by Lender, in which case, I shall pay to Lender on the day payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes, penalties and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; and (e) yearly mortgage insurance premiums, if any. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for an escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge me for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays me interest on the Funds and/or applicable law permits Lender to make such a charge. However, Lender may require me to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay me any interest or earnings on the Funds. Lender shall give to me, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to me for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify me in writing, and, in such case I shall pay to Lender the amount necessary to make up the deficiency or shortage. I shall make up the deficiency or shortage in accordance with the requirements of the Lender, at its sole discretion, in the manner and times prescribed by RESPA.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to me any Funds held by Lender. If, under Paragraph 28, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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3. APPLICATION OF BORROWER'S PAYMENTS

Unless applicable law requires otherwise, Lender will apply each of my payments under the Secured Notes and under Paragraphs 1 and 2 above in the following order and for the following purposes:

- First, to pay prepayment charges due under the Secured Notes;
- Second, to pay any advances due to Lender under this Security Instrument;
- Third, to pay the amounts due to Lender under Paragraph 2 above;
- Fourth, to pay interest due under the Secured Notes;
- Fifth, to pay deferred interest due under the Secured Notes;
- Sixth, to pay principal due under the Secured Notes;
- Last, to pay late charges due under the Secured Notes.

4. BORROWER'S OBLIGATION TO PAY CHARGES, ASSESSMENTS AND CLAIMS

I will pay all taxes, assessments and any other charges and fines that may be imposed on the Property and that may be superior to this Security Instrument.

I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. I will pay these amounts either by making the payments to Lender that are described in Paragraph 2 above or by making the payments on time to the Person owed them.

Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a **lien**. I will promptly pay or satisfy all liens against the Property that may be superior to this Security Instrument. However, this Security Instrument does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves in writing the way in which I agree to pay that obligation; or (B) in good faith, I argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced and no part of the Property must be given up; or (C) I secure from the holder of that other lien an agreement, approved in writing by Lender, that the lien of this Security Instrument is superior to the lien held by that Person. If Lender determines that any part of the Property is subject to a superior lien, Lender may give to me a notice identifying the superior lien. I will pay or satisfy the superior lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. BORROWER'S OBLIGATION TO MAINTAIN INSURANCE

At my sole cost and expense, I will obtain and maintain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies and other hazards for which Lender requires coverage. The insurance must be in the amounts and for the periods of time required by Lender. I may choose the insurance company but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. All of these insurance policies and renewals of the policies must include what is known as a **Standard Mortgagee Clause** to protect Lender. The form of all policies and renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive.

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If I obtain earthquake insurance, any other hazard insurance, credit life and/or disability insurance, or any other insurance on or relating to the Property or the Secured Notes and which are not specifically required by Lender, I will name Lender as loss payee of any proceeds.

If there is a loss or damage to the Property, I will promptly notify the proper insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "Proceeds." Any Proceeds received will be applied first to reimburse Lender for costs and expenses incurred in connection with obtaining the Proceeds, and then, at Lender's option and in the order and proportion as Lender may determine in its sole and absolute discretion, regardless of any impairment or lack of impairment of security, as follows: (A) to the extent allowed by applicable law, to the Sums Secured in a manner that Lender determines and/or (B) to the payment of costs and expenses of necessary repairs or to the restoration of the Property to a condition satisfactory to Lender, such application to be made in the manner and at the times as determined by Lender.

If I abandon the Property or if I do not answer, within 30 days, a notice from Lender or the insurance company stating that the insurance company has offered to settle a claim, Lender may collect the Proceeds. I will notify Lender immediately of any offer to settle a claim I receive from the insurance company. I will immediately deliver any Proceeds I receive from any insurer or other persons to Lender. Lender may use the Proceeds to repair or restore the Property or to pay the Sums Secured. The 30-day period will begin when the notice is given.

If any Proceeds are used to reduce the amount of the outstanding balance of the Sums Secured, that use will not delay the due date or change the amount of any of my regularly scheduled payments under the Secured Notes and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to delays or changes.

If Lender acquires the Property under Paragraph 28 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any Proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those Proceeds will not be greater than the total amount of the Sums Secured immediately before the Property is acquired by Lender or sold.

If I am required by Lender to pay premiums for mortgage insurance, I will pay the premiums until the requirement for mortgage insurance ends according to my written agreement with Lender or according to law.

6. BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY AND TO FULFILL ANY LEASE OBLIGATIONS

I will keep the Property in good repair including, but not limited to, keeping the Property free from debris, mold, termites, dry rot and other damaging pests and infestations. I will not destroy or substantially change the Property and I will not allow the Property to deteriorate. I will keep and maintain the Property in compliance with any state or federal health and safety laws, and hazardous materials and hazardous waste laws. I will not use, generate, manufacture or store any hazardous materials or hazardous waste on, under or about the Property. I will indemnify, defend and hold harmless Lender and its employees, officers and directors and their successors from any claims, damages or costs for required or necessary repair or the removal of mold, termites, dry rot, other damaging pests and infestations and hazardous waste or any other hazardous materials claim. If I do not own but am a tenant on the Property, I will fulfill my obligations under my lease. I also agree that, if I acquire the fee title to the Property, my lease interest and the fee title will not merge unless Lender agrees to the merger in writing.

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7. LENDER'S RIGHT TO PROTECT ITS RIGHTS IN THE PROPERTY

If (A) I do not keep my promises and agreements made in this Security Instrument, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (including but not limited to any manner of legal proceeding in bankruptcy, in probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever it deems reasonable or appropriate to protect the Lender's rights in the Property. Lender's actions may include, without limitation, appearing in court, paying reasonable attorneys' fees, purchasing insurance required under Paragraph 5, above (such insurance may cost more and provide less coverage than the insurance I might purchase), and entering on the Property to make repairs. Lender must give me notice before Lender may take any of these actions. Although Lender may take action under this Paragraph 7, Lender does not have to do so. Any action taken by Lender under this Paragraph 7, will not release me from my obligations under this Security Instrument.

I will pay to Lender any amounts which Lender advances under this Paragraph 7 with interest, at the interest rate in effect under the Secured Notes. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. Interest on each amount will begin to accrue on the date that the amount is advanced by Lender. However, Lender and I may agree in writing to terms that are different from those in this Paragraph 7. This Security Instrument will protect Lender in case I do not keep this promise to pay those amounts with interest.

8. LENDER'S RIGHT TO INSPECT THE PROPERTY

Lender, and others authorized by Lender, may enter upon and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before or at the time an inspection is made, Lender must give me notice stating a reasonable purpose for the inspection.

9. AGREEMENTS ABOUT GOVERNMENTAL TAKING OF THE PROPERTY

I assign to Lender all my rights: (A) to proceeds of all awards or claims for damages resulting from condemnation, eminent domain or other governmental taking of all or any part of the Property; and (B) to proceeds from a sale of all or any part of the Property that is made to avoid condemnation, eminent domain or other governmental taking of the Property. All of those proceeds will be paid to Lender. If I receive any such proceeds, I will immediately deliver them to Lender.

If all of the Property is taken, the proceeds will be used to reduce the Sums Secured. If any of the proceeds remain after the Sums Secured have been paid in full, the remaining proceeds will be paid to me. Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, Sums Secured will be reduced only by the amount of proceeds multiplied by the following fraction: (A) the total amount of the Sums Secured immediately before the taking, divided by (B) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to me.

If I abandon the Property or if I do not answer, within 30 days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, Lender has the authority to collect the proceeds and settle the claim. Lender may then use the proceeds to reduce the Sums Secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of the outstanding principal of the Secured Notes, that use will not delay the due date or change the amount of any of my regularly scheduled payments under the Secured Notes and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to delays or changes.

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10. CONTINUATION OF BORROWER'S OBLIGATIONS AND OF LENDER'S RIGHTS

(A) Borrower's Obligations

Lender may allow a Person who takes over my rights and obligations subject to this Security Instrument to delay or to change the amount of the payments of principal and interest due under the Secured Notes or under this Security Instrument. Even if Lender does this, however, that Person and I will both still be fully obligated under the Secured Notes and under this Security Instrument.

Lender may allow those delays or changes for a Person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a Person for not fulfilling obligations under the Secured Notes or under this Security Instrument, even if Lender is requested to do so.

(B) Lender's Rights

Even if Lender does not exercise or enforce any of its rights under this Security Instrument or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will have the right under Paragraph 28 below to demand that I make immediate payment in full of the Sums Secured.

11. OBLIGATIONS OF BORROWER, CO-SIGNORS AND OF PERSONS TAKING OVER BORROWER'S RIGHTS OR OBLIGATIONS

Except as provided below, if more than one Person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the Sums Secured.

Any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signor"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signor's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signor's consent.

Any Person who takes over my rights or obligations under this Security Instrument will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Similarly, any Person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Security Instrument.

12. MAXIMUM LOAN CHARGES

If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limits and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the outstanding principal balance of the Secured Notes or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Secured Notes.

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13. LEGISLATION AFFECTING LENDER'S RIGHTS

If a change in applicable law would make any provision of the Secured Notes or this Security Instrument unenforceable, Lender may require that I make immediate payment in full of all Sums Secured by this Security Instrument.

14. NOTICES REQUIRED UNDER THIS SECURITY INSTRUMENT

Any notice that must be given to me under this Security Instrument will be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice will be addressed to me at 69 ASILOMAR ROAD, LAGUNA NIGUEL, CA 92677-1021. A notice will be given to me at an alternative address if I give Lender notice of my alternative address. I may give notice to Lender of my alternative address in writing or by calling Lender's customer service telephone number provided on my billing statement. I may designate only one mailing address at a time for notification purposes. Except as permitted above for changes of address, any notice that must be given to Lender under this Security Instrument will be given by mailing it by first class mail to Lender's address stated in Section 1.(C) above entitled, "Definitions of Words Used In This Deed of Trust," unless Lender gives me notice of a different address. Any notice required by this Security Instrument is given when it is mailed or when it is delivered according to the requirements of this Paragraph 14 or of applicable law.

15. GOVERNING LAW; SEVERABILITY

This Security Instrument and the Secured Notes shall be governed by and construed under federal law and federal rules and regulations, including those for federally chartered savings institutions ("Federal Law") and, to the extent Federal Law does not apply, by the law of the jurisdiction in which the Property is located. In the event that any of the terms or provisions of this Security Instrument or the Secured Notes are interpreted or construed by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of this Security Instrument or the Secured Notes.

16. BORROWER'S COPY

I acknowledge the receipt of one conformed copy of the Secured Notes and of this Security Instrument.

17. LENDER'S RIGHTS TO RENTAL PAYMENTS AND TO TAKE POSSESSION OF THE PROPERTY

If Lender requires immediate payment in full or if I abandon the Property, then Lender, Persons authorized by Lender, or a receiver appointed by a court at Lender's request may: (A) collect the rental payments, including overdue rental payments, directly from the tenants; (B) enter upon and take possession of the Property; (C) manage the Property; and (D) sign, cancel and change rental agreements and leases. If Lender notifies the tenants that Lender has the right to collect rental payments directly from them under this Paragraph 17, I agree that the tenants may make those rental payments to Lender without having to ask (i) Lender whether I have failed to keep my promises and agreements under this Security Instrument, or (ii) me for my permission to do so.

If Lender acts to have the Property sold after a Breach of Duty as defined in Paragraph 28, I understand and agree that: (A) my right to occupy the Property ceases at the time the Property is sold; (B) I shall have no right to occupy the Property after such sale without the written consent of the new owner of the Property; and (C) my wrongful and unlawful possession of the Property may subject me to monetary damages, including the loss of reasonable rent and the cost of eviction. All rental payments collected by

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Lender or by a receiver, other than the rent paid by me under this Paragraph 17, will be used first to pay the costs of collecting rental payments and of managing the Property. If any part of the rental payments remains after those costs have been paid in full, the remaining part will be used to reduce the Sums Secured. The costs of managing the Property may include the receiver's fees, reasonable attorneys' fees and the costs of any necessary bonds.

18. INJURY TO PROPERTY; ASSIGNMENT OF RIGHTS

An assignment is a transfer of rights to another. I may have rights to bring legal action against persons, other than Lender, for injury or damage to the Property or in connection with the loan made to me by Lender and which arose or will arise before or after the date of this Security Instrument. These rights to bring legal action may include but are not limited to an action for breach of contract, fraud, concealment of a material fact, or for intentional or negligent acts. I assign these rights, and any and all proceeds arising from these rights, as permitted by applicable law, to Lender. Lender may, at its option, enforce these rights in its own name and may apply any proceeds resulting from this assignment to the Sum Secured and this Security Instrument after deducting any expenses, including attorneys' fees, incurred in enforcing these rights. At the request of Lender, I will sign any further assignments or other documents that may be necessary to enforce this assignment. I will notify Lender immediately if I believe I have the right to bring any such legal action against any persons, and will notify Lender immediately if I assert any claim or demand against or commence any legal action against any such person. If I receive any proceeds from any persons besides Lender in connection with any such claim, demand or legal action, I will immediately deliver such proceeds to Lender.

19. CLERICAL ERRORS

In the event Lender at any time discovers that this Security Instrument, the Secured Notes or any other document related to this loan, called collectively the "Loan Documents," contains an error which was caused by a clerical mistake, calculation error, computer error, printing error or similar error, I agree, upon notice from Lender, to execute such documentation as Lender deems necessary to correct any such error(s) and I also agree that I will not hold Lender responsible for any damage to me which may result from any such error.

20. LOST, STOLEN OR MUTILATED DOCUMENTS

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

21. WAIVER OF STATUTE OF LIMITATIONS

I will waive, within applicable law, the pleading of the statute of limitations as a defense to enforce this Security Instrument, including any obligations referred to in this Security Instrument or Secured Notes.

22. CAPTIONS

The captions and headings at the beginning of each paragraph of this Security Instrument are for reference only and will not be used in the interpretation of any provision of this Security Instrument.

23. MODIFICATION

This Security Instrument may be modified or amended only by an agreement in writing signed by Borrower and Lender.

24. CONDOMINIUM, COOPERATIVE AND PLANNED UNIT DEVELOPMENT OBLIGATIONS

If the Property is a unit in a condominium, cooperative or planned unit development, each of which shall be called the "Project," and I have an interest in the common elements of the Project, then Lender and I agree that:

(A) If an owners association or other entity, called "Owners Association," holds title to Property for the benefit or use of the Project and its members or shareholders, the Property also includes my interest in the Owners Association and the uses, proceeds and benefits of my interest.

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(B) The following are called the "Constituent Documents:" (i) The declaration or any other document which created the Project; (ii) By-laws of the Owners Association; (iii) Code of regulations for the Project; (iv) Articles of incorporation, trust instrument or equivalent document which creates the Owners Association; (v) The Project's covenants, conditions and restrictions; (vi) Other equivalent documents.

I shall perform all of my obligations under the Constituent Documents, including my obligation to pay, when due, all dues and assessments. If I do not pay the dues and assessments when due, Lender may, at its option, pay them. I will pay to Lender any amounts which Lender advances under this Paragraph 24 according to the terms described in Paragraph 7 above.

(C) If the Owners Association maintains, with an insurance company reasonably acceptable to Lender, a master or blanket policy on the Project which is satisfactory to Lender and which provides insurance coverage on the terms, in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," and Lender is provided with evidence of such master or blanket policy, then: (i) Lender waives the provision in Paragraph 2(B) above for the payment to Lender of the estimated yearly premium installments for hazard insurance on the Property; and (ii) hazard insurance coverage on the Property as required by Paragraph 5 above is deemed to be satisfied to the extent that the required coverage is provided by the Owners Association policy. I shall give Lender prompt notice of any lapse in the required hazard insurance coverage. I shall provide a copy of such master or blanket policy to Lender annually.

In the event of a distribution of any hazard insurance proceeds, including without limitation any earthquake or special hazards insurance whether or not such coverage was required by Lender, in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to me are hereby assigned and shall be paid to Lender for application to the Sums Secured by this Security Instrument, with any excess paid to me. If I receive any such proceeds, I will immediately deliver them to Lender or otherwise apply them as set forth above.

I shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable to Lender in form, amount and extent of coverage.

(D) I shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of condemnation, eminent domain or other governmental taking; (ii) any amendment to any provision of Constituent Documents unless the provision is for the express benefit of Lender or of lenders generally; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the master or blanket hazard insurance policy and/or the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

25. FUTURE ADVANCES

At Borrower's request, Lender, at its option (but before release of this Security Instrument or the full reconveyance of the Property described in the Security Instrument) may lend future advances, with interest, to Borrower. Such future advances, with interest, will then be additional Sums Secured under this Security Instrument.

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26. AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED

Acceleration of Payment of Sums Secured. Lender may, at its option, require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may, at its option, require immediate payment in full if Borrower is not a natural Person and a beneficial interest in Borrower is sold or transferred without Lender's prior written permission. However, Lender shall not require immediate payment in full if this is prohibited by Federal Law in effect on the date of the Security Instrument.

If Lender exercises the option to require immediate payment in full, Lender will give me notice of acceleration. If I fail to pay all Sums Secured by this Security Instrument immediately, Lender may then or thereafter invoke any remedies permitted by this Security Instrument without further notice to or demand on me.

Exception to Acceleration of Payment of Sums Secured. If the sale or transfer of all or any part of the Property, or of a beneficial interest in Borrower, if Borrower is not a natural Person, is the first one to occur after the date of this Security Instrument, Lender will not exercise the option to accelerate payment in full of all Sums Secured and the loan may be assumed if:

- (i) Lender receives a completed written application from transferee to evaluate the creditworthiness of transferee as if a new loan were being made to the transferee by Lender;
- (ii) Lender approves the creditworthiness of the transferee in writing;
- (iii) transferee makes a cash downpayment sufficient to meet Lender's then current underwriting standards;
- (iv) an assumption fee, in an amount to be determined by Lender (but not to exceed 1% of the then outstanding balance of Principal and Interest under the Secured Notes at the time of sale or transfer of the Property or of the interest in the Borrower) is paid to Lender; and
- (v) the transferee executes an assumption agreement which is satisfactory to Lender. Such assumption agreement may provide, if required by Lender, that the transferee open a deposit account with Lender or with a bank or other depository institution approved by Lender, to facilitate direct payments if direct payments are required in the Note.

The loan may be assumed under its then existing terms and conditions with one exception; the Lifetime Rate Cap may be changed. The Lifetime Rate Cap shall be changed to an interest rate which is the sum of the interest rate in effect on the date of a sale or transfer of the Property or beneficial interest in Borrower plus 5 percentage points, if that sum exceeds the Lifetime Rate Cap stated in the Secured Notes.

27. SUBSTITUTION OF TRUSTEE

I agree that Lender may at any time appoint a successor trustee and that Person shall become the Trustee under this Security Instrument as if originally named as Trustee.

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28. RIGHTS OF THE LENDER IF THERE IS A BREACH OF DUTY

It will be called a "Breach of Duty" if (i) I do not pay the full amount of each regularly scheduled payment on the date it is due; or (ii) I fail to perform any of my promises or agreements under the Note or this Security Instrument; or (iii) any statement made in my application for this loan was materially false or misleading or if any statement in my application for this loan was materially false or misleading by reason of my omission of certain facts; or (iv) I have made any other statement to Lender in connection with this loan that is materially false or misleading. If there is a Breach of Duty by me, Lender may demand an immediate payment of all sums secured.

If there is a Breach of Duty by me, Lender may exercise the power of sale, take action to have the Property sold under applicable law, and invoke such other remedies as may be permitted under any applicable law.

Lender does not have to give me notice of a Breach of Duty. If Lender does not make a demand for full payment of the Sums Secured upon a Breach of Duty, Lender may make a demand for full payment of the Sums Secured upon any other Breach of Duty.

If there is a Breach of Duty, Lender may also take action to have a receiver appointed to collect rents from any tenants on the Property and to manage the Property. The action to appoint a receiver may be taken without prior notice to me and regardless of the value of the Property.

The sale of the Property may be postponed by or at the direction of Lender. If the Property is sold, I agree that it may be sold in one parcel. I also agree that Lender may add to the amount that I owe to Lender all legal fees, costs, allowances, and disbursements incurred as a result of the action to sell the Property.

Lender will apply the proceeds from the sale of the Property in the following order: (A) to all fees, expenses and costs incurred in connection with the sale, including but not limited to trustees' and attorneys' fees, if any; (B) to all Sums Secured by this Security Instrument; and (C) any excess to the Person or Persons legally entitled to it.

29. RECONVEYANCE

Upon payment of all Sums Secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all Secured Notes to Trustee. Trustee shall reconvey the Property without warranty to Borrower. Lender may charge Borrower a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (including the Trustee) for services rendered and the charging of the fee is permitted, whether expressly or by lack of express prohibition, under applicable law. If the fee charged does not exceed any maximum fee set by applicable law, the fee is conclusively presumed to be reasonable.

30. STATEMENT OF OBLIGATION

Lender may collect a fee of \$60.00, or such greater maximum amount as may from time to time be allowed by law, for furnishing any statement of obligation with respect to this Security Instrument or the Secured Notes.

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31. (X) QUICK QUALIFYING LOAN PROGRAM

I have qualified for this loan by making statements of fact which were relied upon by Lender to approve the loan rapidly. This loan is called a "Quick Qualifying Loan." I have stated and I confirm that: (A) I do not have any other Quick Qualifying Loans with Lender; (B) I have agreed to not further encumber the Property and do not intend to further encumber the Property for at least six months after the date of the Secured Notes and this Security Instrument; and (C) If I am purchasing the Property, all of the terms of the purchase agreement submitted to Lender are true and the entire down payment is cash from my own funds.

If any of the statements of fact that I have made are materially false or misleading, I will be in default under the Secured Notes and this Security Instrument. If I am in such default, Lender may, at its option, increase the interest rate and margin subject to the Lifetime Rate Cap stated in the Secured Notes.

32. (X) OWNER OCCUPANCY

Lender has relied upon statements of fact which I have made to qualify for this loan. I have stated and confirm that: (A) the Property is my personal and primary residence; (B) I will occupy the Property not later than 30 days after this Security Instrument is recorded; and (C) I will use the Property as my residence for at least 12 months from the date this Security Instrument is recorded.

If any of the statements of fact that I have made are materially false or misleading, I will be in default under the Secured Notes and this Security Instrument. If I am in such default, Lender may, at its option, increase the interest rate and margin, subject to the Lifetime Rate Cap stated in the Secured Notes.

(X) VALUE INDICATES THAT THE PARAGRAPH APPLIES.


THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS.

0048271159

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in this Security Instrument and in any rider(s) signed by me and recorded in proper official records.

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BORROWER(S):



NAIKO BIRGANDI

(Seal)

ATTACH INDIVIDUAL NOTARY ACKNOWLEDGEMENT

SD001 (2004-03-1)

[AF1 (2004-03-1)]
[B01 (2004-03-1)]

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CA

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Diego

On 3-13-08 before me, Maria T. Coffey, Notary Public
(Here insert name and title of the officer)

personally appeared Nahid Birjandi

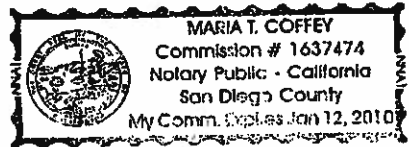
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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]
Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

Deed of Trust
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date 3/13/08

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
- _____ (Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

WACHOVIA MORTGAGE, FSB

**EXHIBIT "A"
LEGAL DESCRIPTION**

LOAN NO. 0048271159

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

see exhibit A

TAPE ONLY THE LEGAL DESCRIPTION TO THIS PAGE.

Borrower : Nahid Birjandi

LEGAL DESCRIPTION

Exhibit A

The land referred to herein is situated in the State of CA, County of Orange, City of Laguna Niguel and described as follows:

Parcel 1:

Parcel 2, as shown on Exhibit "B" attached to Lot Line Adjustment LLA 91-09 recorded October 30, 1991 as Instrument No. 91-569742 of Official Records of Orange County, California.

Except therefrom all oil, gas, minerals and other hydrocarbon substances below a depth of 500 feet, without rights of surface entry, as reserved in Instruments of Record.

Parcel 2:

Non-exclusive easements for access, ingress, egress, encroachment, support, maintenance, repairs and for other purposes over the Common Areas and over those portions of the Association Properties comprised of the Recreation Area Easement all as shown, described and limited in the Plan, the Notice and the Declaration.

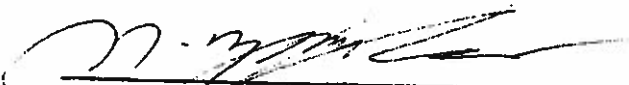
Assessor's Parcel No: 652-251-06
Street Address: 59 Asilomar Road
Laguna Niguel, CA, 92677

0048271159

BORROWER(S)' SPOUSE(S) OR DOMESTIC PARTNER(S): The undersigned hereby joins in this Security Instrument for the sole purpose of encumbering, subordinating, conveying and/or waiving any current or potential interest in the Property. By signing below, the undersigned encumbers, subordinates, conveys and/or waives any and all rights, interests or claims in the Property, including, but not limited to, homestead, dower, marital or joint-occupancy rights. No personal liability under the Note is hereby incurred by the undersigned joining spouse or domestic partner.

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BORROWER(S)' SPOUSE(S) OR DOMESTIC PARTNER(S):

 _____ (Seal)

 _____ (Seal)

_____ (Seal)

ATTACH INDIVIDUAL NOTARY ACKNOWLEDGEMENT

SD001 (2004-03-1)

[AL1 (2004-03-1)]

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CA

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

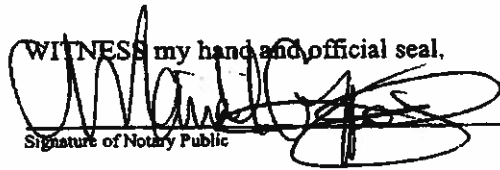
County of San Diego

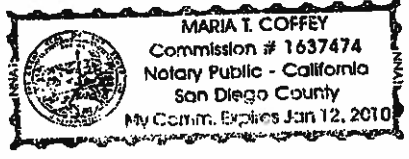
On 3-13-08 before me, Maria T. Coffey, Notary Public
(Here insert name and title of the officer)

personally appeared Nahid Birjandi

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 of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

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- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

JURAT

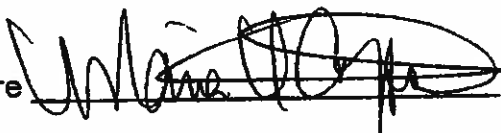
State of California
County of San Diego

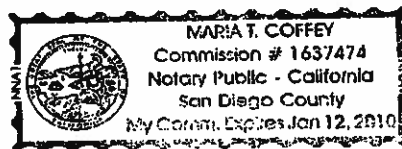
Subscribed and sworn to (or affirmed) before me on

this 13th day of March, 2008

by Nahid Birjandi

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature 



(Seal)