

ALL-INCLUSIVE TRUST DEED ADDENDUM

Equity Payoff

NOTE: This form is used by an agent or escrow officer when a seller of property carries back an all-inclusive note and trust deed (AITD) evidencing a principal debt which includes the balance owed on an existing mortgage and the payoff demand negotiated is payment of the difference between the amount remaining unpaid on the AITD note and the underlying mortgage, to prepare and attach as a referenced addendum to a regular trust deed. [See RPI Form 421 and 450]

DATE: _____, 20____, at _____, California.
Items left blank or unchecked are not applicable.

FACTS:

This is an addendum to the trust deed dated _____, at _____, California, between _____, as the Trustor, and _____, as the Beneficiary.

AGREEMENT:

1. This trust deed is subordinate to the following notes and trust deeds referred to as Underlying Obligations:
 - 1.1 A trust deed recorded on _____, as Instrument No. _____, in _____ County Records, California, executed by _____, as the Trustor, in which _____ is the Beneficiary, securing a note in the original amount of \$ _____ with an unpaid balance of \$ _____, payable in installments of \$ _____ monthly, including _____% interest, ARM, plus impounds.
 - 1.2 A trust deed recorded on _____, as Instrument No. _____, in _____ County Records, California, executed by _____, as the Trustor, in which _____ is the Beneficiary, securing a note in the original amount of \$ _____ with an unpaid balance of \$ _____, payable in installments of \$ _____ monthly, including _____% interest, ARM, all due _____, 20_____.
 - 1.3 Beneficiary to pay all installments and payments called for on the Underlying Obligations.
2. Check, if applicable:
Trustor to deposit with Beneficiary sufficient funds for the payment of taxes and fire insurance, specifically one-twelfth (1/12) of the annual requirements on each calendar month with installment payment. An advance deposit for such payment in the amount of \$ _____ from Trustor has been received by Beneficiary.
3. Check, if applicable: [*This provision may cause adverse income tax consequences for Beneficiary.*]
Beneficiary will place the Note on contract collection with a bank, savings and loan, escrow or broker authorized to do so. Such collection will disburse the monies received first toward the current installment on the Underlying Obligations, then to taxes and insurance if provided for herein, and any amount then remaining will be disbursed to the holders of the Note.
4. If Beneficiary defaults in their performance under this trust deed, Trustor, provided that they are not in default, will have the right, at their option, to cure Beneficiary's default including the Underlying Obligations by either: (a) crediting any and all such payments against the principal and interest payments next becoming due under the Note, or (b) immediately recovering from Beneficiary the amount of such payments including interest thereon at the Note rate.
5. In the event of any monetary default by Trustor, Beneficiary's obligations will be suspended until the default is cured. If Trustor is delinquent in any payments and Beneficiary consequently incurs penalties or expenses on the Underlying Obligations, the amount of such penalties and expenses is to be added to the Note and be payable by Trustor with the next payment.
6. Any additional principal paid on the Note will, if Trustor so directs Beneficiary in writing, be paid by Beneficiary to the holders of the Underlying Obligations for credit to the unpaid principal thereof. If the prepayment entitles the holders to receive a prepayment penalty, this amount must then be paid by Trustor to Beneficiary for payment of the penalty. The prepayment penalty will not reduce the unpaid balance of principal or interest under the Note.
7. In the event of foreclosure of this all-inclusive trust deed, Beneficiary will at the Trustee's sale bid an amount representing the amount then due on the obligations secured hereby less the total balance due on the Underlying Obligations, plus any advances or other disbursements which Beneficiary may be permitted to include.
8. When the Note becomes due and payable or Trustor requests a demand for payoff, the principal amount then unpaid will be reduced by the then unpaid balance of the Underlying Obligations.