

when Recorded, Return to:

Western Title Company, Inc.
Attention: Kim Kersten
1626 Highway 395
Minden, NV 89423

81093 KTK

ALL INCLUSIVE DEED OF TRUST

THIS ALL INCLUSIVE DEED OF TRUST, made this 15th day of April, 1999, between TERRY BRIDGES, an unmarried male, herein called "Trustor", whose address is ~~1346 VICTORIA DR., GARDNERVILLE, NV~~ 89410, WESTERN TITLE COMPANY, INC., of 1626 Highway 395, Minden, NV 89423, herein called "Trustee" and ROBERT S. VALENCIA, a single man, whose address is 824 GREENVILLE DRIVE WEST COVINA, CA 91790, herein "Beneficiary".

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the State of Nevada, County of Douglas, more particularly described as follows:

LOT 391, AS SHOWN ON THE MAP OF GARDNERVILLE RANCHOS UNIT NO. 7, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON MARCH 27, 1974 IN BOOK 374, PAGE 676, AS FILE NO. 72456.

ALSO COMMONLY KNOWN AS 1364 VICTORIA, GARDNERVILLE, NV.

APN: 29-322-07

Together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right of Beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

For the purpose of securing (1) payment of the sum of \$116,263.59, with interest thereon according to the terms of that certain Secured Promissory Note, of even date herewith, executed by TERRY BRIDGES, payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to her successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

This Deed of Trust is ALL-INCLUSIVE as to any senior deeds of trust of record and the holders hereof agree to be responsible for the payment of all installments of interest; principal or other sums secured by said senior deeds of trust, providing and as long as payments secured by this deed of trust are made when due by the trustors herein or their successors in interest, and in the event

of default under this obligation, the trustors, or their successors in interest, agree in addition to the costs incurred by reason of any notices filed on any of the senior deeds of trust of record, plus costs secured by this deed of trust, and to pay such costs, the same being due when incurred, shall constitute a default hereunder. Any waiver of the foregoing from time to time shall not be construed as a waiver of any subsequent breaches of the terms named herein. Irrespective of any provisions of this deed of trust to the contrary notwithstanding, any demand for sale delivered to Trustee for the foreclosure of this deed of trust shall be reduced by such unpaid balances, if any, of principal and interest and any charges existing upon the \$116,263.59 obligation referred to on page one hereof, as exists at the time of the Trustee Sale upon such foreclosure, satisfactory evidence of which unpaid balances must be submitted to Trustee prior to such sale.

This All Inclusive Deed of Trust is a Second Deed of Trust. It is inferior to a certain deed of trust which covers the above-described real property and which was executed on March 9, 1994, by Beneficiary to Directors Mortgage Loan Corporation, a California corporation, and recorded on March 24, 1994, in Book 394, Page 4995 of the Official Records of Douglas County, Nevada as Document No.333258. The First Deed of Trust was given to secure the payment of the principal sum of \$123,000.00. With respect to the First Deed of Trust, Trustor and Beneficiary agree:

1. There exists no default or any event that would constitute a default under the First Deed of Trust and the information set forth above with respect to the First Deed of Trust is accurate in every respect.

2. Trustor will render such performance to Beneficiary as may be required of Trustor by the terms of the First Deed of Trust.

3. Trustor will not exercise any right or privilege of prepayment of principal or interest under the First Deed of Trust and Trustor will not enter into any agreement with the Beneficiary of the First Deed of Trust modifying or amending any of the provisions of the First Deed of Trust without the prior written consent of the Beneficiary of this Deed of Trust.

4. If an event of default occurs under this Deed of Trust or under the First Deed of Trust, Beneficiary may, at its option make any payment or perform any act required under the First Deed of Trust in any form or manner deemed expedient by beneficiary and may make full or partial payments of principal or interest on the First Deed of Trust and purchase, discharge, compromise or settle the First Deed of Trust. In the event that Beneficiary makes any such payments to the Beneficiary of the First Deed of Trust, Beneficiary shall be subrogated to the rights of the Beneficiary of the First Deed of Trust against Trustor and the real property, which is the subject of the First Deed of Trust.

If for any reason other than Trustor's failure to make payments of installments of principal and interest on the First Deed of Trust, the indebtedness secured by the First Deed of Trust is accelerated or the real property encumbered thereby, or any part of the encumbered property is sold, or attempted to be sold pursuant to such First Deed of Trust, or any remedial action or proceeding is taken or instituted in respect to the real property encumbered by the First Deed of Trust or any part of the encumbered property under the First Deed of Trust, Trustor will indemnify Beneficiary against any loss, cost or expense incurred by Beneficiary including reasonable attorney's fees (a) in contesting any such action taken or instituted or in attempting to reinstate such First Deed of Trust, or (b) incurred by Beneficiary on account of the acceleration of the First Deed of Trust, the sale of the real property encumbered by the First Deed of Trust, pursuant thereto, or Beneficiary's purchase or payment of the First Deed of Trust.

5. In consideration of the execution and delivery of the all inclusive promissory note secured by this Deed of Trust, Trustor and Beneficiary agree to establish a collection account with Western Title Company, Inc. in Minden, Nevada, which collection agent will be instructed to make all payments on the existing First Deed of Trust directly to the holder thereof on behalf of Beneficiary herein. The foregoing obligation shall in no event

include in respect to the First Deed of Trust, any penalty or premium, or any amounts required to be paid in addition to principal or interest, or any installments of principal or interest which become due by acceleration, except any such penalty, premium or amounts required to be paid as a direct result of Trustor's failure to perform her obligation under this Deed of Trust and the Promissory Note which this Deed of Trust serves as security.

To protect the security interest of this Deed of Trust, Trustor agrees:

1. To properly care for and keep said property in good condition and repair; not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations requiring any alterations or improvements to be made thereon; not to commit or permit any waste thereof; not to commit suffer or permit any act to be done in or upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. The Trustor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title

and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.

3. The amount collected under any fire insurance policy shall be credited: first, to accrued interest; next to expenditures hereunder; and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Trustor, without liability upon the Trustee for such release.

4. The Trustor promises and agrees that if, during the existence of the Trust there be commenced or pending any suit or action affecting said conveyed premises, or any part thereto, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, she will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

5. Any award of damages in connection with any condemnation for public use of or injury to any property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by it in the same manner and with the

same affect as herein provided for disposition of proceeds of insurance.

6. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.

7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

8. Trustee may, at any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the notes secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said property: reconvey any part of said property; consent in writing to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or subordination agreement in connection herewith.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed and said note to Trustee for cancellation and retention

and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto," and Trustee is authorized to retain this Deed of Trust and note.

10. (a) Should default be made by Trustor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby.

(b) After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the object of these Trustees, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of

Nevada.

(c) The Trustor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all demands or notices as conditions precedent to sale of such personalty.

(d) Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(e) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied, Trustor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.

11. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including costs of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of eighteen percent (18%) per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of the County or Counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or Trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustee, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

13. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns.

14. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

15. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural, and the term Beneficiary shall

include any future holder, including pledgees, of the Note secured hereby.

16. In the event that Trustor, or any successor-in-interest to Trustor shall sell, transfer, or convey, or contract to sell, transfer, or convey the above-described real property, or any portion thereof, or any interest therein, at the option of Beneficiary, the entire amount of the promissory note for which this Deed of Trust serves as security shall forthwith become due and payable, although the time for such payment shall not have arrived.

17. Where not inconsistent with the above the following covenants, No. 1; 2; 3; 4 (18%); 5; 6; 7; 8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

The parties agree that with respect to this Section, as set forth in NRS 107.030, the amount of fire insurance required by covenant 2 shall be in an amount equal to the fair market value of the premises with loss payable to Beneficiary secured by this Deed of Trust and all obligations having priority over this Deed of Trust, and with respect to attorney's fees provided for by covenant 7 the percentage shall be a reasonable percentage.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to her at her address hereinbefore set forth.

("TRUSTOR")


TERRY BRIDGES

STATE OF NEVADA)
 : ss
County of DOUGLAS)

On APRIL 14, 1999 before me, the undersigned, a Notary Public in and for said State, personally appeared TERRY BRIDGES known to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.


NOTARY PUBLIC



REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA


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LINDA SLATER
RECORDER

\$1900 PAID  DEPUTY