

Title Order No.
Escrow No. 9900188
Loan No. 9900188

When recorded mail to:

ROYCE FINANCIAL SERVICES
275 HILL STREET, SUITE 203
RENO, NEVADA 89501

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIRD DEED OF TRUST

THIS DEED OF TRUST made October 5, 1999, between BARRY L. HUDSON and CHERYL D. MEYERS, as joint tenants herein called TRUSTOR, whose address is 1320 NORTHAMPTON CIRCLE, GARDNERVILLE NV 89410 and D.F. CAPITAL, L.P., A Nevada Limited Partnership herein called BENEFICIARY, and ROYCE FINANCIAL SERVICES, (a Nevada Corporation), herein called TRUSTEE.

WITNESSETH: That Trustor irrevocably GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST WITH POWER OF SALE, that property in Douglas County, Nevada, described as:

Lot 30, Block D, as set forth on the map of SUNSET PARK SUBDIVISION, filed for record in the Office of the County Recorder on June 5, 1987, Book 687, Page 763, Document No.155926, Official Records of Douglas County, Nevada, and by Certificate of Amendment recorded December 23, 1987, Book 1287, Page 3314, Document No. 169385, Official Records of Douglas County, Nevada.

APN 1220-04-210-024

AND ALSO, all the estate, interest, homestead or other claim, in law of in equity, which in Trustor now has or may hereafter acquire in and to said property, together with all easements and rights-of-way used in connection therewith or as a means of access thereto, and all water and water rights in connection therewith or share of stock evidencing such water or water rights, and all fixtures now or here-after attached to or used in connection with the premises above described, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

For the Purpose of Securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein; (2) Payment of the indebtedness evidenced by one promissory note of even date herewith and any amounts that may become due thereunder, and all extensions, modifications, or renewals thereof, in the principal sum of \$ 5,700.00 executed by Trustor and payable to Beneficiary or order; (3) Payment of all sums of money, with interest thereon, which may be paid out or advanced by or may otherwise be due to Trustee or Beneficiary under any provision of this Deed of Trust.

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

1. In the event any improvements are constructed upon the herein described real property, the Trustor promises and agrees to pay when due all claims for labor performed and materials furnished for any construction, alteration or repair thereon; to comply with all laws affecting said property or relating to any alterations or improvements that may be made; not to commit or permit waste thereon; not to commit, suffer or permit any acts upon the property in violation of any law, covenant, condition or restriction affection the property.

2. The following covenants Nos. 1, 3, 4 (20.000%), 5, 6, 7 (10%), 8, and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

3. Trustor agrees that he will pay any deficiency arising from any cause after application of the proceeds of a sale held in accordance with the provisions of the covenants herein above adopted by reference.

4. Trustor agrees to provide and maintain fire, hazard, and extended coverage insurance, insuring the property and any and all improvements upon or to be constructed upon the premises, in a company satisfactory to, and the loss payable to, the Beneficiary and the Trustor, as their respective interests may appear. This insurance shall be in the amount of the fair and reasonable market value of the real property and its improvements, with the minimum amount being the amount of the note secured by this Deed of Trust plus junior loan if any.

5. Any award of damages in connection with any condemnation for public use of or injury to this property or any part thereof significantly affecting the value of the security is hereby assigned and shall be paid to Beneficiary. The condemnation award shall be applied by the Beneficiary to the indebtedness secured hereby in such order as the Beneficiary may determine, and when such award shall be released to the Trustor.

6. Trustor shall pay all reasonable costs, charges and expenses, including attorney's fees, reasonably incurred or paid at any time by the Beneficiary because of the failure on the part of Trustor to perform, comply with, and abide by each and every stipulation, agreement, condition and covenant of the Promissory Note secured hereby and this Deed of Trust.

7. Trustor hereby assigns to the Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the rents, issues, and profits of the property, reserving unto the Trustor the right, prior to any default as defined in this Deed of Trust, by the Trustor to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time and without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, collect and enforce his assignment of the rents, issues, and profits by any lawful means.

8. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of repayment of the indebtedness or any part thereof secured by this Deed of Trust. The Beneficiary may, without notice to or consent of the Trustor, extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustor, without discharging the Trustor from any liability thereon.

9. The rights and remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

10. The benefits of the covenants, terms, conditions and agreements herein contained shall accrue to, and the obligations thereof shall bind, the heirs, representatives, successors and assigns of the parties hereto and the Beneficiary hereof. Whenever used, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all other genders, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured or any transferee thereof, whether by operation of law or otherwise.

11. This Deed of Trust is executed by the Trustor and accepted by the Beneficiary with the understanding and upon the express condition that if the Trustor should make default in the performance to the Beneficiary of any of the covenants or agreements herein set forth, then and in that event the full amount of the principal of the indebtedness secured hereby, plus interest, shall forthwith be and become wholly due and payable, notwithstanding the fact that the same would not otherwise be due according to the terms of the Promissory Note secured hereby.

12. In the event of sale, transfer, conveyance or alienation of said property, or any part thereof, or any interest therein, whether voluntary or involuntary, Beneficiary shall have the right of acceleration, at its option, to declare the note secured by this Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable, including any prepayment charge provided for therein. No waiver of this right shall be

effective unless in writing. Consent by Beneficiary to one such transaction shall not constitute a waiver of the right to require such consent to succeeding transactions.

13. The trust hereby created is irrevocable by the Trustor.

14. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to them.

BARRY L. HUDSON
BARRY L. HUDSON

CHERYL D. MEYERS
CHERYL D. MEYERS

STATE OF NEVADA
COUNTY OF Washoe SS.

On 10-5-99 before me, Jena Adrian, a notary public, personally appeared BARRY L. HUDSON and CHERYL D. MEYERS personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted. executed the instrument.

WITNESS my hand and official seal.

Jena Adrian
Notary's Signature

JENA ADRIAN
Notary Public - State of Nevada
Appointment Recorded in
Washoe County
APPOINTMENT EXPIRES OCT. 14, 2001

(This area for official notarial seal)

Notice: A copy of any Notice of Default and of any Notice of Sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

**DO NOT RECORD
REQUEST FOR FULL RECONVEYANCE
To be used only when Note has been paid.**

TO: ROYCE FINANCIAL SERVICES, Trustee: Dated: October 5, 1999

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

Mail Reconveyance to:

BARRY L. HUDSON and CHERYL D. MEYERS
1320 NORTHAMPTON CIRCLE, GARDNERVILLE, NV 89410

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

LD\DOCS\DP\FV\DEED00.WP

COPY

REQUESTED BY
Design Financial Group
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 MAR 24 AM 11:15

LINDA SLATER
RECORDER

\$10⁰⁰ PAID 2 DEPUTY

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