

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Comerica Bank-California
P.O. Box 49032
San Jose, CA 95161-9032
MAIL CODE # 4770
#000200091
(SBA) APN 07-460-030

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS AND LEASES)

NOTICE: BOX CHECKED IF APPLICABLE

This Deed of Trust secures an indebtedness which provides for a variable rate of interest.

This Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents and Leases) ("Deed of Trust") is made April 03, 2000 by Kenneth D'Alessandro and Linda D'Alessandro husband and wife as community property ("Trustor") whose address is P.O. Box 6149, Stateline, NV 89449, to Comerica Bank-California, a California corporation ("Trustee"), whose address is 333 West Santa Clara Street, San Jose, CA 95113, for the benefit of Comerica Bank-California a California Banking Corporation ("Beneficiary"), whose address is 333 West Santa Clara Street, San Jose, CA 95113.

Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION, the real property in the County of Douglas, State of California, legally described as:

See Exhibit "A" attached hereto and made a part hereof.

See Exhibit "B" attached hereto and made a part hereof.

Parcel Identification No. 07-460-030

Commonly Known As: 295 Highway 50, Suite 14 Zephyr Cove NV 89449 ("Real Property")
(street address) (city) (state) (zip)

together with (a) all related easements, hereditaments, appurtenances, rights, licenses and privileges; (b) all buildings and improvements now or later situated under, upon or over any of the above described land; (c) subject to the assignment to Beneficiary under paragraph 9 below, all the rents, issues, profits, revenues, deposit accounts, accounts and general intangibles arising from the above described land, or relating to any business conducted by Trustor on it, under present or future leases, licenses or otherwise (individually and collectively the "Rents"); (d) all machinery, equipment, goods, fixtures, and articles of personal property of every kind and nature (other than Household Goods, as defined by 12 CFR 227.12, as amended from time to time, unless such goods were purchased with the proceeds of any loan secured by this Deed of Trust), now or later located upon the above described land and usable in connection with any present or future operation on the land (individually and collectively the "equipment") including, without limit, all lighting, heating, cooling, ventilating, air-conditioning, incinerating, refrigerating, plumbing, sprinkling, communicating and electrical systems. It is agreed that all equipment shall for the purposes of this Deed of Trust, unless Beneficiary shall otherwise elect, be deemed conclusively to be real estate and mortgaged under this Deed of Trust; and (e) all awards or payments, and interest on them, made with respect to the Premises as a result of (i) any eminent domain proceeding, (ii) any street grade alteration, (iii) any loss of or damage to any building or other improvement, (iv) any other injury to or decrease in the value of the Premises, (v) any refund due on account of the payment of real estate taxes, assessments or other charges levied against the Premises or (vi) any refund of utility deposits or right to any tenant deposit (all of the above individually and collectively the "Premises"). Trustor agrees that this Deed of Trust is a "construction mortgage" to the extent that it secures obligations incurred for the acquisition of and/or the construction of improvements on the Real Property and that this Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Uniform Commercial Code (the UCC).

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1. To pay, perform and observe each condition, obligation, and covenant for which this Deed of Trust has been given as security.

2. Trustor has good and indefeasible title to the entire Premises in fee simple and with full power to sell, mortgage and convey it; the Premises are free of all easements, restrictions, liens, leases and encumbrances whether now existing or later created, except those matters listed on attached Schedule A (if any) to which this Deed of Trust is expressly subject, and Trustor will warrant and defend the Premises against all other claims. Beneficiary and Trustee shall each have the right, at their option and at such times as either, in its sole discretion, deems necessary, to take whatever action it may deem necessary to defend or uphold the lien of this Deed of Trust or otherwise enforce any of its rights under this Deed of Trust or any obligation secured by this Deed of Trust including, without limit, the right to institute appropriate legal proceedings for these purposes. With respect to the right, title, or lien of any person or entity which is superior to the lien of this Deed of Trust, Beneficiary and Trustee each have the right, but not the obligation, to acquire and/or pay off the holder of such right, title, or lien and add the amount so paid to the obligations secured by this Deed of Trust.

3. Without the prior written consent of Beneficiary, Trustor shall not mortgage or pledge the Premises as security for any other indebtedness or obligations. Trustor shall pay when due, and before any interest, collection fees or penalties accrue or default occurs, all payments required under any mortgages on the Premises, and all taxes, assessments, and other charges and impositions levied, assessed or existing with respect to (i) the Premises or (ii) the execution, delivery or recordation of this Deed of Trust or any note or other instrument evidencing or securing repayment of the Indebtedness or the interest of Beneficiary in the Premises, and will deliver to Beneficiary without demand official receipts showing these payments. If Trustor fails to pay these mortgage payments, taxes, assessments, other charges or impositions when due, or if Trustor fails to pay all interest, collection fees and penalties accrued on them, Beneficiary, at its sole option, may (but is not obligated to) pay them and the monies paid shall be added to the Indebtedness. Trustor shall pay (before the same become liens or encumbrances against the Premises) any and all obligations or liabilities for repairs or improvements to the Premises or for any other goods, services, or utilities furnished to the Premises. At the sole option of Beneficiary, Trustor shall pay to Beneficiary in advance on the first day of each month a pro rata portion (as determined by Beneficiary) of all taxes, assessments, liens, mortgages, and other charges levied, assessed or existing on the Premises. In the event that sufficient funds have been deposited with Beneficiary to cover the amount of these taxes, assessments, liens, mortgages, and other charges when they become due and payable, Beneficiary shall pay them. In the event that sufficient funds have not been deposited to cover the amount of these taxes, assessments, liens, mortgages and other charges at least thirty (30) days prior to the time when they become due and payable, Trustor shall immediately upon request by Beneficiary pay the amount of the deficiency to Beneficiary. Beneficiary shall not be required to keep in a separate account or to pay Trustor any interest or earnings whatever on the funds held by Beneficiary for the payment of taxes, assessments, liens, mortgages, or other charges pursuant to this paragraph or for the payment of insurance premiums under paragraph (4) below, or on any other funds deposited with Beneficiary in connection with this Deed of Trust. If an Event of Default occurs under this Deed of Trust, any funds then remaining on deposit with Beneficiary may be applied against the Indebtedness immediately upon or at any time after the Event of Default occurs, and without notice to Trustor. Nothing in this paragraph shall be considered a consent by Beneficiary to any lien, mortgage or encumbrance on the Premises unless set forth on attached Schedule A, if any.

4. Trustor shall keep the buildings and all other improvements now or later existing on the Premises constantly insured for the benefit of Beneficiary against fire and other hazards and risks, including without limit vandalism and malicious mischief, as Beneficiary may require and shall further provide flood insurance (if the Premises are situated in an area which is considered a flood risk area by the Federal Emergency Management Agency or successor agency), loss of rents insurance, public liability and product liability insurance and any other insurance as Beneficiary may require from time to time, all in amounts and in forms and with companies as are satisfactory to Beneficiary. Trustor shall deliver to Beneficiary the policies evidencing the required insurance with premiums fully paid for one year in advance and with standard mortgagee clauses satisfactory to Beneficiary. Renewals of the required insurance (together with evidence of premium prepayment for one year in advance) shall be delivered to Beneficiary at least thirty (30) days before the expiration of any existing policies. All policies and renewals shall provide that they may not be canceled or amended without giving Beneficiary thirty (30) days prior written notice of cancellation or amendment. All policies and renewals shall be held by, and are pledged to, Beneficiary, along with all insurance premium rebates, as additional security for the Indebtedness. Should Trustor fail to insure or fail to pay the premiums on any required insurance or fail to deliver the policies or renewals of them as provided above, Beneficiary may (but is not obligated to) have the insurance issued or renewed (and pay the premiums on it for the account of Trustor) in amounts and with companies and at premiums as Beneficiary deems appropriate. If Beneficiary elects to have insurance issued or renewed to insure Beneficiary's interest, Beneficiary shall have no obligation to also insure Trustor's interest or to notify Trustor of Beneficiary's actions. Any sums paid by Beneficiary for insurance as provided above shall be added to the Indebtedness. Such amounts will bear interest from the date they are advanced at the highest rate shown in the instrument or instruments evidencing the Indebtedness. Such amounts shall be payable upon demand or, at Beneficiary's option, in the form of larger installments otherwise payable under such instrument or instruments. In the event of loss or damage, the proceeds of all required insurance shall be paid to Beneficiary alone. No loss or damage shall itself reduce the Indebtedness. Beneficiary and any of Beneficiary's employees is each irrevocably appointed attorney-in-fact for Trustor and is authorized to adjust and compromise each loss without the consent of Trustor, to collect, receive and receipt for the insurance proceeds in the name of Beneficiary and Trustor and to endorse Trustor's name upon any check in

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7. The Indebtedness shall become due and payable immediately, without notice, at the option of Beneficiary, if Trustor shall convey, assign or transfer the Premises by deed, installment sale contract or other instrument, or if title to the Premises shall become vested in any other person or party in any manner whatsoever or if there is any disposition (through one or more transactions) of legal or beneficial title to a controlling interest of Trustor. In the event ownership of the Premises becomes vested in a person or persons other than Trustor (with or without the prior written approval of Beneficiary), Beneficiary and Trustee may (but shall not be obligated to) deal with and may enter into any contract or agreement with the successor(s) in interest with reference to this Deed of Trust in the same manner as with Trustor, without in any manner discharging or otherwise affecting the lien of this Deed of Trust or Trustor's liability under this Deed of Trust or upon the Indebtedness.

8. This Deed of Trust shall, as to any personal property covered by it, be deemed to grant a security interest in the personal property pursuant to the UCC. Trustor agrees, upon request of Beneficiary from time to time, to promptly furnish a list of personal property subject to this Deed of Trust and, upon request by Beneficiary, to immediately execute, deliver and/or file any mortgage, security agreement or financing statement to include specifically this list of personal property. Upon the occurrence of any Event of Default under this Deed of Trust, Beneficiary shall have all of the rights and remedies of a secured party under the UCC or otherwise provided by law or by this Deed of Trust including, without limit, the right to require Trustor to assemble the personal property and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties, the right to take possession of the personal property with or without demand and with or without process of law and the right to sell and dispose of it and distribute the proceeds according to law. Trustor agrees that any requirement of reasonable notice shall be met if Beneficiary sends notice to Trustor at least five (5) days prior to the date of sale, disposition or other event giving rise to the required notice. Trustor agrees that the proceeds of any disposition of the personal property may be applied by Beneficiary first to Beneficiary's reasonable expenses in connection with the disposition including, without limit, attorney fees, and then to payment of the Indebtedness.

9. Trustor absolutely and unconditionally assigns, transfers and conveys to Beneficiary all the Rents; provided, however, prior to the occurrence of any Event of Default, Trustor shall have the right as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, to collect and receive the Rents as they become due and payable to be applied by Trustor to the payment of the Indebtedness and, thereafter, so long as no Event of Default has occurred, the balance shall be distributed to the account of Trustor. Upon the occurrence of any Event of Default, Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Indebtedness, enter upon and take possession of the Premises or any part of it, in its own name or in the name of Trustor, sue for or otherwise collect the Rents, including without limit those past due and unpaid and apply the same, less costs and expenses of operation and collection, including without limit attorney fees, to the payment of the Indebtedness in such order as Beneficiary may determine. The entering upon and taking possession of the Premises, the collection of the Rents and the application of them to the Indebtedness, shall not cure or waive any Event of Default.

All leases and rental or occupancy agreements now or later affecting the Premises, including without limit all oil and gas leases and other subsurface leases and the related royalties, are assigned and transferred to Beneficiary by the Trustor, and Trustor agrees that none of said leases or rental or occupancy agreements will be modified or terminated without the written consent of Beneficiary. Promptly upon Beneficiary's request, Trustor shall provide to Beneficiary a subordination, non-disturbance and attornment agreement, in form acceptable to Beneficiary, executed by each tenant under a lease or rental or occupancy agreement for a portion of the Premises executed after the date of this Deed of Trust.

Trustor agrees that it will not (a) execute any further assignment of any of its right, title and interest in the Rents without the prior written consent of Beneficiary; (b) accept prepayments of any installments of Rents to become due under any leases or rental or occupancy agreements in excess of one (1) month except prepayments in the nature of a security deposit or (c) accept a surrender of any such lease or rental or occupancy agreement.

Trustor consents to the appointment of a receiver if this is believed necessary or desirable by Beneficiary to enforce its rights under this Deed of Trust. Beneficiary shall at no time have any obligation to attempt to collect Rents or to enforce any other obligations owed by tenants or occupants of the Premises. Nothing in this Deed of Trust shall be construed to impose upon Beneficiary or Trustee any obligations of the landlord under the leases or rental or occupancy agreements assigned to Beneficiary.

The assignment of licenses and permits under this Deed of Trust shall not be construed as a consent by Beneficiary to any license or permit so assigned, or to impose upon Beneficiary any obligations with respect to them. Trustor shall not cancel or amend any of the licenses and permits assigned (nor permit any of them to terminate if they are necessary or desirable for the operation of the Premises) without first obtaining the written approval of Beneficiary. This paragraph shall not be applicable to any license or permit that terminates if it is assigned without the consent of another party (other than Trustor), unless this consent has been obtained nor shall this paragraph be construed as a present assignment of any license or permit that Trustor is required by law to hold. Trustor shall

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comply with and perform as required all obligations and restrictions imposed upon Trustor or the Premises under applicable deed restrictions, restrictive covenants, easements, leases, installment sale contracts, or other agreements affecting the Premises, but this is not a consent by Beneficiary to take subject to any of these agreements unless specifically set forth on attached Schedule A, if any, and Beneficiary does not assume any obligations under these agreements. Trustor shall promptly provide Beneficiary with certificates of occupancy, licenses, rent rolls, income and expense statements and other documents and information pertaining to the Premises and its operations as Beneficiary, from time to time, may request.

10. (a) Except as previously disclosed by Trustor to Beneficiary in writing, (if any), Trustor represents and covenants as follows: (i) Trustor has not caused or permitted a Release (as later defined) on or affecting the Premises, (ii) There is no condition concerning the Premises which could require correction, removal or other remediation pursuant to Environmental Laws (as later defined), (iii) Trustor has obtained and, to the best of Trustor's knowledge, no prior owner of the Premises or any current or prior occupant has failed to obtain, all applicable permits, licenses and approvals from governmental agencies with jurisdiction over Releases. (iv) Trustor has never received any notice of any actual or potential violation of Environmental Laws with respect to Trustor or the Premises ("Environmental Complaint"). (v) To the Best of Trustor's knowledge, there have been no actions commenced or threatened by any party with respect to Trustor or the Premises for noncompliance with any Environmental Laws. (b) Trustor covenants and agrees that neither it nor any occupant shall use, introduce or maintain Hazardous Materials (as later defined) on the Premises, unless done in strict compliance with all Environmental Laws. Trustor shall maintain the Premises in compliance with all Environmental Laws and shall not cause or permit a Release in violation of any such Laws. Within five days, Trustor shall provide Beneficiary with written notice of any of the following: (i) Any Release of Hazardous Materials occurring on or near the Premises, (ii) Any claims, actions, court or governmental proceedings under any Environmental Laws relating to the Premises, (iii) The introduction, maintenance or discovery by Trustor of any Hazardous Materials on or near the Premises, (iv) The discovery of any occurrence or condition on any real property in the vicinity of the Premises which could cause the Premises to be classified as 'border-zone property' under the provisions of California Health and Safety Code, Sections 25220 et seq. as may be amended, or any regulation adopted under it, or to be otherwise subject to any restrictions on the ownership, use or transferability of the Premises. Trustor shall conduct and complete in a timely manner all investigations, environmental audits, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting the Premises, whether caused by Trustor or a third party, in accordance with all Environmental Laws to the satisfaction of Beneficiary, and in accordance with the orders and directives of all federal, state and local governmental authorities. Trustor shall notify Beneficiary in writing prior to taking all such actions, and shall continuously keep beneficiary informed of their status. Consultants and contractors proposed to be retained by Trustor shall be subject to Beneficiary's prior consent, which shall not unreasonably be withheld. Trustor, promptly upon Beneficiary's request, shall provide Beneficiary with copies of the results of all such actions and all related correspondence, reports and other documents and information. Any remedial, removal or other action by Trustor shall not be deemed a cure or waiver of any breach of this paragraph 10 due to the presence or use of Hazardous Materials on or affecting the Premises. (c) Trustor shall defend, indemnify and hold harmless Beneficiary, Trustee and their respective employees, agents, shareholders, officers and directors (each of which of the foregoing is any "Indemnified Party"), from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limit, attorney fees) of whatever kind arising out of or related to (i) Any Release, (ii) Any personal injury (including without limit wrongful death) or property damage (real or personal) arising out of or related to any Release, (iii) Any lawsuit brought or threatened, settlement reached or government order related to any Release, (iv) The cost of removal of Hazardous Materials from any portion of the Premises, (v) The cost of taking necessary precautions to protect against a Release, (vi) Fees and costs incurred by Beneficiary in complying with all Environmental Laws pertaining to the ownership and use of the Premises, and/or (vii) Attorney and consultants' fees (the attorneys and consultants to be selected by Beneficiary), investigation and laboratory fees and environmental studies incurred by Beneficiary (whether prior to foreclosure, or otherwise) in monitoring and oversight of the activities of Trustor, its consultants, attorneys and contractors in maintaining the Premises and in responding to and remediating an alleged or actual Release. Upon the request of Beneficiary, Trustor and any guarantor shall execute a separate indemnity consistent with this paragraph 10. (d) In the event this Deed of Trust is foreclosed or Trustor tenders a deed in lieu of foreclosure, Trustor shall deliver the Premises to Beneficiary, a purchaser or grantee, as the case may be, free of Hazardous Materials so that the condition of the Premises shall not be in violation of any Environmental Laws. (e) Beneficiary may enter and inspect the Premises at any time for the purpose of evaluating Trustor's use or storage of Hazardous Materials and to confirm that Trustor is in compliance with Environmental Laws. If there is any Environmental Complaint pertaining to the Premises or if there is a Release of Hazardous Substance on or near the Premises, then at any time following the (10) days' notice to Trustor (except in any emergency or where not practical under applicable law, in which case notice is waived), and without limitation of Beneficiary's other rights under this Deed of Trust or elsewhere, Beneficiary shall have the right, but not the obligation, either through its employees or its consultants to enter on the Premises and to take those actions it deems appropriate to investigate or test for, remediate, remove, resolve, minimize the impact of or advise governmental agencies of the possible existence of any Hazardous Materials. Any such actions conducted by Beneficiary shall be solely for the benefit of and to protect the interests of Beneficiary and shall not be relied upon by Trustor or any third party for any purpose. By conducting any such actions, Beneficiary does not assume control over the environmental affairs or operations of Trustor nor assume any liability of Trustor or any third party. Trustor's obligations under this paragraph 10 shall not be diminished or otherwise affected as a result of any notice

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or disclosure to, or any other knowledge of, any party to be indemnified under this paragraph of any Release or threatened Release, nor shall Indemnified Party be deemed to have permitted or consented to any Release or any breach of Trustor's other obligations under this paragraph, because any such party had notice or knowledge thereof. (f) The provisions of this paragraph 10 shall be in addition to all other obligations and liabilities Trustor may have to Beneficiary or Trustee at law or in equity or pursuant to any other agreement, and shall survive, to the extent permitted by law: (i) The repayment of the Indebtedness, (ii) The satisfaction of all other obligations of Trustor under this Deed of Trust and under the other Loan Documents, (iii) The discharge of this Deed of Trust or any waiver of the lien thereof or of any other security for the repayment of the Indebtedness, and (iv) The foreclosure of this Deed of Trust or acceptance of a deed in lieu of foreclosure, or any purchase by an Indemnified Party of all or any portion of the Premises at a foreclosure sale by crediting all or any portion of the Indebtedness against the purchase price therefor (except to the extent that such Indemnified Party specifically elects to credit against the purchase price any obligations of Trustor under this paragraph 10 which have been added to the Indebtedness, and to such extent the obligations secured by this Deed of Trust shall be deemed discharged in the order set forth in paragraph 13). Upon and following the occurrence of any of the foregoing, the obligations of Trustor under this paragraph 10 shall be unsecured obligations and enforceable against Trustor to the extent permitted under applicable law. (g) Trustor acknowledges that each representation, warranty or certification regarding Hazardous Materials or the environmental condition of the Premises made by Trustor in this Deed of Trust, the other Loan Documents or otherwise in connection with the loan evidenced by the promissory note have been made by Trustor in response to a written request for information from Beneficiary pursuant to California Code of Civil Procedure Section 726.5 and that each is intended to be an "environmental provision" for the purposes of Section 736 of the California Code of Civil Procedure. (h) For purposes of this Deed of Trust, (i) "Hazardous Materials" means each and all of the following: hazardous materials and/or substances as defined in any Environmental Law including, asbestos, petroleum, petroleum by-products, natural gas, flammable explosives, radioactive materials, and toxic materials, (ii) "Environmental Laws" mean any and all present and future federal, state, local or other laws (whether under common law, by legislative action or otherwise), rules, policies, ordinances, directives, orders, statutes, or regulations an object of which is to regulate or improve Releases, health, safety, or the environment, (iii) "Release" means any presence, use, generating, storing, spilling, leaking, pumping, pouring, emitting, discharging, escaping, leaching, dumping or disposing Hazardous Materials into the environment, or about, on, from, under, within or affecting the Premises, or transported to or from the Premises, including continuing migration of Hazardous Materials into, onto, or through soil, surface water or groundwater.

11. Upon the occurrence of any of the following events (each an "Event of Default"), Trustor shall be in default under this Deed of Trust: (a) Any failure to pay the Indebtedness when due, by acceleration or otherwise; (b) Any failure to comply with, or breach of, any term of this Deed of Trust, or any other agreement between Borrower, Trustor, or any guarantor of any of the Indebtedness ("guarantor") and Beneficiary; (c) Any warranty, representation, or other information made, given or furnished to Beneficiary by or on behalf of Borrower, Trustor, or any guarantor shall be, or shall prove to have been, false or materially misleading when made, given, or furnished; (d) Any loss, theft, substantial damage or destruction to or of any of the Premises, or the issuance or filing of any attachment, levy, garnishment or the commencement of any proceeding in connection with any of the Premises or of any other judicial process of, upon or in respect of Borrower, Trustor, any guarantor, or any of the Premises; (e) Sale or other disposition by Borrower, Trustor, or any guarantor of any substantial portion of its assets or property or voluntary suspension of the transaction of business by Borrower, Trustor, or any guarantor, or death, dissolution, termination of existence, merger, consolidation, insolvency, business failure, or assignment for the benefit of creditors of or by Borrower, Trustor, or any guarantor; or commencement of any proceedings under any state or federal bankruptcy or insolvency laws or laws for the relief of debtors by or against Borrower, Trustor, or any guarantor; or the appointment of a receiver, trustee, court appointee, sequestrator or otherwise, for all or any part of the property of Borrower, Trustor, or any guarantor; (f) Default under any mortgage or security agreement against any of the Premises; or (g) Beneficiary deems itself insecure, in good faith believing that the prospect of payment of the Indebtedness or performance of this Deed of Trust is impaired or shall fear deterioration, removal, or waste of the Premises. If this Deed of Trust secures a promissory note executed by a party other than Trustor, or if this Deed of Trust secures a guaranty, each party executing the promissory note or each party whose liabilities are being guaranteed, as the case may be, is known as the "Borrower" under this Deed of Trust.

12. Acceleration of the Indebtedness as provided in this Deed of Trust shall trigger any applicable prepayment premium or formula. Without limiting when a prepayment premium may be due, it is agreed that a tender of payment of the amount necessary to satisfy the entire Indebtedness by or on behalf of Trustor or otherwise, must include any applicable prepayment premium or formula.

13. Immediately upon the occurrence of any Event of Default, Beneficiary, to the extent permissible under applicable law, shall have the option to do any or all of the following: (a) Declare the entire unpaid amount of the Indebtedness, including without limit accrued and unpaid interest on it and any applicable prepayment premium or formula, and all other charges payable by Trustor to Beneficiary, to be immediately due and payable and, at Beneficiary's option, (i) to bring suit for the same, or (ii) to take all steps and institute all other proceedings that Beneficiary deems necessary to enforce payment of the Indebtedness and performance under this Deed of Trust and to protect the lien of this Deed of Trust; (b) Commence foreclosure proceedings against the Premises through judicial proceedings or by power of sale at public auction, at the option of Beneficiary. The commencement by Beneficiary of foreclosure proceedings shall be deemed an exercise by Beneficiary of its option to accelerate the Indebtedness, unless such proceedings on their face specifically indicate otherwise. Trustor grants power to Beneficiary to sell the Premises or to cause the same to be sold at public sale, and to convey the same to the purchaser, in a single parcel or in several parcels at the option

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of Beneficiary; Beneficiary may also declare all Indebtedness immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale and a written notice of default and of election to cause to be sold the Premises, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee (i) this Deed of Trust, the note or guaranty secured by this Deed of Trust, and (iii) all documents evidencing expenditures secured by this Deed of Trust. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of the sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Premises at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Premises by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Premises so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness of them. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale; (c) Procure new or cause to be updated abstracts, tax histories, title insurance, or title reports; (d) Obtain a receiver to manage the Premises and collect the rents, profits and Income from it; (e) Contest the amount of validity of any taxes applicable to the Premises by appropriate proceedings either in Beneficiary's name, Trustor's name or jointly with Trustor. Trustor shall execute and deliver to Beneficiary, upon demand, whatever documents and information Beneficiary determines may be necessary or proper to so contest the taxes or to secure payment of any resulting refund. Trustor shall reimburse Beneficiary for all costs and expenses, including without limit attorney fees, incurred in connection with each tax contest proceeding. All refunds resulting from each tax contest proceeding shall belong to Beneficiary to be applied against the Indebtedness with the surplus, if any, to be paid to Trustor. Beneficiary and any of its employees is each irrevocably appointed attorney-in-fact for Trustor and is authorized to execute and deliver in the name of Trustor those documents deemed necessary or proper by Beneficiary to carry out any tax contest proceeding or receive any resulting refunds; and/or (f) In the event of any sale of the Premises by foreclosure, through judicial proceedings, by power of sale or otherwise, apply the proceeds of any such sale in the following order or such other order as Beneficiary may elect: to (i) all expenses incurred for the collection of the Indebtedness and the foreclosure of this Deed of Trust including, without limit, attorney fees; (ii) all sums expended or incurred by Beneficiary directly or indirectly in carrying out terms, covenants and agreements of or under this Deed of Trust or any related document, together with interest as provided in this Deed of Trust; (iii) all accrued and unpaid interest and late payment charges upon the Indebtedness; (iv) any applicable prepayment premium or formula; (v) the unpaid principal amount of the Indebtedness; and (vi) the surplus, if any, paid to Trustor unless a court of competent jurisdiction decrees otherwise.

14. No single or partial exercise, or delay in the exercise, of any right or power under this Deed of Trust, shall preclude other or further exercise of the rights and powers under this Deed of Trust. The unenforceability of any provision of this Deed of Trust shall not affect the enforceability of the remainder. This Deed of Trust constitutes the entire agreement of Trustor, Beneficiary and Trustee with respect to the subject matter of this Deed of Trust. No amendment of this Deed of Trust shall be effective unless the same shall be in writing and signed by Trustor and an authorized officer of Beneficiary. If there is more than one Trustor, all undertakings, warranties and covenants made by Trustor and all rights and powers given to Beneficiary are made or given jointly and severally. This Deed of Trust shall be binding on Trustor, Beneficiary and Trustee and on their respective heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for Trustor. This shall not be deemed a consent by Beneficiary to a conveyance by Trustor of all or part of the Premises or of any ownership interest in Trustor. In the event of foreclosure of this Deed of Trust or the enforcement by Beneficiary of any other remedies under this Deed of Trust, Trustor waives any right otherwise available in respect to marshalling of assets which secure the Indebtedness or to require Beneficiary to pursue its remedies against any other assets or any other party. Upon full and final payment of the Indebtedness and performance by Trustor of all its other obligations under this Deed of Trust, except as otherwise provided in paragraphs 10 (f) and 20, the parties shall automatically each fully and finally release and discharge the other from any claim, liability or obligation in connection with this Deed of Trust and the Indebtedness. This Deed of Trust shall in all respects be governed by and construed in accordance with the laws of the State of California.

15. Promptly upon the request of Beneficiary, Trustor shall execute, acknowledge and deliver all further documents, and do all further acts as Beneficiary may require in its sole discretion to confirm and protect the lien of this Deed of Trust or otherwise to accomplish the purposes of this Deed of Trust.

16. Nothing in this Deed of Trust shall be construed to preclude Beneficiary from pursuing any available remedy provided by law for the collection of the Indebtedness or enforcement of its rights upon an Event of Default. Nothing in this Deed of Trust shall reduce or release any rights or security interests of Beneficiary contained in any existing agreement between Borrower, Trustor, or any guarantor and Beneficiary. No waiver of default or consent to any act by Trustor shall be effective unless in writing and signed by an authorized officer of Beneficiary. No waiver of any default or forbearance on the part of Beneficiary in enforcing any of its rights under this Deed of Trust shall operate as a waiver of any other default or of the same default on a future occasion or of any rights.

17. At the sole option of Beneficiary, this Deed of Trust shall become subordinate, in whole or in part (but not with respect to priority as to insurance proceeds or any eminent domain award) to any or all leases and/or occupancy

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agreements of the Premises upon the execution by Beneficiary, and recording in the appropriate official county records where the premises are located, of a unilateral declaration to that effect.

18. All notices and demands required or permitted to be given to Trustor shall be deemed given when delivered to Trustor or when placed in an envelope addressed to Trustor at the address above, or at such other address as Beneficiary may have on its records, and deposited, with postage, in a depository under the custody of the United States Postal Service or delivered to an overnight delivery courier. The mailing may be certified, first class or overnight delivery mail.

19. To the extent that any of the Indebtedness is payable upon demand, nothing contained in this Deed of Trust shall modify the terms and conditions of that Indebtedness nor prevent Beneficiary from making demand, without notice and with or without reason, for immediate payment of any or all of that Indebtedness at any time(s), whether or not an Event of Default has occurred.

20. Notwithstanding any prior revocation, termination or discharge of this Deed of Trust, (except as to the rights of subsequent intervening bona fide purchasers or lienholders) the effectiveness of this Deed of Trust shall automatically continue or be reinstated in the event that (a) any payment received or credit given by Beneficiary in respect of the Indebtedness is returned, disgorged or rescinded as a preference, impermissible setoff, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable law, in which case this Deed of Trust shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not Beneficiary relied upon this payment or credit or changed its position as a consequence of it; or (b) any liability is sought to be imposed against Beneficiary or Trustee relating to any matter for which Trustor has agreed to indemnify Beneficiary or Trustee under this Deed of Trust, including without limit the presence of Hazardous Materials on, in or about the Premises, whether this matter is known or unknown, now exists or subsequently arises (excluding only matters which arise after any acquisition by Beneficiary of any such property, by foreclosure, in lieu of foreclosure or otherwise, to the extent due to the wrongful act or omission of Beneficiary), in which case this Deed of Trust shall be enforceable to the extent of all liability, costs and expenses (including without limit reasonable attorney fees) incurred by Beneficiary or Trustee as the direct or indirect result thereof. In the event of continuation or reinstatement of this Deed of Trust, Trustor agree(s) upon demand by Beneficiary to execute and deliver to Beneficiary those documents which Beneficiary determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of Trustor to do so shall not affect in any way the reinstatement or continuation. If Trustor does not execute and deliver to Beneficiary upon demand such documents, Beneficiary and each employee is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of Trustor (with full power of substitution) to execute and deliver such documents in the name and on behalf of Trustor.

21. From time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note for endorsement, and without affecting the personal liability of any person for payment of the Indebtedness, Trustee may: reconvey any part of the Premises; consent to the making of any map or plat of the Premises; join in granting any easement on the Premises; join in the execution of or subordination of the lien or charge of this Deed of Trust to any covenants, conditions or restrictions affecting the Premises; or join in any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust.

22. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid, and upon surrender of this Deed of Trust and the secured note to Trustee for cancellation and retention and upon payment by Trustor of its fees, Trustee shall reconvey, without warranty, the Premises then held under this Deed of Trust. The recitals in this reconveyance of any matters or facts shall be conclusive proof of the truthfulness of them. The grantee in this reconveyance may be described as "the person or persons legally entitled thereto."

23. Beneficiary, acting alone, may from time to time, by instrument in writing, substitute a successor to any Trustee named under this Deed of Trust, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee, who shall, without conveying from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. This instrument must contain the name of the original Trustor, Trustee and Beneficiary under this Deed of Trust, the book and page or document number where this Deed of Trust is recorded, and the name and address of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt of them upon this instrument of substitution.

24. Each Trustor who is a married person expressly agrees that recourse may be had against his or her separate property, but without creating any lien or charge on it, for any deficiency after sale of the Premises under this Deed of Trust.

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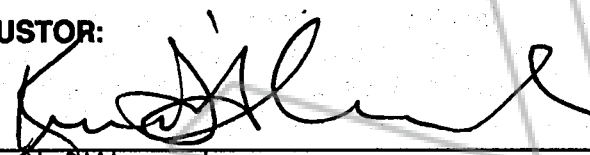
25. To the fullest extent permitted by law, Trustor waives the provisions of Section 431.70 of the California Code of Civil Procedures and all amendments to it.

26 TRUSTOR, BENEFICIARY AND TRUSTEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS DEED OF TRUST OR THE INDEBTEDNESS.


27. Additional provisions, if any:

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale under this Deed of Trust be mailed to Trustor at Trustor's address set forth above.

TRUSTOR:



Kenneth D'Alessandro



Linda D'Alessandro

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA NEVADA

COUNTY OF DOUGLAS

On April 6, 2000 before me, the undersigned

personally appeared KENNETH D'ALESSANDRO AND LINDA D'ALESSANDRO

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 within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Marilyn L. Bigham (Handwritten Signature)
Notary Public's Signature

MARILYN L. BIGHAM
(Type or Print Name)

STATE OF CALIFORNIA

COUNTY OF

On before me

personally appeared

personally

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)

(Notary Public's Signature)

(Type or Print Name)

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Exhibit "A" attached to that certain Deed of Trust, Security Agreement and Fixture Filing dated April 3, 2000 by and between Kenneth D'Alessandro and Linda D'Alessandro and Comerica Bank-California, a California Banking Corporation and made a part thereof

KD
LD
Initial

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

Unit 14, as set forth on that map entitled CONDOMINIUM MAP LAKE VILLAGE PROFESSIONAL BUILDING, recorded June 1, 1979 in Book 679 of Official Records at page 83, as Document No. 33068, Douglas County, Nevada.

Together with an undivided interest in the common area as set forth and defined by that document recorded April 30, 1980 in Book 480 of Official Records at page 1788, Douglas County, Nevada.

Assessors Parcel No. 07-460-030

PROPERTY ADDRESS: 295 HIGHWAY 50, SUITE 14, ZEPHYR COVE, NV 89449

COOPER

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Exhibit "B" attached to that certain Deed of Trust, Security Agreement and Fixture Filing dated April 3, 2000 by and between Kenneth D'Alessandro and Linda D'Alessandro and Comerica Bank-California, a California Banking Corporation and made a part thereof

"The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
- b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."



REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 APR 10 PM 3: 21

LINDA SLATER
RECORDER

\$19⁰⁰ PAID *kr* DEPUTY

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