

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

ARM FINANCIAL CORPORATION  
P.O. BOX 85309  
SAN DIEGO, CA 92186-5309

THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMODATION ONLY. NO LIABILITY, EXPRESS OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

FIRST AMERICAN TITLE CO.

Space above this line for recorder's use only

Trustee Sale No. 02-03898 Loan No. 2710600820 Title Order No.

# APN Number:

### IMPORTANT NOTICE

### NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

02-144133  
IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This estimated amount is \$5,764.90 as of 10/21/2002 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in this paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

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BK1002PG11451

T.S. #: 02-03898  
LOAN #: 2710600820  
ORDER #:

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: RIDGE POINTE LIMITED PARTNERSHIP, A NEVADA LIMITED PARTNERSHIP, DBA SUNTERRA RESORTS, C/O ARM FINANCIAL CORPORATION, P.O. BOX 85309, SAN DIEGO, CA 92186-5309, (858) 689-9735.

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: ARM FINANCIAL CORPORATION is the duly appointed Trustee under a Deed of Trust dated 04/17/1999, executed by GINA FREGOSO, AN UNMARRIED WOMAN AND ALFREDO GARLBAY, A SINGLE MAN TOGETHER AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP, as trustor, to secure obligations in favor of RIDGE POINTE LIMITED PARTNERSHIP, A NEVADA LIMITED PARTNERSHIP, DBA SUNTERRA RESORTS-THE RIDGE POINTE, as Beneficiary Recorded on 04/30/1999 as Instrument 0466949, Book 0499, Page 6510 of official records in the Office of the Recorder of DOUGLAS County, Nevada, as more fully described on said Deed of Trust. Including the note(s) for the sum of \$15,750.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE INSTALLMENT OF PRINCIPAL AND INTEREST WHICH BECAME DUE 04/01/2001 AND ALL SUBSEQUENT INSTALLMENTS, TOGETHER WITH ALL LATE CHARGES AND ANY DELINQUENT TAXES AND/OR INSURANCE PREMIUMS ADVANCED BY THE BENEFICIARY.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 10/21/2002

ARM FINANCIAL CORPORATION

  
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HAZEL GARCIA, ASSISTANT SECRETARY

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T.S. #:  
LOAN #:  
ORDER #:

DATE: 10/2/02

STATE OF CALIFORNIA

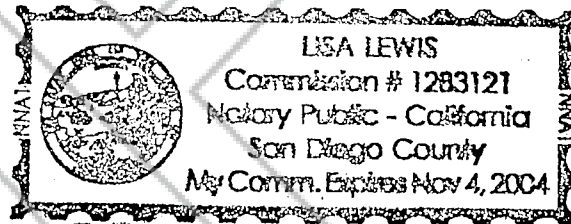
COUNTY OF SAN DIEGO

On 10/2/02 before me, LISA LEWIS, a Notary Public in and for said county, personally appeared HARVEY GANN, 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.

Lisa Lewis

Notary Public in and for said County and State



REQUESTED BY  
**FIRST AMERICAN TITLE CO.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 OCT 24 PM 4: 28

LINDA SLATER  
RECORDER

\$ 16.00 PAID KJ DEPUTY

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BK 1002 PG 11453