

Recording Requested By:

Richard A. Littorno

When Recorded Mail To:

Richard A. Littorno
HUFFAKER, LITTORNO & MORRISON
2211 Railroad Avenue
Pittsburg, CA 94565

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, made this 6th day of November, 2002, by and between KATHLEEN G. FRANCO, herein collectively called TRUSTOR, whose address is 3325 Vista Grande Blvd., Carson City, County of Douglas, State of Nevada, and Bonnie McNabb herein called BENEFICIARY and Richard A. Littorno, Attorney at Law, TRUSTEE herein.

Witnesseth: that Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Carson City, Douglas County, Nevada, described as:

Lot 113, Block F, as shown on the map of SILVERADO HEIGHTS SUBDIVISION, filed for record in the office of the County Recorder of Douglas County, Nevada, on September 18, 1978, as Document No. 25326, and Certificate of Amendment of the final plat of said subdivision recorded August 23, 1979, in Book 879 of Official Records at Page 1725, Douglas County, Nevada, as plat of said subdivision recorded October 13, 1979, in Book 1079 of Official Records, at Page 1039, Douglas County, Nevada, as Document No. 37638, APN 13-252-01.

Commonly known as 3325 Vista Grande Blvd., Carson City, Douglas County, Nevada, 89705.

In the event the herein described property or any part thereof, or any interest therein is sold, agreed to be sold, conveyed or alienated by the Trustor, or by the operation of law or otherwise, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, at the option of the holder hereof and without demand or notice shall immediately become due and payable.

Together with the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon TRUSTEE to collect and apply such rents, issues, and profits.

For the Purpose of Securing:

1. Performance of each agreement of Trustor herein contained.
2. Payment of the indebtedness evidenced by one promissory note of even

0560162

BK1202PG03511

date herewith, and any extension or renewal thereof, in the principal sum of \$110,043.96 executed by Trustor in favor of Trustee or order.

3. Payment of such further sums as the then record owner of said property hereafter may borrow from Trustee, when evidenced by another note (or notes) reciting it is so secured.

To Protect the Security of this Deed of Trust, Trustor Agrees:

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

(2) To provide, maintain and deliver to Trustee fire insurance satisfactory to and with loss payable to Trustee. The amount collected under any fire or other insurance policy may be applied by Trustee upon any indebtedness secured hereby and in such order as Trustee may determine, or at option of Trustee the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Trustee or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Trustee or Trustee may appear, and in any suit brought by Trustee to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all incumbrances, charges and liens, with interest, on said property or an part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Trustee or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Trustee or trustee being authorized to enter upon said property for such purposes; appear in and

0560162

BK1202PG03512

defend any action or proceeding purporting to affect the security hereof or the rights or powers of Trustee or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising an such powers, pay necessary expenses employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Trustee or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Trustee not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Trustee who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Trustee does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Trustee and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Trustee stating 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, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto:.. Five years after issuance of such full reconveyance, Trustee may destroy said Note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Trustee the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving onto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured

0560162

BK1202PG03513

hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default Trustee 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 hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Trustee may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Trustee may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Trustee also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property 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 said property 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 property 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 thereof. Any person, including Trustor, Trustee, or Trustee as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Trustee or any successor in ownership of any indebtedness secured

0560162

BK1202PG03514

hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Trustee and duly acknowledged 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 or Trustees, who shall without conveyance from the Trustee predecessor, succeed to all its title, estate, rights powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Trustee hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Trustee shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Trustee herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Trustee or Trustee shall be a part unless brought by Trustee.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to her at her address hereinbefore set forth.


KATHLEEN G. FRANCO

0560162

BK1202PG03515

STATE OF NEVADA)

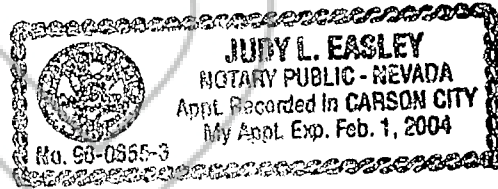
) ss.

COUNTY OF DOUGLAS)

On November 6, 2002, before me, Judy L. Easley, personally appeared KATHLEEN G. FRANCO, 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 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.

Judy L. Easley
NOTARY PUBLIC IN AND FOR
THE STATE OF NEVADA



REQUESTED BY
Richard Littorwa
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 DEC -9 AM 11:09

LINDA SLATER
RECORDER

\$19⁰⁰ PAID 2 DEPUTY

0560162

BK1202PG03516