

21-

DOC # 0641087
04/06/2005 04:05 PM Deputy: PK

OFFICIAL RECORD
Requested By:
COASTAL PROCESSING INC

RECORDING REQUESTED BY:
Kelsey Phillips

AND WHEN RECORDED MAIL TO:
PLM LENDER SERVICES, INC.
46 N. 2nd St.
CAMPBELL, CA 95008

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 8 Fee: 21.00
BK-0405 PG- 2299 RPTT: 0.00



APN 1420-33-212-009

SPACE ABOVE THIS LINE FOR RECORDERS USE

ALL - INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS

This All-Inclusive Deed of Trust, made this 22th day of December 2004, between United Exchange, Inc., Trustee of the 1299 Bridle Way Trust herein called TRUSTOR, whose address is: 4601 W. Walnut, Soquel, CA 95073, PLM LENDER SERVICES, INC., a California corporation, herein called TRUSTEE, and Kelsey Phillips and Andrew Phillips herein called BENEFICIARY, **Witnesseth:** That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Douglas County, Nevada described as: see exhibit "A" - 1299 Bridle Way, Minden, NV.

Assessor's Parcel Number: 1420-33-212-009

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary 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 all-inclusive promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$325,000 executed by Trustor in favor of Beneficiary or order.

Underlying Obligations:

This is an all-inclusive deed of trust, securing an all-inclusive promissory note in the original principal amount of THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$325,000) (the "Note") that includes within such amount the unpaid balance of the following:

1. A promissory note in the original principal sum of THREE HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS (\$320,000) in favor of Wells Fargo Bank as Payee, secured by a deed of trust recorded 2/2/2005, as Document No. 635871, Official Records of Douglas County, Nevada.

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 enumeration's herein not excluding the general.
- (2) To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary 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. The provisions hereof are subject to the mutual agreements of the parties as below set forth.
- (3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary 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 Beneficiary or Trustee may appear, and in any suit brought by Beneficiary 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; subject to the mutual agreements of the parties as below set forth, to pay when due, all encumbrances, charges and liens, with interest, on said property or any 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 Beneficiary 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. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- (5) To pay immediately and without demand all sums so expended by Beneficiary 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 obligations secured hereby any amount demanded by the Beneficiary 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 Beneficiary 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. The



BK- 0405
PG- 2300

provisions hereof are subject to the mutual agreements of the parties as below set forth.

- (7) That by accepting payment of any sum secured hereby after its due date, Beneficiary 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 Beneficiary 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 Beneficiary 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 Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured 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, 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 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 Beneficiary 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, Beneficiary 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. Beneficiary 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 Beneficiary 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) Beneficiary, or any successor in ownership of any indebtedness secured 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 Beneficiary 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 Beneficiary 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 Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary 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, Beneficiary or Trustee shall be a party 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 him at his address hereinbefore set forth.

Trustor and Beneficiary Mutually Agree:

- (A) By Beneficiary's acceptance of this All-Inclusive Deed of Trust, Beneficiary covenants and agrees that provided Trustor is not delinquent or in default under the terms of the Note secured hereby, Beneficiary shall pay all installments of principal and interest which shall hereafter become due pursuant to the provisions of the Underling Note(s) as and when the same become due and payable. In the event Trustor shall be delinquent or in default under the terms of the Note secured hereby, Beneficiary shall not be obligated to make any payments required by the terms of the Underlying Note(s) until such delinquency or default is cured. In the event Beneficiary fails to timely pay any installment of principal or interest on the Underlying Note(s) at the time when Trustor is not delinquent or in default under the terms of the Note secured hereby, Trustor may, at Trustor's option make such payments directly to the holder of such Underlying Note(s), in which event Trustor shall be entitled to a credit against the next installment(s) of principal and interest due under the terms of the Note secured hereby equal to the amount so paid and including, without limitation, any penalty, charges and expenses paid by Trustor to the holder of the Underlying Note(s) on



account of Beneficiary's failing to make such payment. The obligations of Beneficiary hereunder shall terminate upon the earliest of (i) foreclosure of the lien of this All-Inclusive Deed of Trust, or (ii) cancellation of the Note secured hereby and reconveyance of this All-Inclusive Deed of Trust.

Should Trustor be delinquent or in default under the terms of the Note secured hereby, Beneficiary consequently incurs any penalties, charges, or other expenses on account of the Underlying Note(s) during the period of such delinquency or default, the amount of such penalties, charges and expenses shall be immediately added to the principal amount of the Note secured hereby and shall be immediately payable by Trustor to Beneficiary.

If at any time the unpaid balance of the Note secured hereby, accrued interest thereon, and all other sums due pursuant to the terms thereof and all sums advanced by Beneficiary pursuant to the terms of this Deed of Trust, is equal to or less than the unpaid principal balance of the Underlying Note(s) and accrued interest thereon, the Note secured hereby, at the option of Beneficiary, shall be canceled and said property shall be reconveyed from the lien of this Deed of Trust.

- (B) Trustor and Beneficiary agree that in the event the proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance covering destructible improvements located upon said property, are applied by the holder of the Underlying Note(s) in reduction of the unpaid principal amount thereof, the unpaid principal balance of the Note secured hereby shall be reduced by an equivalent amount and be deemed applied to the last sums due under the Note.
- (C) At such times as the Note secured hereby becomes all due and payable, the amount of principal and interest then payable to Beneficiary thereunder shall be reduced by the then unpaid balance of principal and interest due on the Underlying Note(s).
- (D) Any demand hereunder delivered by Beneficiary to Trustee for the foreclosure of the lien of this Deed of Trust may be not more than the sum of the following amounts:
 - (i) The difference between the then unpaid balance of principal and interest on the Note secured hereby and the then unpaid balance of principal and interest on the Underlying Note(s); plus
 - (ii) The aggregate of all amounts theretofore paid by Beneficiary pursuant to the terms of this Deed of Trust prior to the date of such foreclosure sale, for taxes and assessments, insurance premiums, delinquency charges, foreclosure costs, and any other sums advanced by Beneficiary pursuant to the terms of this Deed of Trust, to the extent the same were not previously repaid by Trustor to Beneficiary; plus
 - (iii) The costs of foreclosure hereunder; plus attorneys fees and costs incurred by Beneficiary in enforcing this Deed of Trust or the Note secured hereby as permitted by law.
- (E) Notwithstanding any provision to the contrary herein contained, in the event of a Trustee's sale in furtherance of the foreclosure of this Deed of Trust, the balance then due on the Note secured hereby, for the purpose of Beneficiary's demand, shall be reduced, as aforesaid, by the unpaid balance, if any, of principal and interest then due on the Underlying Note(s), satisfactory evidence of which unpaid balances must be submitted to Trustee prior to such sale. The Trustee may rely on any statements received from Beneficiary in this regard and such statements shall be deemed binding and conclusive as between Beneficiary and Trustor, on the one hand, and the Trustee, on the other hand, to the extent of such reliance.



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

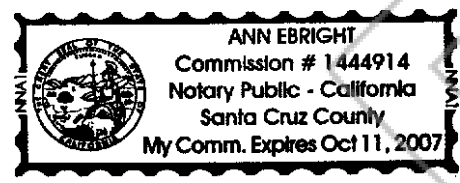
State of California }
County of Santa Cruz } ss.

On 31 Dec 2004 before me, Ann Ebright
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Cy Ebright
Name(s) of Signer(s)

- personally known to me
- 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.
Ann Ebright
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

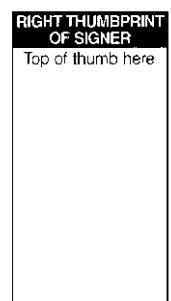
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



**Exhibit "A" to All-Inclusive Deed of Trust
1299 Bridle Way, Minden, NV**

Legal Description of Property

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

Lot 129, Block B, as shown on the Final map of Wildhorse UNIT 4, A PLANNED UNIT DEVELOPMENT, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on December 12, 1990 in Book 1290, Page 3944, as Document No. 241974.

APN: 1420-33-212-009

