

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

BOOK CORPORATION OF AMERICA  
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(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
1) Title of each class of securities to which transaction applies:  
2) Aggregate number of securities to which transaction applies:  
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
4) Proposed maximum aggregate value of transaction:  
5) Total fee paid:  
 Fee paid previously with preliminary materials:  
 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.  
1) Amount previously paid:  
2) Form, Schedule or Registration Statement No.:  
3) Filing Party:  
4) Date Filed:

BOOK CORPORATION OF AMERICA  
1725 EAST WARM SPRINGS ROAD, STE. 10  
LAS VEGAS, NEVADA 89119

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

A special meeting of stockholders of Book Corporation of America will be held at the offices of Book Corporation of America, 1725 East Warm Springs Road, Suite 10, Las Vegas Nevada 89119 on July 23, 2002, at 10:00 a.m., local time, for the following purposes:

1. To approve a resolution of the board of directors to change our domicile from Utah to Nevada by entering a Agreement and Plan of Merger with a Nevada corporation;
2. To approve a resolution of the board of directors to amend our Articles of Incorporation to:  
(a) effect a name change to Secured Diversified Investment, Ltd. ("SDI") (or other such name as may be available);  
(b) change the par value on the authorized common shares to \$.001; and  
(c) to authorize 50,000,000 shares of Preferred Stock at a par value of \$.01;
3. To elect one director to our company's Board of Directors. The director will be elected to serve for a period of one year and until his successor is elected and qualified;
4. To adopt the SDI 2002 Stock Option Plan for purposes of Sections 162(m) and 422 of the Internal Revenue Code;

5. To amend our bylaws to effect a change in our fiscal year end from October 31 to a calendar year end or December 31.
6. To ratify the actions of our officers and directors for the last fiscal year and for the period from the fiscal year end through the date of this special shareholder meeting.
7. To transact any other business as may properly come before the meeting or at any adjournment thereof.

Our board of directors has fixed the close of business on May 31, 2002 as the record date for determining stockholders entitled to notice of, and to vote at, the meeting. Only stockholders of record at the close of business on May 31, 2002 will be entitled to notice of, and to vote at, the special meeting of stockholders. A list of stockholders eligible to vote at the meeting will be available for inspection at the meeting and for a period of 10 days prior to the meeting during regular business hours at our corporate headquarters, 1725 East Warm Springs Road, Suite 10, Las Vegas, Nevada 89119.

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All of our stockholders are cordially invited to attend the meeting in person. Whether or not you expect to attend the special meeting of stockholders, your proxy vote is important. To assure your representation at the meeting, please sign and date the enclosed proxy card and return it promptly in the enclosed envelope, which requires no additional postage if mailed in the United States. Should you receive more than one proxy because your shares are registered in different names or addresses, each proxy should be signed and returned to assure that all your shares will be voted. You may revoke your proxy at any time prior to the meeting. If you attend the meeting and vote by ballot, your proxy will be revoked automatically and only your vote at the meeting will be counted.

YOUR VOTE IS IMPORTANT

IF YOU ARE UNABLE TO BE PRESENT PERSONALLY, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY, WHICH IS BEING SOLICITED BY THE BOARD OF DIRECTORS, AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

By order of the board of directors,

RONALD ROBINSON  
President

July 9, 2002

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BOOK CORPORATION OF AMERICA  
1725 EAST WARM SPRINGS ROAD, STE. 10  
LAS VEGAS, NEVADA 89119

PROXY STATEMENT

GENERAL

SOLICITATION OF PROXIES. This proxy statement is being furnished to the stockholders of Book Corporation of America, a Utah corporation, in connection with the solicitation of proxies by our board of directors for use at our special meeting of stockholders to be held at 10:00 a.m., local time, on July 23, 2002, or at any adjournment thereof. A copy of the notice of meeting accompanies this proxy statement. It is anticipated that the mailing of this proxy statement will commence on or about July 11, 2002.

COST OF SOLICITATION. We will bear the costs of soliciting proxies.

In addition to the use of the mails, certain directors or officers of our company may solicit proxies by telephone, telegram, facsimile, cable or personal contact. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of shares of our Common Stock.

OUTSTANDING VOTING SHARES. Only stockholders of record at the close of business on May 31, 2002, the record date for the meeting, will be entitled to notice of and to vote at the meeting. On the record date, we had 2,349,540 outstanding shares of Common Stock, par value \$.005 per share, which are our only securities entitled to vote at the meeting, each share being entitled to one vote.

VOTE REQUIRED FOR APPROVAL. Shares of Common Stock will vote with respect to each proposal. Under our Bylaws, Proposals 1, 2, 3, 4, 5, 6 and 7 each require the affirmative vote of a majority of the votes eligible to be voted by holders of shares represented at the Special Meeting in person or by proxy. With respect to Proposal 3 votes may be cast by a stockholder in favor of the nominee or withheld. With respect to Proposals 1, 2, 4, 5, 6 and 7 votes may be cast by a stockholder in favor or against the Proposals or a stockholder may elect to abstain. Since votes withheld and abstentions will be counted for quorum purposes and are deemed to be present for purposes of the respective proposals, they will have the same effect as a vote against each matter.

Under the NASD Rules of Fair Practice, brokers who hold shares in street name have the authority, in limited circumstances, to vote on certain items when they have not received instructions from beneficial owners. A broker will only have such authority if (i) the broker holds the shares as executor, administrator, guardian, trustee or in a similar representative or fiduciary capacity with authority to vote or (ii) the broker is acting under the rules of any national securities exchange of which the broker is also a member. Broker abstentions or non-votes will be counted for purposes of determining the presence or absence of a quorum at the meeting. Abstentions are counted in tabulations of the votes cast on proposals presented to stockholders, but broker non-votes are not counted for purposes of determining whether a proposal has been approved

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VOTING YOUR PROXY. Proxies in the accompanying form, properly executed and received by our company prior to the Special Meeting and not revoked, will be voted as directed. In the absence of direction from the stockholder, properly executed proxies received prior to the Special Meeting will be voted FOR Proposals 1, 2, 3, 4, 5, 6 and 7. You may revoke your proxy by giving written notice of revocation to our Secretary at any time before it is voted, by submitting a later-dated proxy or by attending the Special Meeting and voting your shares in person. Stockholders are urged to sign and date the enclosed proxy and return it as promptly as possible in the envelope enclosed for that purpose.

#### PROPOSAL ONE:

APPROVE A RESOLUTION OF THE BOARD OF DIRECTORS  
TO CHANGE OUR DOMICILE FROM UTAH TO NEVADA

You are being asked to approve a resolution of the board of directors to change our domicile from Utah to Nevada.

#### POTENTIAL EFFECTS OF CHANGING DOMICILE FROM UTAH TO NEVADA

We believe that changing our domicile from Utah to Nevada will allow us to avail ourselves of the full advantages of the Nevada Revised Statutes as well as other tax advantages of doing business in Nevada, such as no state income tax. The change in domicile may change the way in which we take actions requiring shareholder approval without holding a shareholders' meeting. Because we were incorporated prior to July 1, 1992, and have not elected otherwise, the Utah Revised Business Corporation Act requires that we obtain written consent from all of our shareholders prior to taking any action requiring shareholder approval without holding a shareholders' meeting. Nevada corporate law provides that we can take actions requiring shareholder approval by obtaining written consent of the majority of shares entitled to vote on any action without holding a shareholders' meeting. In other words, if we become a Nevada corporation we will be able to take actions requiring shareholder approval without holding a shareholder meeting, so long as we obtain written approval of the action by the shareholder(s) holding at least 50.1% of the shares entitled to vote on the action rather than having to obtain the written approval of 100% of our shareholders.

Of course, the Utah Revised Business Corporation Act provides that we can call a shareholder meeting and ask our shareholders to approve an amendment to our Articles of Incorporation that would allow us to opt out of the unanimous written consent requirement in Utah. If such a proposal were approved by the majority of our common shares at the meeting, we could amend our Articles of Incorporation to allow us to take actions requiring shareholder approval by obtaining written consent of a majority of our common shares rather than all of the shares. Once our Utah Article of Incorporation were amended, there would be no difference between being a Nevada corporation or a Utah corporation in this respect.

As REIT Consultants, LLC currently owns approximately 85% of our issued and outstanding Common Stock, by voting in favor of such an amendment, REIT Consultants LLC could approve such a change to our Utah Articles of Incorporation. Ronald Robinson, our President, is the manager of REIT Consultants, LLC and may be deemed to have voting control of shares held in the name of REIT Consultants, LLC.

Moreover, if we become a Nevada corporation we could take actions requiring shareholder approval solely by obtaining the written consent of REIT Consultants, LLC and without holding a shareholders' meeting or soliciting proxies or consent of any of our other shareholders.

Other than as discussed herein, we believe there are no other material changes in shareholders' rights in the Nevada Revised Statute compared to the Utah Revised Business Corporation Act.

#### PROCEDURE FOR CHANGING DOMICILE

Nevada law provides that to change the domicile of a foreign corporation to Nevada, the corporation must merge with a Nevada corporation. Subject to the approval of proposals one and two of this proxy we will: form and merge with a Nevada corporation for the purpose of effecting the change in domicile; file Articles of Incorporation with the state of Nevada creating a Nevada corporation; enter into an Agreement and Plan of Merger with the newly formed Nevada corporation; and file a Certificate of Merger with both Utah and Nevada. Immediately following the merger, the Nevada corporation would be the surviving entity and the separate existence of the Utah corporation would cease. The change of domicile would become effective upon the filing date of the Certificate of Merger with the state of Nevada. The form of Articles of Incorporation and Bylaws of the proposed Nevada corporation, the Agreement and Plan of Merger, and Certificate of Merger are attached to this proxy statement as Annex A.1, Annex A.2, Annex B and Annex C respectively.

#### VOTE REQUIRED

The affirmative vote of the holders of a majority of the outstanding shares of our Common Stock is requested to approve the proposal to change our domicile from Utah to Nevada.

OUR BOARD RECOMMENDS THAT OUR STOCKHOLDERS APPROVE THE BOARD OF DIRECTORS RESOLUTION TO EFFECT A CHANGE OF DOMICILE FROM UTAH TO NEVADA AS SET FORTH ABOVE.

#### PROPOSAL TWO:

AMEND OUR ARTICLES OF INCORPORATION TO  
EFFECT (a) A NAME CHANGE, (b) TO CHANGE THE PAR  
VALUE ON OUR COMMON STOCK TO \$.001  
AND (c) TO AUTHORIZE 50,000,000 SHARES OF PREFERRED  
STOCK AT A PAR VALUE OF \$.01

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You are being asked to vote to authorize our board of directors to amend our Articles of Incorporation to change the name of the corporation to Secured Diversified Investment, Ltd., or such other name as may be available, to change the par value of the Common Stock from \$.005 to \$.001, and to authorize 50,000,000 shares of Preferred Stock at a par value of \$.01 per share, with the designation of rights, preferences and privileges of said preferred shares to be set by the board of directors.

#### REASONS FOR THE AMENDMENTS TO OUR ARTICLES OF INCORPORATION

By changing our name we believe we will better reflect our business plan to acquire assets and/or merge with businesses. We believe this new name will improve our marketability from a financial and public relations standpoint. By changing the par value on our Common Stock to \$.001 we believe our par value will be the same as similar companies.

Finally, we believe that having Preferred Stock will greatly increase our ability to attract and complete acquisitions and/or mergers in order to enhance our business plan. In April 2002, we entered into a non-binding letter of intent with Seashore Diversified Investment Company ("Seashore"), a Maryland corporation, to negotiate the possible acquisition of real estate holdings from Seashore in exchange for restricted shares of our Preferred and/or Common Stock. Seashore is a real estate investment trust and is in the business of acquiring, selling and managing real estate holdings. Neither Seashore, nor any of its officers or directors is a related party to us or to our officer and director.

Pursuant to the terms of the letter of intent, we have agreed to attempt to negotiate a definitive agreement with Seashore setting forth the specific terms for the acquisition of real estate holdings by us. Our intent is to primarily acquire partial interests in a number of income producing properties throughout the United States. Given that Seashore is continuously buying and selling real estate, and the fact that we have not negotiated the specific terms of a definitive agreement, it is impossible to know what properties, if any, we may acquire from Seashore. We have been waiting to negotiate the terms of a definitive agreement until such

time as we obtain shareholder approval to authorize the establishment of Preferred Shares to assure we have the ability to perform any agreement that might be reached with Seashore.

By its terms, the letter of intent automatically terminates on June 30, 2002. If we are unable to execute a definitive agreement prior to that time, we may seek to extend the letter of intent if we believe doing so is in the best interest of our shareholders. We do not know if Seashore has any interest in extending the termination date of the letter of intent.

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#### RESULTS OF THE AMENDMENTS TO OUR ARTICLES OF INCORPORATION

Name Changes and changes to par value of common stock require the obtaining of a new CUSIP number and a new stock symbol, which are assigned by the CUSIP Service Bureau and the NASD respectively. Although the par value on the Common Stock would change to \$.001, the total authorized, issued and outstanding Common Stock would remain unchanged. Finally, our company would be authorized to issue up to 50,000,000 shares of Preferred Stock with a par value of \$.01 with the rights, preferences and privileges of said preferred shares to be set by our board of directors.

#### POSSIBLE DILUTION RESULTING FROM AUTHORIZATION OF PREFERRED SHARES

We currently have 100,000,000 shares of authorized capital stock. By voting in favor of Proposal Two, you are voting to increase our authorized capital stock by an additional 50,000,000 shares or 50%. While we have no present obligation to issue Preferred Stock, and have not yet designated any rights or preferences for these shares, if we issue Preferred Stock in the future you could potentially suffer substantial dilution. If we issue Preferred Stock you could suffer dilution in the book value of your shares if the Preferred Stock is sold at prices lower than the price at which you purchased your Common Stock. Moreover, if the Board of Directors in setting the rights, preferences and privileges of the Preferred Stock determines to grant voting rights to the holders of Preferred Stock, you could suffer dilution in the percentage of your voting interest in company matters. Similarly, the Board could grant other rights to the future holders of Preferred Stock which could be superior to your rights and holders of Common Stock.

#### POSSIBLE ANTI-TAKEOVER EFFECTS OF AUTHORIZING PREFERRED STOCK

Although we have no such present intent, Preferred Stock could be used to discourage unsolicited acquisition proposals. For example, a business combination could be impeded by the issuance of a series of Preferred Stock containing class voting rights that would enable the holder or holders of such series to block any such transaction. Alternatively, a business combination could be facilitated by the issuance of a series of Preferred Stock having sufficient voting rights to provide a required percentage vote to the stockholders. In addition, under some circumstances, the issuance of Preferred Stock could adversely affect the voting power and other rights of the holders of the Common Stock. Although our Board of Directors is required to make any determination to issue any such stock based on its judgement as to the best interests of our stockholders, it could act in a manner that would discourage an acquisition attempt or other transaction that some, or a majority, of the stockholder might believe to be in their best interest or in which stockholders might receive a premium for their stock over prevailing market prices.

#### PROCEDURE FOR EFFECTING AMENDMENTS TO THE ARTICLES OF INCORPORATION

Provided that proposals one and two of this proxy are approved, the form of amendments will be set forth in the Articles of Incorporation (Annex A.1) to be filed with the state of Nevada and will become effective upon the filing of the Certificate of Merger (Annex B). If proposal one is not approved and proposal two is approved, then the form of amendment to our Articles of Incorporation will be filed with the state of Utah as set forth and attached to this proxy statement as Annex D, and the amendments will become effective upon the filing of the amendment to our Articles of Incorporation with the state of Utah.

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The exchange of certificates is not required. Our transfer agent, however, will act as the exchange agent for purposes of implementing any exchange of stock certificates for those who wish to do so. No new certificates will be issued to any stockholder until the stockholder has surrendered the stockholder's outstanding certificate(s) together with the properly completed and executed letter of transmittal to the exchange agent. Until surrender, each certificate representing shares before the name change and change in par value will continue to be valid and will represent the same number of shares with the old par value. Stockholders should not destroy any stock certificate. Stockholders desiring new certificate reflecting the name change and the change of par value to the Common Stock will be required to bear the costs of the exchange.

#### NO DISSIDENTERS' RIGHTS

No dissenters' rights are available under the Utah Revised Business Corporation Act or under our Articles of Incorporation or Bylaws to any

stockholder who dissents from this proposal.

#### FINANCIAL STATEMENTS

Following you will find our most recent audited financial statements for the fiscal years ending October 31, 2001 and October 30, 2000, as well as, our unaudited financial statement for our first fiscal quarter ended January 31, 2002.

Book Corporation of America  
(A Development Stage Company)

Financial Statements  
January 31, 2002,  
October 31, 2001  
and  
October 31, 2000

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/Letterhead/

#### Accountant's Report -----

Board of Directors  
Book Corporation of America  
(A Development Stage Company)

We have reviewed the accompanying balance sheet of Book Corporation of America, (a Utah Corporation) as of January 31, 2002, and the related statements of income, retained earnings and cash flows for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Book Corporation of America.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying January 31, 2002 financial statements in order to be in conformity with generally accepted accounting principles, in the United States of America.

The financial statements for the year ended October 31, 2001 and 2000 were audited by us, and we expressed an unqualified opinion on them in our report dated December 31, 2001, but we have not performed any auditing procedures since that date.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note #6 to the financial statements, the Company has an accumulated deficit and a negative net worth at January 31, 2002. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note #6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ Bierwolf, Nilson & Associates

Bierwolf, Nilson & Associates  
June 13, 2002

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Book Corporation of America  
(A Development Stage Company)  
Balance Sheet  
For the Period Ended January 31, 2002  
and the Fiscal Years Ended October 31

<Table>  
<Caption>

	January 31, 2002	October 31, 2001	October 31, 2000
<S>	<C>	<C>	<C>
	(Unaudited)		
Assets			
Current Assets	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -
Liabilities & Stockholders' Equity			
Current Liabilities			
Accounts Payable	\$ 47,877	\$ 37,336	\$ 16,107
Taxes Payable	450	450	200
Total Current Liabilities	48,327	37,786	16,307
Stockholders' Equity			
Common Shares 100,000,000 Authorized; \$0.005 Par Value 2,349,540 Shares			
Issued & Outstanding	11,748	11,748	11,748
Paid In Capital	3,041,711	3,041,711	3,041,711
Accumulated Deficit	(3,101,786)	(3,091,245)	(3,069,766)
Total Stockholders' Equity	(48,327)	(37,786)	(16,307)
Total Liabilities & Stockholders' Equity	\$ -	\$ -	\$ -

</Table>

See accompanying notes to financial statements.

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Book Corporation of America  
(A Development Stage Company)  
Statements of Operations  
For the Period Ended January 31, 2002 and  
the Fiscal Years Ended October 31, and  
Accumulated for the Period November 22, 1978 (Inception)  
to January 31, 2002

<Table>  
<Caption>

	January 31, 2002	October 31, 2001	October 31, 2000	Accumulated
<S>	<C>	<C>	<C>	<C>
	(Unaudited)			
Revenues	\$ -	\$ -	\$ -	\$ 250,000
Expenses				
Administrative Expenses	10,541	21,229	3,611	49,324
Depreciation	-	-	-	200,000
Production Costs	-	-	-	132,448
Write Down of Film Inventory	-	-	-	2,563,500
Write Off of Investments & Other Assets	-	-	-	200,247
Bad Debt	-	-	-	200,000
Failed Offering Costs	-	-	-	5,917
Total Expenses	10,541	21,229	3,611	3,351,436
Net Loss from Operations	(10,541)	(21,229)	(3,611)	(3,101,436)
Income Tax Expense	-	250	100	350
Net Loss	\$ (10,541)	\$ (21,479)	\$ (3,711)	\$ (3,101,786)
Net Loss Per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	
Shares Outstanding	2,349,540	2,349,540	2,349,540	

</Table>

See accompanying notes to financial statements.

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Book Corporation of America  
(A Development Stage Company)  
Statements of Cash Flows  
For the Period Ended January 31, 2002 and  
the Fiscal Years Ended October 31, and  
Accumulated for the Period November 22, 1978 (Inception)  
to January 31, 2002

<Table>  
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	January 31, 2002	October 31, 2001	October 31, 2000	Accumulated
	(Unaudited)			
<S>	<C>	<C>	<C>	<C>
<b>Cash Flows from Operating Activities</b>				
Net Loss	\$ (10,541)	\$ (21,479)	\$ (3,711)	\$ (3,101,786)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities;				
Depreciation	-	-	-	200,000
Noncash Transactions;				
Write Down of Film Inventory	-	-	-	2,593,500
Changes in Operating Assets & Liabilities;				
Increase in Accounts Payable	10,541	21,479	3,711	48,327
Net Cash Used by Operating Activities	-	-	-	(259,959)
<b>Cash Flows from Investing Activities</b>				
	-	-	-	-
<b>Cash Flows from Financing Activities</b>				
Proceeds from the Sale of Common Stock	-	-	-	127,500
Contributed Capital	-	-	-	60,517
Debt to Equity Conversion	-	-	-	71,942
Net Cash Provided by Financing Activities	-	-	-	259,959
Increase (Decrease) in Cash	-	-	-	-
Cash at Beginning of Period	-	-	-	-
Cash at End of Period	\$ -	\$ -	\$ -	\$ -

**Disclosure of Significant Operating Activities:**

Interest	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-

**Significant Noncash Transactions:**

Acquisition of Films and Videos Cassette as Contributed Capital	-	-	-	2,447,000
Acquisition of Property & Equipment	-	-	-	200,000

</Table>

See accompanying notes to financial statements.

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Book Corporation of America  
(A Development Stage Company)  
Notes to Financial Statements  
January 31, 2002

**NOTE #1 - Organization**

The Company was incorporated under the laws of the state of Utah on November 22, 1978. The Company amended its Articles of Incorporation, authorizing 100,000,000 shares of common stock having a par value of \$0.005 per share.

The Articles of Incorporation grants the Company unlimited power to engage in and to do any lawful act concerning any and all lawful businesses for which corporations may be organized. The Company currently seeks to license films to television and to engage in market-by-market exploitation of the films it holds in its film inventory.

In accordance with FASB 7 the Company is considered to be a development stage company.

**NOTE #2 - Significant Accounting Policies**

- A. The Company uses the accrual method of accounting.
- B. Revenues and directly related expenses are recognized in the period in which the sales are finalized with customers.

- C. The Company considers all short term, highly liquid investments, that are readily convertible to known amounts within ninety days as cash equivalents. The Company currently has no cash equivalents.
- D. Basic Earnings Per Shares are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted Earnings Per Share shall be computed by including contingently issuable shares with the weighted average shares outstanding during the period. When inclusion of the contingently issuable shares would have an antidilutive effect upon earnings per share no diluted earnings per share shall be presented.
- E. As a licensor of films to television or other markets the Company shall recognize revenues on the dates of the exhibition for both percentage and flat fee engagements. Revenues from license agreements that meet the requirements of FASB 53 shall be recognized when the license period begins.
- F. Costs to produce a film shall be capitalized as film costs inventory and shall be amortized using the individual film forecast computation method.
- G. Operating expenses and all type of income are recognized in the period in which the activities occur.
- H. Depreciation: The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the lease of the related assets for the estimated lives of the assets. Depreciation and amortization is computed on the straight line method.

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Book Corporation of America  
(A Development Stage Company)  
Notes to Financial Statements  
January 31, 2002

NOTE #3 - Non Cash Investing and Non Cash Financing Activities  
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In 1988, the Company issued 200,000 shares of its common stock to a related entity for assets valued at historical cost of \$200,000.

The Company currently holds in its film inventory, films contributed to the Company by principal stockholders. In the year ended October 31, 1999, the Company wrote off 100% of the cost of these films, because it has no plans to aggressively market the films.

NOTE #4 - Public Stock Offering  
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In 1979, the Company conducted an intrastate public offering of its common stock shares and issued 15,000,000 pre split, 300,000 post split shares for net proceeds of \$127,500.

NOTE #5 - Income Taxes and Net Operating Loss Carryforwards  
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The Company has incurred losses that can be carried forward to offset future earnings if provisions of the Internal Revenue Codes are met. These losses for the fiscal years ended October 31, are as follows:

<Table>

<Caption>

Year of Loss	Loss Amount	Expiration Date
1987	\$ 6,666	2002
1988	-	
1989	-	
1990	217,129	2005
1991	11,224	2006
1992	11,236	2007
1993	11,248	2008
1994	10,390	2009
1995	10,262	2010
1996	17,597	2011
1997	8,788	2017
1998	10,417	2018
1999	36,115	2019
2000	3,711	2020
2001	21,479	2021

</Table>

The Company has adopted FASB 109 to account for income taxes. The Company currently has no issues that create timing differences that would mandate deferred tax expense. Net operating losses would create possible tax assets in future years. Due to the uncertainty as to the utilization of net operating loss carryforwards an evaluation allowance has been made to the extent of any tax benefit that net operating losses may generate.

Continued

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Notes to Financial Statements  
January 31, 2002

NOTE #5 - Income Taxes and Net Operating Loss Carryforwards

	October 31, 2001	October 31, 2000
<S>	<C>	<C>
Current Tax Asset Value of Net Operating Loss Carryforwards at Current Prevailing Federal Tax Rate	\$ 127,929	\$ 170,999
Evaluation Allowance at 100% Net Tax Assets	(127,929)	(170,999)
Current Income Tax Expenses	\$ -	\$ -
Deferred Tax Expenses	-	-

NOTE #6 - Going Concern

The Company has sustained continued losses and currently has liabilities in excess of current assets. In addition, the Company has no revenue producing activities and is dependent upon its officers to provide its cash requirements. These factors indicate considerable doubt as to the Company's ability to continue as a going concern.

The Company's management seeks to raise additional capital by additional investment from outsiders in the Company's common stock.

NOTE #7 - Related Party Transactions

The Company's principal shareholders contributed nine films to the Company for licensing and distribution. These films have been valued at historical cost or a discounted fair market value of \$2,407,000. In 1999, the films were revalued to \$-0- each because the Company has been unable to market them.

Additionally, the Company's President contributed 412 NTSC 3/4 inch format master video cassettes. These cassettes were valued at a historical cost of \$40,000 and were revalued to have no current value.

NOTE #8 - Motion Picture Rights and Screen Plays

The Company holds the motion picture rights to thirty-six screen plays, three novels, two short stories and fifty story titles and synopses. These rights and screen plays have been recorded at net asset value to reflect predecessor value and provisions of FASB 53 limiting such assets to a three year life.

VOTE REQUIRED

The affirmative vote of the holders of a majority of the outstanding shares of our Common Stock is required to approve the proposed amendments to effect a name change of the corporation, to change the par value of the Common Stock and to authorize 50,000,000 shares of \$.01 par value preferred shares.

OUR BOARD RECOMMENDS THAT OUR STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE PROPOSED AMENDMENT TO EFFECT THE NAME CHANGE OF THE CORPORATION TO SECURED DIVERSIFIED INVESTMENT, LTD., TO CHANGE THE PAR VALUE ON OUR COMMON STOCK TO \$.001 AND TO AUTHORIZE 50,000,000 SHARES OF PREFERRED STOCK AT A PAR VALUE OF \$.01

PROPOSAL THREE:

ELECTION OF DIRECTORS

The current Board of Directors contains one member and two vacancies. Following the director election held at the Special Meeting the Board of Directors will continue to consist of one member and two vacancies. It is anticipated that the two remaining vacancies will be filled in accordance with the provisions set forth in our bylaws.

The following person, who is currently a member of the board of directors, has been nominated as a director for one year and until his successor is chosen and qualified.

=Ronald Robinson. Age 70. For the last five years, Mr. Robinson has been principally engaged as a licensed real estate broker in both California and Nevada where he has been licensed for at least forty years. Mr. Robinson served in the US Air Force during the Korean War, obtained an undergraduate degree in business from the College of Los Angeles and later an LLB law degree from McGeorge College. Mr. Robinson does not currently sit on any other boards of directors.

Management does not expect that the nominee will become unavailable for election as a director, but, if for any reason that should occur

prior to the Special Meeting, the person named in the proxy will vote for such substitute nominee, if any, as may be recommended by Management.

There were no material transactions between our company and any of our officers, directors or the nominee for election as director, any stockholder holding more than 5% of our Common Stock or any relative or spouse of any of the foregoing persons.

#### VOTE REQUIRED

Approval of the nominee for election to the Board of Directors will require the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding shares of Common Stock represented at the Special Meeting in person or by proxy. The proxies which are executed and returned will be voted (unless otherwise directed) for the election as director the foregoing nominee.

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THE BOARD RECOMMENDS A VOTE "FOR" THE NOMINEE LISTED ABOVE

=Security Ownership of Directors and Executive Officers

The following table sets forth the beneficial ownership of our Common Stock as of May 31, 2002, for each director and nominee, the President, the other executive officers, and for all directors and executive officers as a group.

Name	Common Stock	Options Currently Exercisable or within 60 days
Ronald Robinson	2,000,000*	0
All directors and executive officers as a group ( 1 )		

\*Although Ronald Robinson does not hold any Common Stock in his name, he may be deemed a beneficial owner of stock held by REIT Consultants, LLC because he is the manager of the LLC and may have investment power.

=Security Ownership of Certain Beneficial Owners

As of May 31, 2002, our records and other information made available by outside sources indicated that the following stockholders were beneficial owners of more than five percent of our outstanding shares of Common Stock.

Name	Shares	Percent of Class
REIT Consultants, LLC 1775 East Warm Springs Road, Ste. 10 Las Vegas, Nevada 89119	2,000,000*	85%

\* As previously mentioned, Ronald Robinson is the manager of REIT Consultants, LLC, a Nevada limited liability company, and may have investment power over the shares held by REIT Consultants, LLC, and therefore, may be deemed to be a beneficial owner.

Meetings and Committees of the Board of Directors

The board of directors currently has no standing Committees. During 2001 there were six meetings of the board of directors. All directors attended 75% of the meetings of the board of directors.

Compensation of Directors

To date, no director has received any compensation for his services on the board of directors. We currently have not adopted any type of director compensation plan.

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#### PROPOSAL FOUR

ADOPT THE SDI 2002 STOCK OPTION PLAN

DESCRIPTION OF SDI CORPORATION 2002 STOCK OPTION PLAN

Provided that proposal one and two of this proxy are approved, we desire to adopt the SDI 2002 Stock Option Plan (the "Plan") attached hereto as Annex E. Under the Plan, our key employees, advisors and consultants (including directors and officers who are employees) may be granted options to purchase shares of our Common Stock.

The Plan permits the granting of 500,000 shares of Common Stock at a price equal to one hundred percent (100%) of the fair market value of the Common Stock on the date that the option is granted provided, however, that the price shall not be less than the par value of the Common Stock which is subject to the option. Further, no Incentive Stock Option may be granted to an employee owning Common Stock having more than 10% of the voting power of the Company unless the option price for such employee's option is at least 110% of the fair market value of the Common Stock subject to the option at the time the option is granted and the option is not exercisable after the expiration of five years from the date of granting. The par value of our Common Stock is presently \$.005 per share but in this proxy statement there is a vote to change the par value on the Common Stock to \$.001 per share. No option may be granted under the Plan after the tenth anniversary of the adoption of the Plan. Unless otherwise specified by the board of directors, options granted under the Plan are Incentive Stock Options under the provisions and subject to the limitations of Section 422 of the Internal Revenue Code.

#### ADMINISTRATION OF THE PLAN

The Plan shall be administered by the board of directors until such time as a Compensation Committee is appointed. Subject to the provisions of the Plan, the board of directors determine the employees who will receive options under the Plan, the number of shares subject to each option and the terms of those options, and interprets the Plan and makes such rules of procedure as the board of directors may deem proper.

Upon the granting of any option, the optionee must enter into a written agreement with us setting forth the terms upon which the option may be exercised. Such an agreement will set forth the length of the term of the option and the timing of its exercise as determined by our board of directors. The Compensation Committee, or if there is none, our board of directors, in its sole discretion will determine the vesting schedule and exercise dates of any equity security granted under the Plan at the time each grant is made. No equity security granted under the plan shall be exercisable within six months of the date of grant without approval of our the Compensation Committee or our board of directors. In no event shall the length of an option extend beyond ten years from the date of its grant. An optionee may exercise an option by delivering payment to us in cash.

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Under the Plan, if the employment of any person to whom an option has been granted is terminated for any reason other than the death or disability of the optionee, the option shall automatically terminate. If the termination is by reason of retirement, the optionee may exercise such portion of the option as has vested, within three months of termination or within the remaining term of the option, whichever is shorter. If the optionee dies while employed by us or our subsidiaries, or during a period after termination of employment in which the optionee could exercise an option, the optionee's beneficiary may exercise the option within one year of the date of the optionee's death but in no event may the option be exercised later than the date on which the option would have expired if the optionee had lived. If the termination is by reason of disability, the optionee may exercise the option, in whole or in part, at any time within one year following such termination of employment but in no event may the option be exercised later than the date on which the option would have expired had the optionee not become disabled.

#### FEDERAL INCOME TAX CONSEQUENCES

With respect to the tax effects of non-qualified stock options, since the options granted under the Plan do not have a "readily ascertainable fair market value" within the meaning of the Federal income tax laws, an optionee of an option will realize no taxable income at the time the option is granted. When a non-qualified stock option is exercised, the optionee will generally be deemed to have received compensation, taxable at ordinary income tax rates, in an amount equal to the excess of the fair market value of the shares of Common Stock of the Company on the date of exercise of the option over the option price. The Company will withhold income and employment taxes in connection with the optionee's recognition of ordinary income as a result of the exercise by an optionee of a non-qualified stock option. The Company generally can claim an ordinary deduction in the fiscal year of the Company which includes the last day of the taxable year of the optionee which includes the exercise date or the date on which the optionee recognizes income. The amount of such deduction will be equal to the ordinary income recognized by the optionee. When stock acquired through the exercise of a non-qualified stock option is sold, the difference between the optionee's basis in the shares and the sale price will be taxed to the optionee as a capital gain (or loss).

With respect to the tax effects of Incentive Stock Options, the

optionee does not recognize any taxable income when the option is granted or exercised. If no disposition of shares issued to an optionee pursuant to the exercise of an Incentive Stock Option is made by the optionee within two years after the date the option was granted or within one year after the shares were transferred to the optionee, then (a) upon sale of such shares, any amount realized in excess of the option price (the amount paid for the shares) will be taxed to the optionee as long-term capital gain and any loss sustained will be a long-term capital loss and (b) no deduction will be allowed to the Company for Federal income tax purposes. The exercise of an Incentive Stock Option will give rise to an item of tax preference that may result in alternative minimum tax liability for the optionee.

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If shares of Common Stock acquired upon the exercise of an Incentive Stock Option are disposed of prior to the expiration of the two year and one year holding periods described above (a "Disqualifying Disposition") generally (a) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the shares at exercise (or, if less, the amount realized upon the sale of such shares) over the option price thereof, and (b) the Company will be entitled to deduct such amount, subject to applicable withholding requirements. Any further gain realized will be taxed as short-term or long-term capital gain and will not result in any deduction by the Company. A Disqualifying Disposition will eliminate the item of tax preference associated with the exercise of the Incentive Stock Option.

#### CHANGES IN PLAN

The Plan may be terminated, suspended, or modified at any time by the board of directors, but no amendment increasing the maximum number of shares for which option may be granted (except to reflect a stock split, stock dividend or other distribution), reducing the option price of outstanding options, extending the period during which options may be granted, otherwise materially increasing the benefits accruing to optionees or changing the class of persons eligible to be optionees shall be made without first obtaining approval by a majority of the shareholders of the Company. No termination, suspension or modification of the Plan shall adversely affect any right previously acquired by the optionee or other beneficiary under the Plan.

Options granted under the Plan may not be transferred other than by will or by the laws of descent and distribution and, during the optionee's lifetime may be exercised only by the optionee. All of the Options previously issued under the prior plan remain unchanged and outstanding.

#### VOTE REQUIRED

The approval of the SDI 2002 Stock Option Plan requires the affirmative vote of a majority of the shares of Common Stock of our company voting in person or by proxy on the amendment. If the proposal is not approved by shareholders, it will not become effective.

THE BOARD RECOMMENDS A VOTE "FOR" PROPOSAL FOUR ADOPTING THE SDI 2002 STOCK OPTION PLAN

#### PROPOSAL FIVE:

TO AMEND OUR BYLAWS TO EFFECT A CHANGE IN OUR FISCAL YEAR END FROM OCTOBER 31 TO THAT OF A CALENDAR YEAR END OR DECEMBER 31

#### REASONS FOR THE CHANGE IN FISCAL YEAR

We believe changing our fiscal year to a calendar year end would bring us in line with the industry. We would have the standard year end and our quarters would be on the standard quarterly ends. In addition, we are considering qualifying for REIT tax status, and if we were to pursue REIT tax status, we would be required to have a calendar year end. Although we have not committed to pursue REIT tax status, in order to keep the REIT option open we desire to have a calendar year end.

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#### PROCEDURE FOR CHANGING FISCAL YEAR END

Our fiscal year end is set forth in our bylaws. To effect a change in fiscal year end, we would amend our bylaws to set forth the new fiscal year end.

#### VOTE REQUIRED

Although we are not required to have shareholder approval to change our fiscal year end, we desire to obtain the affirmative vote of a majority of the shares of Common Stock of the Company voting in person or by proxy on the amendment. If the amendment is not approved by shareholders, it may not become effective.

THE BOARD RECOMMENDS A VOTE "FOR" PROPOSAL FIVE TO AMEND OUR BYLAWS

TO CHANGE OUR FISCAL YEAR END FROM OCTOBER 31 TO A CALENDAR YEAR  
END OR DECEMBER 31

=

PROPOSAL SIX:

TO RATIFY THE ACTIONS OF OUR OFFICERS AND DIRECTORS

We recommend that shareholders ratify the actions of our officers and directors for the last fiscal year and for the time period from the fiscal year end through the date of the special shareholder meeting.

=OTHER MATTERS

We know of no other matters that are to be presented for action at the special meeting of stockholders other than those set forth above. If any other matters properly come before the special meeting of stockholders, the persons named in the enclosed proxy form will vote the shares represented by proxies in accordance with their best judgment on such matters.

=WHERE STOCKHOLDERS CAN FIND MORE INFORMATION

We file annual and quarterly reports with the Securities and Exchange Commission. Stockholders may obtain, without charge, a copy of the most recent Form 10-KSB (without exhibits) by requesting a copy in writing or by telephone from us at the following address:

Book Corporation of America  
Attention: Investor Relations  
1725 East Warm Springs Road, Suite 10  
Las Vegas, Nevada 89119

The exhibits to the Form 10-KSB are available upon payment of charges that approximate reproduction costs. If you would like to request documents, please do so by July 16, 2002, to receive them before the special meeting of stockholders.

By order of the board of directors,

July 9, 2002

Ronald Robinson  
President

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STOCKHOLDERS ARE REQUESTED TO MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED, SELF-ADDRESSED ENVELOPE.

NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. YOUR PROMPT RESPONSE WILL BE HELPFUL, AND YOUR COOPERATION WILL BE APPRECIATED.

Index of Annexes Attached to the Proxy Statement

- ANNEX A.1 Articles of Incorporation of SDI, the new Nevada corporation
- ANNEX A.2 Bylaws of SDI, the new Nevada corporation
- ANNEX B Agreement and Plan of Merger
- ANNEX C Certificate of Merger
- ANNEX D Amendment to Book Corporation of America Articles of Incorporation
- ANNEX E SDI Stock Option Plan

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BOOK CORPORATION OF AMERICA

PROXY

The undersigned appoints Ronald Robinson with power of substitution, to represent and to vote on behalf of the undersigned all of the shares of Common Stock ("Common Stock"), of Book Corporation of America, ("BCAM") which the undersigned is entitled to vote at the special meeting of stockholders to be held at the offices of Book Corporation of America, 1725 East Warm Springs Road, Suite 10, Las Vegas, Nevada 89119, at 10:00 a.m., local time, on July 23, 2002, and at any adjournments or postponements thereof, hereby revoking all proxies heretofore given with respect to such stock, upon the following proposals more fully described in the notice of, and joint proxy statement and prospectus relating to, the meeting (receipt whereof is hereby acknowledged).

THE BOARD OF DIRECTORS OF BOOK CORPORATION OF AMERICA RECOMMENDS A VOTE "FOR" THE PROPOSALS DESCRIBED IN THE PROXY STATEMENT.

IF A PROXY IS SIGNED AND DATED BUT NOT MARKED, YOU WILL BE DEEMED TO HAVE VOTED "FOR" THE PROPOSALS DESCRIBED IN THE PROXY STATEMENT.

1. To approve a resolution of our board of directors to change the domicile of our corporation from Utah to Nevada:

FOR                       AGAINST                       ABSTAIN

- 2a. Approval of the proposed amendment to the Articles of Incorporation to effect a name change of our corporation to Secured Diversified Investment, Ltd., or other such name as may be available:

FOR                       AGAINST                       ABSTAIN

- 2b. Approval of the proposed amendment to the Articles of Incorporation to change the par value on the Common Stock of our corporation from \$.005 per share to \$.001 per share:

FOR                       AGAINST                       ABSTAIN

- 2c. Approval of the proposed amendment to the Articles of Incorporation to authorize 50,000,000 shares of Preferred Stock at a par value of \$.01 per share, with the designation of rights, preferences and privileges to be determined by our board of directors:

FOR                       AGAINST                       ABSTAIN

3. To elect the following director to our Board of Directors to serve for a period of one year and until his successor shall be elected and qualified:

Ronald Robinson                       FOR                       ABSTAIN

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4. To adopt the SDI 2002 Stock Option Plan for purposes of Sections 162(m) and 422 of the Internal Revenue Code:

FOR                       AGAINST                       ABSTAIN

5. To amend our bylaws to effect a change in our fiscal year end from October 31 to a calendar year end or December 31:

FOR                       AGAINST                       ABSTAIN

6. That the actions of our officers and directors for the last fiscal year, and for the period from the fiscal year end through the date of this special shareholder meeting, be and are hereby ratified:

FOR                       AGAINST                       ABSTAIN

7. To transact any other business as may properly come before the meeting or at any adjournment thereof:

FOR                       AGAINST                       ABSTAIN

This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If you do not sign and return this proxy card or attend the meeting and vote by ballot, your shares cannot be voted. If you wish to vote in accordance with the board of directors' recommendations, just sign where indicated. You need not mark any boxes.

Please sign your name below exactly as it appears hereon. When shares of Common Stock are held of record by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name as its authorized officer. If a partnership, please sign in partnership name as its authorized person.

Dated: \_\_\_\_\_, 2002

\_\_\_\_\_  
Signature (Title, if any)

\_\_\_\_\_  
Signature if held jointly

PLEASE SIGN, DATE AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.



## ARTICLES OF INCORPORATION

OF

SECURED DIVERSIFIED INVESTMENT, LTD

THE UNDERSIGNED, having associated ourselves together for the purpose of forming a corporation for the transaction of business and the promotion and conduct of the objects and purposes hereinafter stated, under the provisions of and subject to the requirements of the laws of the State of Nevada, do make, record and file these Articles of Incorporation, in writing, and we do hereby certify:

## ARTICLE I

## NAME

The name of this Corporation shall be: Secured Diversified Investment, Ltd.

## ARTICLE II

## PURPOSE

The purpose for which said Corporation is formed and the nature of the objects proposed to be transacted and carried on by it is to engage in any and all other lawful activity, as provided by the laws of the State of Nevada.

## ARTICLE III

## CAPITAL STOCK

The Corporation is authorized to issue two classes of shares to be designated as "Common Stock" and "Preferred Stock." The Capital Stock may be increased or decreased from time to time in accordance with the provisions of the laws of the State of Nevada.

## A. COMMON STOCK

The total number of shares of Common Stock the Corporation is authorized to issue is ONE HUNDRED MILLION (100,000,000) shares \$.001 par value per share.

## 1. Terms of Common Stock

1. Voting Rights. Except as otherwise expressly provided by law or in this Article III, each outstanding share of Common Stock shall be entitled to one (1) vote on each matter to be voted on by the shareholders of the Corporation.

2. Liquidation Rights. Subject to any prior or superior rights of liquidation as may be conferred upon any shares of Common Stock, and after payment or provision for payment of the debts and other liabilities of the Corporation, upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of stock then outstanding shall be entitled to receive all of the assets and funds of the Corporation remaining and available for distribution. Such assets and funds shall be divided among and paid to the holders of Common Stock, on a pro-rata basis, according to the number of shares of Common Stock held by them.

3. Dividends. Dividends may be paid on the outstanding shares of Common Stock as and when declared by the Board of Directors, out of funds legally available therefor.

4. Residual Rights. All rights accruing to the outstanding shares of the Corporation not expressly provided for to the contrary herein or in the Corporation's bylaws or in any amendment hereto or thereto shall be vested in the Common Stock.

## B. PREFERRED STOCK

The total number of shares of Preferred Stock the Corporation is authorized to issue is FIFTY MILLION (50,000,000) shares of

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authorized Preferred Stock, par value \$.01, which may be issued in one or more additional series and the designations, powers, conversion privileges, preferences, and other special rights, and the qualifications, limitations and restrictions of the Preferred Shares or any series of such shares shall be established by the Board of Directors.

## ARTICLE IV

GOVERNING BOARD

The members of the Governing Board of the Corporation are styled Directors. The initial board of directors shall consist of one member. The name and post office address of the First Board of Directors are as follows:

FIRST BOARD OF DIRECTORS

Name	Address
Ronald Robinson	1725 E. Warm Springs Road, Suite 10 Las Vegas, Nevada 89119

ARTICLE V  
INCORPORATOR

The name and address of the incorporator signing these Articles of Incorporation, who is above the age of eighteen (18) years, is as follows:

Name	Address
Ronald Robinson	1725 E. Warm Springs Road, Suite 10 Las Vegas, Nevada 89119

ARTICLE VI  
RESIDENT AGENT

The name and address of the Resident Agent is as follows:

Name	Address
Ronald Robinson	1725 E. Warm Springs Road, Suite 10 Las Vegas, Nevada 89119

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and Ronald Robinson, does hereby certify that on the \_\_\_ day of June, 2002, he accepted the appointment as Resident Agent of the Corporation in accordance with Section 78.090, N.R.S.

\_\_\_\_\_  
Ronald Robinson

ARTICLE VII  
INDEMNIFICATION

No director or officer of the Corporation shall be personally liable to the Corporation or any of its stockholders for damages for breach of fiduciary duty as a director or officer; provided, however, that the foregoing provision shall not eliminate or limit the liability of a director or officer (i) for acts or omissions which involve intentional misconduct, fraud or knowing violation of law, or (ii) the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes. Any repeal or modification of an Article by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director or officer of the Corporation for acts or omissions prior to such repeal or modification.

ARTICLE VIII  
CONTROLLING INTEREST

The provisions of NRS 78.378 to 78.3793, inclusive shall not be applicable to any acquisition of a controlling interest in the Corporation.

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IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_ day of May, 2002.

\_\_\_\_\_  
Ronald Robinson

State of Nevada )

:ss.

County of \_\_\_\_\_)

On the \_\_\_\_ day of May, 2002, personally appeared before me, a notary public (or judge or other authorized person, as the case may be), duly commissioned and sworn, Ronald Robinson, personally known or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the foregoing instrument and who acknowledged that she executed the instrument.

IN WITNESS WHEREOF, I have executed this notary and affixed my official seal.

NOTARY SEAL

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:\_\_\_\_\_

ANNEX A.2  
BYLAWS OF  
SECURED DIVERSIFIED INVESTMENT, LTD.

BYLAWS  
OF  
SECURED DIVERSIFIED INVESTMENT, LTD.

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BYLAWS

OF

SECURED DIVERSIFIED INVESTMENT, LTD.

ARTICLE I

OFFICE

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Section 1.1 Office. The principal office of the Corporation in the State of Nevada shall be located at 1725 East Warm Springs Road, Suite 10, Las Vegas, Nevada 89119. The Corporation may maintain such other offices, within or without the State of Nevada, as the Board of Directors may from time to time designate. The location of the principal office may be changed by the Board of Directors.

ARTICLE II

SHAREHOLDERS' MEETING

-----  
Section 2.1 Annual Meetings  
-----

The annual meeting of the shareholders of the Corporation shall be held at such place within or without the State of Nevada as shall be set forth in compliance with these Bylaws. The meeting shall be held on the 1st Saturday of February of each year beginning with the year 1989 at 10:00 a.m. If such day is a legal holiday, the meeting shall be on the next business day. This meeting shall be for the election of directors and for the transaction of such other business as may properly come before it.

In the event that such annual meeting is omitted by oversight or otherwise on the date herein provided for, the directors shall cause a meeting in lieu thereof to be held as soon thereafter as conveniently may be, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. If the election of directors shall not be held on the date designated herein for any annual meeting of shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of shareholders as soon thereafter as may conveniently be called. Such subsequent meetings shall be called in the same manner as is provided for the annual meeting of shareholders.

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Section 2.2 Special Meetings.  
-----

Special meetings of shareholders, other than those regulated by statute, may be called at, any time by the President, or by a majority of the directors, and must be called by the President upon written request of the holders of not less than 10% of the issued and outstanding shares entitled to vote at such special meeting.

Section 2.3 Notice of Shareholders' Meetings.  
-----

The President, Vice President or Secretary shall give written notice stating the place, day and hour of the meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, which shall be delivered not less than ten nor more than fifty days before the day of the meeting, either personally or by mail to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the books of the Corporation, with postage thereon prepaid.

Any meeting of which all shareholders shall at any time waive or have waived notice in writing shall be a legal meeting for the transaction of business notwithstanding that notice has not been given as hereinbefore provided.

Section 2.4 Waiver of Notice.  
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Whenever any notice whatever is required to be given by these Bylaws, or the Articles of Incorporation, or by any of the Corporation Laws of the State of Nevada, a shareholder may waive the notice of meeting by attendance, either in person or by proxy, at the meeting, or by so stating in writing, either before or after such meeting. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice.

4

Section 2.5 Place of Meeting.

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The Board of Directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation.

Section 2.6 Closing of Transfer Books or Fixing Record Date.

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For the purpose of determining shareholders entitled to notice or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order, to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a period not to exceed in any case 50 days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding the date determined to be the date of record. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than 50 days and in case of a meeting of shareholders not less than 10 days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice or to vote at a meeting of shareholders or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be deemed the date of record for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 2.7 Quorum of Shareholders.

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Except as herein provided and as otherwise provided by law, at any meeting of shareholders a majority in interest of all the shares issued and outstanding represented by shareholders of record in person or by proxy shall constitute a quorum, but a less interest may adjourn any meeting and the meeting may be held as adjourned without further notice, provided, however, that directors shall not be elected at the meeting so adjourned. When a quorum is present at any meeting, a majority in interest of the shares represented thereat shall decide any question brought before such meeting, unless the question is one upon which the express provision of law or of the Articles of Incorporation or of these Bylaws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 2.8 Voting Lists.

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The officer or agent having charge of the stock transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof., arranged in alphabetical order, with the address of and the number of shares held by each, which list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder, for any purpose germane to the meeting, during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Section 2.9 Voting.

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A holder of an outstanding share entitled to vote at a meeting may vote at such meeting in person or by proxy. Except as may otherwise be provided in the Articles of Incorporation, every shareholder shall be entitled to one vote for each share standing in his name on the record of shareholders. Except as herein or in the Articles of Incorporation

otherwise provided, all corporate action shall be determined by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Section 2.10 Proxies.  
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At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

6

Section 2.11 Informal Action by Shareholder.  
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Any action required to be taken at a meeting of the shareholders, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III  
BOARD OF DIRECTORS  
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Section 3.1 General Powers.  
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The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they deem proper.

Section 3.2 Number, Tenure and Qualifications.  
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The number of directors for the Board of Directors of the Corporation shall be not less than three nor more than ten. Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified. Directors need not be residents of the State of Nevada or shareholders of the Corporation.

Section 3.3 Election of Board of Directors.  
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The Board of Directors shall be chosen by ballot at the annual meeting of shareholders or at any meeting held in place thereof as provided by law.

Section 3.4 Regular Meetings.  
-----

A regular meeting of the Board of Directors shall be held without other notice than by this Bylaw, immediately following and at the same place as the annual meeting of the shareholders. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings without other notice than this resolution.

Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other and participation in a meeting under this subsection shall constitute presence in person at the meeting, pursuant to the Nevada Revised Statutes.

7

Section 3.5 Special Meetings.  
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Special meetings of the Board of Directors may be called by order of the Chairman of the Board, the President or by one-third of the directors. The Secretary shall give notice of the time, place and purpose or purposes of each special meeting by mailing the same at least two days

before the meeting or by telephoning or telegraphing the same at least one day before the meeting to each director.

Section 3.6 Waiver of Notice.  
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Whenever any notice whatever is required to be given by these Bylaws, or the Articles of Incorporation of the Corporation, or by any of the Corporation Laws of the State of Nevada, a director may waive the notice of meeting by attendance in person at the meeting, or by so stating in writing, either before or after such meeting. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice.

Section 3.7 Quorum.  
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A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business, but less than a quorum may adjourn any meeting from time to time until a quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice. At any meeting at which every director shall be present, even though without any notice, any business may be transacted.

Section 3.8 Manner of Acting.  
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At all meetings of the Board of Directors, each director shall have one vote. The act of a majority present at a meeting shall be the act of the Board of Directors, provided a quorum is present. Any action required to be taken or which may be taken at a meeting of the directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors. The directors may conduct a meeting by means of a conference telephone or any similar communication equipment by which all persons participating in the meeting can hear each other.

8

Section 3.9 Powers of Directors.  
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The Board of Directors shall have the responsibility for the entire management of the business of the Corporation. In the management and control of the property, business and affairs of the Corporation the Board of Directors is hereby vested with all of the powers possessed by the Corporation itself so far as this delegation of authority is not inconsistent with the laws of the State of Nevada and with the Articles of Incorporation or with these Bylaws. The Board of Directors shall have the power to determine what constitutes net earnings, profits and surplus, respectively, and what amounts shall be reserved for working capital and for any other purpose and what amounts shall be declared as dividends, and such determination by the Board of Directors shall be final and conclusive.

Section 3.10 Vacancies.  
-----

A vacancy in the Board of Directors shall be deemed to exist in case of death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any meeting of shareholders at which any director is to be elected, to elect the full authorized number to be elected at that meeting.

Any vacancy occurring in the Board of Directors may be filled by an affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law or the Articles of Incorporation. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at the annual meeting or at a special meeting of shareholders called for that purpose.

Section 3.11 Removals.  
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Directors may be removed at any time, at a meeting called expressly for that purpose by a vote of the shareholders holding a majority of the shares issued and outstanding and entitled to vote. Such vacancy shall be

filled by the directors then in office, though less than a quorum, to hold office until the next annual meeting or until his successor is duly elected and qualified, except that any directorship to be filled by reason of removal by the shareholders may be filled by election, by the shareholders, at the meeting at which the director is removed. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

9

Section 3.12 Resignations.  
-----

A director may resign at any time by delivering written notification thereof to the President or Secretary of the Corporation. Such resignation shall become effective upon its acceptance by the Board of Directors; provided, however, that if the Board of Directors has not acted thereon within ten days from the date of its delivery, the resignation shall upon the tenth day be deemed accepted.

Section 3.13 Presumption of Assent.  
-----

A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 3.14 Compensation.  
-----

By resolution of the Board of Directors, the directors shall be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.15 Emergency Power.  
-----

When, due to a national disaster or death, a majority of the directors are incapacitated or otherwise unable to attend the meetings and function as directors, the remaining members of the Board of Directors shall have all the powers necessary to function as a complete Board and, for the purpose of doing business and filling vacancies, shall constitute a quorum until such time as all directors can attend or vacancies can be filled pursuant to these Bylaws.

10

Section 3.16 Chairman.  
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The Board of Directors may elect from its own number a Chairman of the Board, who shall preside at all meetings of the Board of Directors, and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

ARTICLE IV  
OFFICERS  
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Section 4.1 Number.  
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The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by a majority of the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of

President and Secretary. Any two or more offices may be held by the same person. Officers may or may not be directors or shareholders of the Corporation.

Section 4.2 Election and Term of Office.  
-----

The officers of the Corporation are to be elected by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3 Resignation.  
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Any officer may resign at any time by delivering a written resignation either to the President or to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 4.4 Removal.  
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Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Any such removal shall require a majority vote of the Board of Directors, exclusive of the officer in question if he is also a director.

11

Section 4.5 Vacancies.  
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A vacancy in any office because of death, resignation, removal, disqualification or otherwise, or if a new office shall be created, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.6 President.  
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The President shall be the chief executive and administrative officer of the Corporation. He shall preside at all meetings Of the Shareholders and, in the absence of the Chairman of the Board, at meetings of the Board of Directors. He shall exercise such duties as customarily pertain to the Office of President and shall have general and active supervision over the property, business and affairs of the Corporation and over its several officers. He may appoint officers, agents or employees other than those appointed by the Board of Directors. He may sign, execute and deliver in the name of the Corporation, powers of attorney, certificates of stock, contracts, bonds, deeds, mortgages and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 4.7 Vice President.  
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The Vice President shall have such powers and perform such duties as may be assigned to him by the Board of Directors or the President. In the absence or disability of the President, the Vice President designated by the Board of Directors or the President shall perform the duties and exercise the powers of the President. In the event there is more than one Vice President and the Board of Directors has not designated which Vice President is to act as President, then the Vice President who was elected first shall act as President. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Section 4.8 Secretary.  
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The Secretary shall keep the minutes of all meetings of the shareholders and of the Board of Directors and to the extent ordered by the Board of Directors or the President, the minutes of meetings of all committees. He shall cause notice to be given of the meetings of shareholders, of the Board of Directors and any committee appointed by the

Board. He shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the performance of the duties vested in other officers, which shall at all reasonable times be open to the examination of any directory. He may sign or execute contracts with the President or Vice President thereunto authorized in the name of the Corporation and affix the seal of the Corporation thereto. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws. He shall be sworn to the faithful discharge of his duties. Assistant Secretaries shall assist the Secretary and shall keep and record such minutes of meetings as shall be directed by the Board of Directors.

12

Section 4.9 Treasurer.  
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The Treasurer shall have general custody of the collection and disbursement of funds of the Corporation for collection checks, notes, and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board of Directors may designate. He may sign, with the President, or such other persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. He shall enter or cause to be entered regularly in the books of the Corporation full and accurate accounts of all monies received and paid by him on account of the Corporation; shall at all reasonable times exhibit his books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours; and, whenever required by the Board of Directors or the President, shall render a statement of his accounts. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 4.10 General Manager.  
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The Board of Directors may employ and appoint a General Manager who may, or may not, be one of the officers or directors of the Corporation. If employed by the Board of Directors he shall be the chief operating officer of the Corporation and, subject to the directions of the Board of Directors, shall have general charge of the business operations of the Corporation and general supervision over its employees and agents. He shall have the exclusive management of the business of the Corporation and of all of its dealings, but at all times subject to the control of the Board of Directors. Subject to the approval of the Board of Directors or the executive committee, he shall employ all employees of the Corporation, or delegate such employment to subordinate officers, or such division officers, or such division chiefs, and shall have authority to discharge any person so employed. He shall make a quarterly report to the President and directors, or more often if required to do so, setting forth the result of the operations under his charge, together with suggestions looking to the improvement and betterment of the condition of the Corporation, and to perform such other duties as the Board of Directors shall require.

13

Section 4.11 Other Officers.  
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Other officers shall perform such duties and have such powers as may be assigned to them by the Board of Directors.

Section 4.12 Salaries.  
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The salaries or other compensation of the officers of the Corporation shall be fixed from time to time by the Board of Directors except that the Board of Directors may delegate to any person or group of persons the power to fix the salaries or other compensation of any subordinate officers or agents. No officer shall be prevented from receiving any such salary or compensation by reason of the fact that he is also a director of the Corporation.

Section 4.13 Surety Bonds.  
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In case the Board of Directors shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sums and with sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, monies or securities of the Corporation which may come into his hands.

ARTICLE V  
COMMITTEES

Section 5.1 Executive Committee.  
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The Board of Directors may appoint from among its members an Executive Committee of not less than two nor more than seven members, one of whom shall be the President, and shall designate one or more of its members as alternates to serve as a member or members of the Executive Committee in the absence of a regular member or members. The Board of Directors reserves to itself alone the power to declare dividends, issue stock, recommend to shareholders any action requiring their approval, change the membership of any committee at any time, fill vacancies therein, and discharge any committee either with or without cause at any time. Subject to the foregoing limitations, the Executive Committee shall possess and exercise all other powers of the Board of Directors during the intervals between meetings.

14

Section 5.2 Other Committees.  
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The Board of Directors may also appoint from among its own members such other committees as the Board may determine, which shall in each case consist of not less than two directors, and which shall have such powers and duties as shall from time to time be prescribed by the Board. The President shall be a member ex officio of each committee appointed by the Board of Directors. A majority of the members of any committee may fix its rules of procedure.

ARTICLE VI  
CONTRACTS, LOANS, DEPOSITS AND CHECKS  
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Section 6.1 Contracts.  
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The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 6.2 Loans.  
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No loan or advances shall be contracted on behalf of the Corporation, no negotiable paper or other evidence of its obligations under any loan or advance shall be issued in its name, and no property of the Corporation shall be mortgaged, pledged, hypothecated or transferred as security for the payment of any loan, advance, indebtedness or liability of the Corporation unless and except as authorized by the Board of Directors. Any such authorization may be general or confined to specific instances.

15

Section 6.3 Deposits.  
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All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, or as may be selected by any officer or agent authorized to do so by the Board of Directors.

Section 6.4 Checks and Drafts.

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All notes, drafts, acceptances, checks, endorsements and evidences of indebtedness of the Corporation shall be signed by such officer or officers or such agent or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories shall be made in such manner as the Board of Directors from time to time may determine.

Section 6.5 Bonds and Debentures.  
-----

Every bond or debenture issued by the Corporation shall be evidenced by an appropriate instrument which shall be signed by the President or a Vice President and by the Treasurer or by the Secretary, and sealed with the seal of the Corporation. The seal may be facsimile, engraved or printed. Where such bond or debenture is authenticated with the manual signature of an authorized officer of the Corporation or other trustee designated by the indenture of trust or other agreement under which such security is issued, the signature of any of the Corporation's officers named thereon may be a facsimile. In case any officer who signed, or whose facsimile signature has been used on any such bond or debenture, shall cease to be an officer of the Corporation for any reason before the same has been delivered by the Corporation, such bond or debenture may nevertheless be adopted by the Corporation and issued and delivered as though the person who signed it or whose facsimile signature has been used thereon had not ceased to be such officer.

ARTICLE VII  
CAPITAL STOCK  
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16

Section 7.1 Certificate of Shares.  
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The shares of the Corporation shall be represented by certificates prepared by the Board of Directors and signed by the President or the Vice President, and by the Secretary, or an Assistant Secretary, and sealed with the seal of the Corporation or a facsimile. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or one of its employees. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 7.2 Transfer of Shares.  
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Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

Section 7.3 Transfer Agent and Registrar.  
-----

The Board of Directors shall have power to appoint one or more transfer agents and registrars for the transfer and registration of certificates of stock of any class, and may require that stock certificates shall be countersigned and registered by one or more of such transfer agents and registrars.

Section 7.4 Lost or Destroyed Certificates.  
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The Corporation may issue a new certificate to replace any certificate theretofore issued by it alleged to have been lost or destroyed. The Board of Directors may require the owner of such a certificate or his legal representatives to give the Corporation a bond in such sum and with such sureties as the Board of Directors may direct to indemnify the Corporation and its transfer agents and registrars, if any, against claims that may be made on account of the issuance of such new certificates. A new certificate may be issued without requiring any bond.

17

Section 7.5 Consideration for Shares.  
-----

The capital stock of the Corporation shall be issued for such consideration, but not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. In the absence of fraud, the determination of the Board of Directors as to the value of any property or services received in full or partial payment of shares shall be conclusive.

Section 7.6 Registered Shareholders.  
-----

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder thereof in fact, and shall not be bound to recognize any equitable or other claim to or on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such stock at any such meeting, and shall have power and authority to execute and deliver proxies and consents on behalf of the Corporation in connection with the exercise by the Corporation of the rights and powers incident to the ownership of such stock. The Board of Directors, from time to time may confer like powers upon any other person or persons.

ARTICLE VIII  
INDEMNIFICATION  
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Section 8.1 Indemnification.  
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No officer or director shall be personally liable for any obligations arising out of any acts or conduct of said officer or director performed for or on behalf of the Corporation. The Corporation shall and does hereby indemnify and hold harmless each person and his heirs and administrators who shall serve at any time hereafter as a director or officer of the Corporation from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; including power to defend such person from all suits as provided for under the provisions of the Nevada Corporation Laws; provided, however that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which he may lawfully be entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The Corporation, its directors, officers, employees and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

18

Section 8.2 Other Indemnification.  
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The indemnification herein provided shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested

directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.3 Insurance.  
-----

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Corporation, or is or was serving at the request of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against liability under the provisions of this Article 8 or the laws of the State of Nevada.

Section 8.4 Settlement by Corporation.  
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The right of any person to be indemnified shall be subject always to the right of the Corporation by its Board of Directors, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the Corporation by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

19

ARTICLE IX  
AMENDMENTS  
-----

These Bylaws may be altered, amended, repealed, or added to by the affirmative vote of the holders of a majority of the shares entitled to vote in the election of any director at an annual meeting or at a special meeting called for that purpose, provided that a written notice shall have been sent to each shareholder of record entitled to vote at such meetings at least ten days before the date of such annual or special meetings, which notice shall state the alterations, amendments, additions, or changes which are proposed to be made in such Bylaws. Only such changes shall be made as have been specified in the notice. The Bylaws may also be altered, amended, repealed, or new Bylaws adopted by a majority of the entire Board of Directors at any regular or special meeting. Any Bylaws adopted by the Board may be altered, amended, or repealed by a majority of the shareholders entitled to vote.

ARTICLE X  
FISCAL YEAR  
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The fiscal year of the Corporation shall be December 31st and may be varied by resolution of the Board of Directors.

ARTICLE XI  
DIVIDENDS  
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The Board of Directors may at any regular or special meeting, as they deem advisable, declare dividends payable out of the unreserved and unrestricted earned surplus of the Corporation except the directors may declare dividends in accordance with the laws of the State of Nevada.

20

ARTICLE XII  
CORPORATE SEAL  
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The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of incorporation.

Adopted by resolution of the Board of Directors the \_\_\_\_ day of \_\_\_\_\_, 2002.

By: \_\_\_\_\_  
Secretary

## AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is dated as of \_\_\_\_\_, 2002, between Book Corporation of America, a Utah corporation ("Book") and Secured Diversified Investment, Ltd., a Nevada corporation ("SDI").

## WITNESSETH

WHEREAS, the Board of Directors of Book have deemed it to be in the best interest of Book to change its domicile from the state of Utah to the state of Nevada; and

WHEREAS, Book has authorized an capitalization of 100,000,000 shares of common stock, \$.005 par value ("Book Common Stock") of which, 2,349,540 were issued and outstanding as of May \_\_\_, 2002; and

WHEREAS, SDI has an authorized capitalization of 100,000,000 shares of common stock, \$.001 par value ("SDI Common Stock") of which, 100 shares were issued and outstanding as of May \_\_\_, 2002; and

WHEREAS, the Board of Directors of Book and SDI, deem it advisable for Book to merge with and into SDI in accordance with the provisions of the Utah Revised Business Corporations Act and the Nevada Revised Statutes.

NOW THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained, Book and SDI agree that Book shall merge with and into and SDI. SDI shall be the corporation surviving the Merger and the terms and conditions of the Merger, the mode of carrying it into effect and the manner and basis of converting shares in Merger shall be as follows:

## ARTICLE I

## The Merger

(a) Subject to and in accordance with the provisions of this Agreement, Certificate of Merger shall be executed by Book and SDI and filed in the Offices of the Secretary of States of the State of Utah and the State of Nevada as provided in the Utah Revised Business Corporation Act and the Nevada Revised Statutes, respectively.

(b) The Merger shall become effective at the time ("Effective Time") of filing of the Certificate of Merger with the Secretary of State of Nevada in accordance with Section 92A.240 of the Nevada Revised Statutes.

(c) At the Effective Time, Book shall be merged with and into SDI. SDI shall be designated as the surviving corporation and shall continue its corporate existence under the laws of the State of Nevada and the separate existence of Book shall cease (Book and SDI are referred to herein as the "Constituent Corporations" and SDI, the corporation designated as the surviving corporation, is referred to herein as the "Surviving Corporation").

(d) Prior to and after the Effective Time, Book and SDI, respectively shall take all such action as may be necessary or appropriate in order (i) to effect the Merger, and (ii) thereafter carry out the purposes of this Agreement to vest in the Surviving Corporation all the rights, privileges, immunities and franchises, as of a public or a private nature, of each Constituent Corporation; and all property, real, personal and mixed, and all debts and all choses in action, and all and every other interest of or belonging to or due to, each Constituent

Corporation, and the officers and Directors of each Constituent Corporation as of the Effective Time shall take all such action.

## ARTICLE II

### Terms of Conversion of Shares

Shares of Book Common Stock may be converted to shares of SDI Common stock on a one share for one share basis.

## ARTICLE III

### Articles of Incorporation and By-Laws

(a) From and after the Effective Time, the Articles of Incorporation and By-Laws of SDI as in effect immediately prior to the Effective Time shall be and continue to be the Articles of Incorporation and By-Laws of the Surviving Corporation until amended.

## ARTICLE IV

### Directors and Officers

The persons who are Directors and officers of SDI immediately prior to the Effective Time shall continue as the Directors and officers, respectively, of the Surviving Corporation and shall continue to hold office as provided in the By-Laws of the Surviving Corporation. If, at or following the Effective Time, a vacancy shall exist in the Board of Directors or in the position of any officer of the Surviving Corporation, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

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## ARTICLE V

### Stock Certificates

Following the Effective Time, each holder of an outstanding certificate or certificates theretofore representing shares of Book Common Stock may, but shall not be required to, surrender the same to SDI for cancellation and exchange or transfer, and each such holder or transferee thereof will be entitled to receive a certificate of certificates representing the same number of shares of SDI Common Stock as the number of shares of Book Common Stock previously represented by the stock certificate or certificates surrendered. Until so surrendered for cancellation and exchange or transfer, each outstanding certificate which, prior to the Effective Time, represented shares of Book Common Stock shall be deemed and treated for all corporate purpose to represent the ownership of the same number of the shares of SDI as though such surrender for cancellation and exchange or transfer thereof had taken place. The stock transfer books for Book Common Stock shall be deemed to be closed at the Effective Time, and no transfer of shares of Book Common Stock outstanding immediately prior to the Effective Time shall thereafter be made on such books. Following the Effective Time, the holders of certificates representing Book outstanding immediately before the Effective Time shall cease to have any rights with respect to stock of the Surviving Corporation and their sole rights shall be with respect to the SDI Common Stock into which their shares of Book Common Stock shall have been converted in the Merger.

## ARTICLE VI

### Conditions to the Merger

Consummation of the Merger is subject to the satisfaction of the following conditions:

(a) The Merger shall have received such approval of the Board of Directors and shareholders of each Constituent Corporation entitled to vote thereon as is required by the Utah Revised Business Corporation Act, the Nevada Revised Statutes and the Articles of Incorporation of each Constituent Corporation.

(b) Book and SDI shall have fulfilled all statutory requirements for the valid consummation of the Merger.

(c) Book and SDI shall have furnished corporate resolutions and/or other documentary evidence satisfactory to counsel for each that this Agreement has properly been submitted to and received approval from the Board of Directors of each party as required by applicable law.

#### ARTICLE VII

##### Amendment, Waiver and Termination

(a) Book and SDI by mutual consent of their respective Boards of Directors may amend, modify or supplement this Agreement or waive any condition set forth in Article VI hereof in such manner as may be agreed upon by them in writing, at any

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time before or after approval of this Agreement by the shareholders of Book, but not after the time that the Certificate of Merger are filed with the Nevada Secretary of State ("Filing Time"); provided, however, that no such amendment, modification, supplement or waiver shall, in the sole judgment of the Board of Directors of Book, materially adversely affect the rights of the shareholders of Book.

(b) Consummation of the Merger may be deferred by the Boards of Directors of either party or any authorized officer of either party for a reasonable period of time if said Board or officer determines such deferral would be in the best interest of its respective corporation or its shareholders.

(c) This Agreement may be terminated and the Merger and other transactions herein provided for abandoned at any time prior to the Filing Time, whether before or after approval of this Agreement by the shareholders of Book, by action of the Board of Directors of Book, by the shareholders of SDI or by action of the Board of Directors of SDI if said Board of Directors determines for any reason that the consummation of the transactions herein provided for would for any reason be inadvisable or not in the best interests of Book, SDI or their respective shareholders.

#### ARTICLE VIII

##### Miscellaneous

(a) This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

(b) This Agreement shall be governed by, and construed in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, Book and SDI pursuant to approval and authorization duly given by resolutions adopted by their respective Boards of Directors, have each caused this Agreement and Plan of Merger to be executed by its President.

Book Corporation of America,

Secured Diversified  
Investment, Ltd.

a Utah corporation

a Nevada corporation

/s/  
Ronald Robinson, President

/s/  
Ronald Robinson,  
President

CERTIFICATE OF MERGER  
of  
BOOK CORPORATION OF AMERICA  
a Utah corporation  
and  
SECURED DIVERSIFIED INVESTMENT, LTD.  
a Nevada corporation

The undersigned corporations, BOOK CORPORATION OF AMERICA, a Utah corporation ("Book"), and SECURED DIVERSIFIED INVESTMENT, LTD., a Nevada corporation ("SDI"), do hereby certify:

1. Book is a corporation duly organized and validly existing under the laws of the State of California. Articles of Incorporation were originally filed on November 21, 1978.
2. SDI is a corporation duly organized and validly existing under the laws of the State of Nevada. Articles of Incorporation were originally filed on May \_\_\_\_, 2002.
3. Book held a special shareholder meeting on May \_\_, 2002 in which shareholders approved a proposal to redomicile from Utah to Nevada. In addition, shareholders approved amendments to the Articles of Incorporation to Change the name to Secured Diversified Investment, Ltd., to change the par value of the Common Stock and to authorize Preferred Stock. Pursuant to the approvals at the special shareholder meeting, Book will be merged with and into SDI, for the sole purpose of changing the domicile of Book from the State of Utah to the State of Nevada. Upon completion of the merger SDI will be the surviving corporation in the merger and Book will be dissolved. Pursuant to the Merger the stockholders of Book may exchange their shares of outstanding common stock for shares of SDI common stock on a one share for one share basis.
4. In accordance with Section 16-10a-1107 of the Utah Revised Business Corporation Act, the registered agent that Book will maintain in Utah is Ronald Poulton, 136 East South Temple, Suite 1700-A, Salt Lake City, Utah 84111. For purpose of service in Nevada, the address of SDI is 1725 E. Warm Springs Road, Suite 10, Las Vegas, Nevada 89119.
5. The Articles of Incorporation and Bylaws of SDI as existing prior to the effective date of the merger shall continue in full force and effect as the Articles of Incorporation and Bylaws of the surviving corporation.
6. The complete executed Agreement and Plan of Merger dated as of May \_\_\_\_, 2002, which sets forth the plan for the merger of Book with and into SDI is on file at the corporate offices of SDI.
7. A copy of the Agreement and Plan of Merger will be furnished by SDI on request and without cost to any stockholder of any corporation which is a party to the merger.
8. The plan of merger as set forth in the Agreement and Plan of Merger has been unanimously approved by the Board of Directors of Book by unanimous written consent on May 6, 2002 pursuant to the provisions of Section 16-10a-821 of the Utah Revised Business Corporation Act. In addition, shareholder approval was obtained at a special shareholder meeting held on May \_\_\_\_, 2002. There were 2,349,540 shares entitled to vote in which \_\_\_\_\_ voted in favor of the proposal and \_\_\_\_\_ votes against.
9. The plan of merger as set forth in the Agreement and Plan of Merger was approved unanimously by the Board of Directors of SDI at a meeting held by telephone, in accordance with Section 78.315 of the Nevada Revised Statutes. The meeting was held on May \_\_\_\_, 2002.
10. The plan of merger as set forth in the Agreement and Plan of

Merger was approved by the sole shareholder of SDI by written consent in lieu of a special meeting of shareholders, in accordance with Section 78.320 of the Nevada Revised Statutes.

11. The manner in which the exchange of issued shares of Book shall be effected is set forth in the Agreement and Plan of Merger.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Merger on this \_\_\_\_ day of May, 2002.

BOOK CORPORATION OF AMERICA  
a Utah corporation

SECURED DIVERSIFIED INVESTMENT, LTD.  
a Nevada corporation

By: \_\_\_\_\_  
Ronald Robinson, President

By: \_\_\_\_\_  
Ronald Robinson, President

By: \_\_\_\_\_  
Ronald Robinson, Secretary

By: \_\_\_\_\_  
Ronald Robinson, Secretary

STATE OF NEVADA        )  
                                  : ss  
COUNTY OF            )

On \_\_\_\_\_, 2002, before me, a Notary Public, personally appeared Ronald Robinson, who is the President and Secretary of BOOK CORPORATION, a Utah corporation and the President and Secretary of SECURED DIVERSIFIED INVESTMENT, LTD., a Nevada corporation, and who is personally known to me (of proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the written instrument and acknowledged to me that he executed the same in his authorized capacities and, that by his signatures on the instrument, the person or entity upon behalf of which persons listed executed the instrument.

WITNESS my hand and official seal. \_\_\_\_\_  
Notary Public

AMENDMENT TO THE  
ARTICLES OF INCORPORATION OF  
BOOK CORPORATION OF AMERICA

Book Corporation of America, a corporation organized under the laws of the State of Utah, hereby adopts the following Amendments to its Articles of Incorporation pursuant to the provisions of the Utah Revised Business Corporation Act, Section 16-10a-1006.

I

The Articles of Incorporation shall be amended to read as follows:

ARTICLE I - CORPORATE NAME

The name of the corporation shall be: Secured Diversified Investment, Ltd.

II

ARTICLE IV - AUTHORIZED SHARES

The authorized Capital Stock of the Corporation is One Hundred Million (100,000,000) shares of Common Stock, \$.001 par value per share. The authorized Preferred Stock of the Corporation is Fifty Million (50,000,000) shares, \$.01 par value per share, which may be issued in one or more series, with designations, rights and privileges of such Preferred Stock as set by the Board of Directors.

III

The date of the adoption of the foregoing amendments by the shareholders was \_\_\_\_\_, 2002. The number of shares outstanding in the Corporation and entitled to vote, as of the record date, on the amendment was 2,349,540. All stock in the Corporation is entitled to one vote per share for each matter coming before a vote of the shareholders.

V

The number of shares that voted in favor of the above amendments was 2,000,000. The number of shares that voted against the above amendments was -0-.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2002.

BOOK CORPORATION OF AMERICA

By:

\_\_\_\_\_

Ronald Robinson,

President

## SDI 2002 Stock Option Plan

## Section 1. Purpose; Definitions.

1.1 Purpose. The purpose of the Secured Diversified Investment, Ltd. (the "Company") SDI 2002 Stock Option Plan (the "Plan") is to enable the Company to offer to its key employees, officers, directors, consultants, advisors and sales representatives whose past, present and/or potential contributions to the Company and its Subsidiaries have been, are or will be important to the success of the Company, an opportunity to acquire a proprietary interest in the Company. The various types of long-term incentive awards which may be provided under the Plan will enable the Company to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its business.

1.2 Definitions. For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Agreement" means the agreement between the Company and the Holder setting forth the terms and conditions of an award under the Plan.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto and the regulations promulgated thereunder.

(d) "Committee" means the Stock Option Committee of the Board or any other committee of the Board, which the Board may designate to administer the Plan or any portion thereof. If no Committee is so designated, then all references in this Plan to "Committee" shall mean the Board.

(e) "Common Stock" means the Common Stock of the Company, par value \$.001 per share.

(f) "Company" means Secured Diversified Investment, Ltd., (formerly known as Book Corporation of America), a corporation organized under the laws of the State of Nevada.

(g) "Deferred Stock" means Stock to be received, under an award made pursuant to Section 9, below, at the end of a specified deferral period.

(h) "Disability" means disability as determined under procedures established by the Committee for purposes of the Plan.

(i) "Effective Date" means the date set forth in Section 13.1, below.

(j) "Employee" means any employee, director, general partner, trustee (where the registrant is a business trust), officer or consultant or advisor.

(k) "Fair Market Value", unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, means, as of any given date: (i) if the Common Stock is listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, the last sale price of the Common Stock in the principal trading market for the Common Stock on the last trading day preceding the date of grant of an award hereunder, as reported by the exchange or Nasdaq, as the case may be; (ii) if the Common Stock is not listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, but is traded in the over-the-counter market, the closing bid price for the Common Stock on the last trading day preceding the date of grant of an award hereunder for which such quotations are reported by the OTC Bulletin Board or the National Quotation Bureau, Incorporated or similar publisher of such quotations; and (iii) if the fair market value of the Common Stock cannot be determined pursuant to clause (i) or (ii) above, such price as the Committee shall determine, in good

faith.

(l) "Holder" means a person who has received an award under the Plan.

(m) "Incentive Stock Option" means any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

(n) "Nonqualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

(o) "Normal Retirement" means retirement from active employment with the Company or any Subsidiary on or after age 65.

(p) "Other Stock-Based Award" means an award under Section 10, below, that is valued in whole or in part by reference to, or is otherwise based upon, Stock.

(q) "Parent" means any present or future parent corporation of the Company, as such term is defined in Section 424(e) of the Code.

(r) "Plan" means SDI 2002 Stock Option Plan, as hereinafter amended from time to time.

(s) "Restricted Stock" means Stock, received under an award made pursuant to Section 8, below, that is subject to restrictions under said Section 8.

(t) "SAR Value" means the excess of the Fair Market Value (on the exercise date) of the number of shares for which the Stock Appreciation Right is exercised over the exercise price that the participant would have otherwise had to pay to exercise the related Stock Option and purchase the relevant shares.

(u) "Stock" means the Common Stock of the Company.

(v) "Stock Appreciation Right" means the right to receive from the Company, on surrender of all or part of the related Stock Option, without a cash payment to the Company, a number of shares of Common Stock equal to the SAR Value divided by the exercise price of the Stock Option.

(w) "Stock Option" or "Option" means any option to purchase shares of Stock which is granted pursuant to the Plan.

(x) "Stock Reload Option" means any option granted under Section 6.3, below, as a result of the payment of the exercise price of a Stock Option and/or the withholding tax related thereto in the form of Stock owned by the Holder or the withholding of Stock by the Company.

(y) "Subsidiary" means any present or future subsidiary corporation of the Company, as such term is defined in Section 424(f) of the Code.

## Section 2. Administration.

2.1 Committee Membership. The Plan shall be administered by the Board or a Committee. Committee members shall serve for such terms as the Board may in each case determine, and shall be subject to removal at any time by the Board.

2.2 Powers of Committee. The Committee shall have full authority, subject to Section 4, below, to award, pursuant to the terms of the Plan: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Deferred Stock, (v) Stock Reload Options and/or (vi) Other Stock-Based Awards. For purposes of illustration and not of limitation, the Committee shall have the authority (subject to the express provisions of this Plan):

(a) to select the officers, key employees, directors, consultants, advisors and sales representatives of the Company or any Subsidiary to whom Stock Options, Stock Appreciation Rights, Restricted Stock, Deferred Stock, Reload Stock Options and/or Other Stock-Based Awards

may from time to time be awarded hereunder.

(b) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, number of shares, share price, any restrictions or limitations, and any vesting, exchange, surrender, cancellation, acceleration, termination, exercise or forfeiture provisions, as the Committee shall determine);

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(c) to determine any specified performance goals or such other factors or criteria which need to be attained for the vesting of an award granted hereunder;

(d) to determine the terms and conditions under which awards granted hereunder are to operate on a tandem basis and/or in conjunction with or apart from other equity awarded under this Plan and cash awards made by the Company or any Subsidiary outside of this Plan;

(e) to permit a Holder to elect to defer a payment under the Plan under such rules and procedures as the Committee may establish, including the crediting of interest on deferred amounts denominated in cash and of dividend equivalents on deferred amounts denominated in Stock;

(f) to determine the extent and circumstances under which Stock and other amounts payable with respect to an award hereunder shall be deferred which may be either automatic or at the election of the Holder; and

(g) to substitute (i) new Stock Options for previously granted Stock Options, which previously granted Stock Options have higher option exercise prices and/or contain other less favorable terms, and (ii) new awards of any other type for previously granted awards of the same type, which previously granted awards are upon less favorable terms.

### 2.3 Interpretation of Plan.

(a) Committee Authority. Subject to Section 4 and 12, below, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any award issued under the Plan (and to determine the form and substance of all Agreements relating thereto), to otherwise supervise the administration of the Plan. Subject to Section 12, below, all decisions made by the Committee pursuant to the provisions of the Plan shall be made in the Committee's sole discretion and shall be final and binding upon all persons, including the Company, its Subsidiaries and Holders.

(b) Incentive Stock Options. Anything in the Plan to the contrary notwithstanding, no term or provision of the Plan relating to Incentive Stock Options (including but not limited to Stock Reload Options or Stock Appreciation rights granted in conjunction with an Incentive Stock Option) or any Agreement providing for Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of the Holder(s) affected, to disqualify any Incentive Stock Option under such Section 422.

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### Section 3. Stock Subject to Plan.

3.1 Number of Shares. The total number of shares of Common Stock reserved and available for distribution under the Plan shall be five hundred thousand (500,000) shares. Shares of Stock under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares of Stock that have been granted pursuant to a Stock

Option cease to be subject to a Stock Option, or if any shares of Stock that are subject to any Stock Appreciation Right, Restricted Stock, Deferred Stock award, Reload Stock Option or Other Stock-Based Award granted hereunder are forfeited or any such award otherwise terminates without a payment being made to the Holder in the form of Stock, such shares shall again be available for distribution in connection with future grants and awards under the Plan. Only net shares issued upon a stock-for-stock exercise (including stock used for withholding taxes) shall be counted against the number of shares available under the Plan.

3.2 Adjustment Upon Changes in Capitalization, Etc. In the event of any merger, reorganization, consolidation, recapitalization, dividend (other than a cash dividend), stock split, reverse stock split, or other change in corporate structure affecting the Stock, such substitution or adjustment shall be made in the aggregate number of shares reserved for issuance under the Plan, in the number and exercise price of shares subject to outstanding Options, in the number of shares and Stock Appreciation Right price relating to Stock Appreciation Rights, and in the number of shares and Stock Appreciation Right price relating to Stock Appreciation Rights, and in the number of shares subject to, and in the related terms of, other outstanding awards (including but not limited to awards of Restricted Stock, Deferred Stock, Reload Stock Options and Other Stock-Based Awards) granted under the Plan as may be determined to be appropriate by the Committee in order to prevent dilution or enlargement of rights, provided that the number of shares subject to any award shall always be a whole number.

#### Section 4. Eligibility.

Awards may be made or granted to key employees, officers, directors, consultants, advisors and sales representatives who are deemed to have rendered or to be able to render significant services to the Company or its Subsidiaries and who are deemed to have contributed or to have the potential to contribute to the success of the Company. No Incentive Stock Option shall be granted to any person who is not an employee of the Company or a Subsidiary at the time of grant.

#### Section 5. Required Six-Month Holding Period.

Any equity security issued under this Plan may not be sold prior to six months from the date of the grant of the related award without the approval of the Company.

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#### Section 6. Stock Options.

6.1 Grant and Exercise. Stock Options granted under the Plan may be of two types: (i) Incentive Stock Options and (ii) Nonqualified Stock Options. Any Stock Option granted under the Plan shall contain such terms, not inconsistent with this Plan, or with respect to Incentive Stock Options, not inconsistent with the Code, as the Committee may from time to time approve. The Committee shall have the authority to grant Incentive Stock Options, Non-Qualified Stock Options, or both types of Stock Options and which may be granted alone or in addition to other awards granted under the Plan. To the extent that any Stock Option intended to qualify as an Incentive Stock Option does not so qualify, it shall constitute a separate Nonqualified Stock Option. An Incentive Stock Option may be granted only within the ten-year period commencing from the Effective Date and may only be exercised within ten years of the date of grant or five years in the case of an Incentive Stock Option granted to an optionee ("10% Stockholder") who, at the time of grant, owns Stock possessing more than 10% of the total combined voting power of all classes of stock of the Company.

6.2 Terms and Conditions. Stock Options granted under the Plan shall be subject to the following terms and conditions:

(a) Exercise Price. The exercise price per share of Stock purchasable under an Incentive Stock Option shall be determined by the Committee at the time of grant and may not be less than 100% of the Fair Market Value of the Stock as defined above; provided, however, that the

exercise price of an Incentive Stock Option granted to a 10% Stockholder shall not be less than 110% of the Fair Market Value of the Stock. The exercise price per share of Stock purchasable under any options granted that are not Incentive Stock Option, shall be determined by the Committee at the time of grant.

(b) Option Term. Subject to the limitations in Section 6.1, above, the term of each Stock Option shall be fixed by the Committee.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee and as set forth in Section 11, below. If the Committee provides, in its discretion, that any Stock Option is exercisable only in installments, i.e., that it vests over time, the Committee may waive such installment exercise provisions at any time at or after the time of grant in whole or in part, based upon such factors as the Committee shall determine.

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(d) Method of Exercise. Subject to whatever installment, exercise and waiting period provisions are applicable in a particular case, Stock Options may be exercised in whole or in part at any time during the term of the Option, by giving written notice of exercise to the Company specifying the number of shares of Stock to be purchased. Such notice shall be accompanied by payment in full of the purchase price, which shall be in cash or, unless otherwise provided in the Agreement, in shares of Stock (including Restricted Stock and other contingent awards under this Plan) or, partly in cash and partly in such Stock, or such other means which the Committee determines are consistent with the Plan's purpose and applicable law. Cash payments shall be made by wire transfer, certified or bank check or personal check, in each case payable to the order of the Company; provided, however, that the Company shall not be required to deliver certificates for shares of Stock with respect to which an Option is exercised until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof. Payments in the form of Stock shall be valued at the Fair Market Value of a share of Stock on the day prior to the date of exercise. Such payments shall be made by delivery of stock certificates in negotiable form which are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. Subject to the terms of the Agreement, the Committee may, in its sole discretion, at the request of the Holder, deliver upon the exercise of a Nonqualified Stock Option a combination of shares of Deferred Stock and Common Stock; provided that, notwithstanding the provision of Section 9 of the Plan, such Deferred Stock shall be fully vested and not subject to forfeiture. A Holder shall have none of the rights of a stockholder with respect to the shares subject to the Option until such shares shall be transferred to the Holder upon the exercise of the Option.

(e) Transferability. Unless otherwise determined by the Committee, no Stock Option shall be transferable by the Holder other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Holder's lifetime, only by the Holder.

(f) Termination by Reason of Death. If a Holders' employment by the Company or a Subsidiary terminates by reason of death, any Stock Option held by such Holder, unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, shall be fully vested and may thereafter be exercised by the legal representative of the estate or by the legatee of the Holder under the will of the Holder, for a period of one year (or such other greater or lesser period as the Committee may specify at grant) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) Termination by Reason of Disability. If a Holder's employment by the Company or any Subsidiary terminates by reason of Disability, any Stock Option held by such Holder, unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, shall be fully vested and may thereafter be exercised by the Holder for a period of one year (or such other greater or lesser period as the Committee may specify at the time of grant) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(h) Other Termination. Subject to the provisions of Section 14.3, below, and unless otherwise determined by the Committee at the time of grant and set forth in the Agreement, if a Holder is an employee of the Company or a Subsidiary at the time of grant and if such Holder's employment by the Company or any Subsidiary terminates for any reason other than death or Disability, the Stock Option shall thereupon automatically terminate, except that if the Holder's employment is terminated by the Company or a Subsidiary without cause or due to Normal Retirement, then the portion of such Stock Option which has vested on the date of termination of employment may be exercised for the lesser of three months after termination of employment or the balance of such Stock Option's term.

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(i) Additional Incentive Stock Option Limitation. In the case of an Incentive Stock Option, the aggregate Fair Market Value of Stock (determined at the time of grant of the Option) with respect to which Incentive Stock Options become exercisable by a Holder during any calendar year (under all such plans of the Company and its Parent and Subsidiary) shall not exceed \$100,000.

(j) Buyout and Settlement Provisions. The Committee may at any time, in its sole discretion, offer to buy out a Stock Option previously granted, based upon such terms and conditions as the Committee shall establish and communicate to the Holder at the time that such offer is made.

(k) Stock Option Agreement. Each grant of a Stock Option shall be confirmed by and shall be subject to the terms of, the Agreement executed by the Company and the Holder.

6.3 Stock Reload Option. The Committee may also grant to the Holder (concurrently with the grant of an Incentive Stock Option and at or after the time of grant in the case of a Nonqualified Stock Option) a Stock Reload Option up to the amount of shares of Stock held by the Holder for at least six months and used to pay all or part of the exercise price of an Option and, if any, withheld by the Company as payment for withholding taxes. Such Stock Reload Option shall have an exercise price equal to the Fair Market Value as of the date of the Stock Reload Option grant. Unless the Committee determines otherwise, a Stock Reload Option may be exercised commencing one year after it is granted and shall expire on the date of expiration of the Option to which the Reload Option is related.

## Section 7. Stock Appreciation Rights.

7.1 Grant and Exercise. The Committee may grant Stock Appreciation Rights to participants who have been, or are being granted, Options under the Plan as a means of allowing such participants to exercise their Options without the need to pay the exercise price in cash. In the case of a Nonqualified Stock Option, a Stock Appreciation Right may be granted either at or after the time of the grant of such Nonqualified Stock Option. In the case of an Incentive Stock Option, a Stock Appreciation Right may be granted only at the time of the grant of such Incentive Stock Option.

7.2 Terms and Conditions. Stock Appreciation Rights shall be subject to the following terms and conditions:

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(a) Exercisability. Stock Appreciation Rights shall be exercisable as determined by the Committee and set forth in the Agreement, subject to the limitations, if any, imposed by the Code, with respect to related Incentive Stock Options.

(b) Termination. A Stock Appreciation Right shall terminate and shall no longer be exercisable upon the termination or exercise of the related Stock Option.

(c) Method of Exercise. Stock Appreciation Rights shall be exercisable upon such terms and conditions as shall be determined by the Committee and set forth in the Agreement and by surrendering the applicable portion of the related Stock Option. Upon such exercise and surrender, the Holder shall be entitled to receive a number of Option Shares equal to the SAR Value divided by the exercise price of the Option.

(d) Shares Affected Upon Plan. The granting of a Stock Appreciation Rights shall not affect the number of shares of Stock available for awards under the Plan. The number of shares available for awards under the Plan will, however, be reduced by the number of shares of Stock acquirable upon exercise of the Stock Option to which such Stock Appreciation right relates.

#### Section 8. Restricted Stock.

8.1 Grant. Shares of Restricted Stock may be awarded either alone or in addition to other awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be awarded, the number of shares to be awarded, the price (if any) to be paid by the Holder, the time or times within which such awards may be subject to forfeiture (the "Restriction Period"), the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the awards.

8.2 Terms and Conditions. Each Restricted Stock award shall be subject to the following terms and conditions:

(a) Certificates. Restricted Stock, when issued, will be represented by a stock certificate or certificates registered in the name of the Holder to whom such Restricted Stock shall have been awarded. During the Restriction Period, certificates representing the Restricted Stock and any securities constituting Retained Distributions (as defined below) shall bear a legend to the effect that ownership of the Restricted Stock (and such Retained Distributions), and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms and conditions provided in the Plan and the Agreement. Such certificates shall be deposited by the Holder with the Company, together with stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock and any securities constituting Retained Distributions that shall be forfeited or that shall not become vested in accordance with the Plan and the Agreement.

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(b) Rights of Holder. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Stock, to receive and retain all regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute on such Restricted Stock and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to such Restricted Stock, with the exceptions that (i) the Holder will not be entitled to delivery of the stock certificate or certificates representing such Restricted Stock until the Restriction Period shall have expired and unless all other vest requirements with respect thereto shall have been fulfilled; (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock during the Restriction Period; (iii) other than regular cash dividends and other cash equivalent distributions as the Board may in its sole discretion designate, pay or distribute, the Company will retain custody of all distributions ("Retained Distributions") made or declared with respect to the Restricted Stock (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the restricted Stock) until such time, if ever, as the Restricted Stock with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested and with respect to which the Restriction Period shall have expired; (iv) a breach of any of the restrictions, terms or conditions contained in this Plan or the Agreement or otherwise established by the Committee with respect to any Restricted Stock or Retained Distributions will cause a forfeiture of such Restricted Stock and any Retained Distributions with respect thereto.

(c) Vesting; Forfeiture. Upon the expiration of the Restriction Period with respect to each award of Restricted Stock and the satisfaction of any other applicable restrictions, terms and conditions (i) all or part of such Restricted Stock shall become vested in accordance with the terms

of the Agreement, subject to Section 11, below, and (ii) any Retained Distributions with respect to such Restricted Stock shall become vested to the extent that the Restricted Stock related thereto shall have become vested, subject to Section 11, below. Any such Restricted Stock and Retained Distributions that do not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Restricted Stock and Retained Distributions that shall have been so forfeited.

#### Section 9. Deferred Stock.

9.1 Grant. Shares of Deferred Stock may be awarded either alone or in addition to other awards granted under the Plan. The Committee shall determine the eligible persons to whom and the time or times at which grants of Deferred Stock shall be awarded, the number of shares of Deferred Stock to be awarded to any person, the duration of the period (the "Deferral Period") during which, and the conditions under which, receipt of the shares will be deferred, and all the other terms and conditions of the awards.

9.2 Terms and Conditions. Each Deferred Stock award shall be subject to the following terms and conditions:

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(a) Certificates. At the expiration of the Deferral Period (or the Additional Deferral Period referred to in Section 9.2 (d) below, where applicable), shares certificates shall be issued and delivered to the Holder, or his legal representative, representing the number equal to the shares covered by the Deferred Stock award.

(b) Rights of Holder. A person entitled to receive Deferred Stock shall not have any rights of a stockholder by virtue of such award until the expiration of the applicable Deferral Period and the issuance and delivery of the certificates representing such Stock. The shares of Stock issuable upon expiration of the Deferral Period shall not be deemed outstanding by the Company until the expiration of such Deferral Period and the issuance and delivery of such Stock to the Holder.

(c) Vesting; Forfeiture. Upon the expiration of the Deferral Period with respect to each award of Deferred Stock and the satisfaction of any other applicable restrictions, terms and conditions all or part of such Deferred Stock shall become vested in accordance with the terms of the Agreement, subject to Section 11, below. Any such Deferred Stock that does not vest shall be forfeited to the Company and the Holder shall not thereafter have any rights with respect to such Deferred Stock.

(d) Additional Deferral Period. A Holder may request to, and the Committee may at any time, defer the receipt of an award (or an installment of an award) for an additional specified period or until a specified event (the "Additional Deferral Period"). Subject to any exceptions adopted by the Committee, such request must generally be made at least one year prior to expiration of the Deferral Period for such Deferred Stock awards (or such installment).

#### Section 10. Other Stock-Based Awards.

10.1 Grant and Exercise. Other Stock-Based Awards may be awarded, subject to limitations under applicable law, that are denominated or payable, in value in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, or other rights convertible into shares of Common Stock and awards valued by reference to the value of securities of or the performance of specified subsidiaries. Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other awards under this Plan or any other plan of the Company.

10.2 Eligibility for Other Stock-Based Awards. The Committee shall determine the eligible persons to whom and the time or times at which

grants of such other stock-based awards shall be made, the number of shares of Common Stock to be awarded pursuant to such awards, and all other terms and conditions of the awards.

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10.3 Terms and Conditions. Each Other Stock-Based Award shall be subject to such terms and conditions as may be determined by the Committee and to Section 11, below.

Section 11. Accelerated Vesting and Exercisability.

If (i) any person or entity other than the Company and/or any stockholders of the Company as of the Effective Date acquire securities of the Company (in one or more transactions) having 25% or more of the total voting power of all the Company's securities then outstanding and (ii) the Board of Directors of the Company does not authorize or otherwise approve such acquisition, then, the vesting periods of any and all Options and other awards granted and outstanding under the Plan shall be accelerated and all such Options and awards will immediately and entirely vest, and the respective holders thereof will have the immediate right to purchase and/or receive any and all Stock subject to such Options and awards on the terms set forth in this Plan and the respective agreements respecting such Options and awards.

Section 12. Amendment and Termination.

Subject to Section 4 hereof, the Board may at any time, and from time to time, amend, alter, suspend or discontinue any of the provisions of the Plan, but no amendment, alteration, suspension or discontinuance shall be made which would impair the rights of a Holder under any Agreement theretofore entered into hereunder, without the Holder's consent.

Section 13. Term of Plan.

13.1 Effective Date. The Plan shall be effective as of May \_\_, 2002. ("Effective Date").

13.2 Termination Date. Unless terminated by the Board, this Plan shall continue to remain effective until such time no further awards may be granted and all awards granted under the Plan are no longer outstanding. Notwithstanding the foregoing, grants of Incentive Stock Options may only be made during the ten-year period following the Effective Date.

Section 14. General Provisions.

14.1 Written Agreements. Each award granted under the Plan shall be confirmed by, and shall be subject to the terms of the Agreement executed by the Company and the Holder. The Committee may terminate any award made under the Plan if the Agreement relating thereto is not executed and returned to the Company within 10 days after the Agreement has been delivered to the Holder for his or her execution.

14.2 Unfunded Status of Plan. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Holder by the Company, nothing contained herein shall give any such Holder any rights that are greater than those of a general creditor of the Company.

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14.3 Employees.

(a) Engaging in Competition With the Company. In the event a Holder's employment with the Company or a Subsidiary is terminated for any reason whatsoever, and within one year after the date thereof such Holder accepts employment with any competitor of, or otherwise engages in competition with, the Company, the Committee, in its sole discretion, may

require such Holder to return to the Company the economic value of any award which was realized or obtained by such Holder at any time during the period beginning on that date which is six months prior to the date of such Holder's termination of employment with the Company.

(b) Termination for Cause. The Committee may, in the event a Holder's employment with the company or a Subsidiary is terminated for cause, annul any award granted under this Plan to return to the Company the economic value of any award which was realized or obtained by such Holder at any time during the period beginning on that date which is six months prior to the date of such Holder's termination of employment with the Company.

(c) No Right of Employment. Nothing contained in the Plan or in any award hereunder shall be deemed to confer upon any Holder who is an employee of the Company or any Subsidiary any right to continued employment with the Company or any Subsidiary, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any Holder who is an employee at any time.

14.4 Investment Representations. The Committee may require each person acquiring shares of Stock pursuant to a Stock Option or other award under the Plan to represent to and agree with the Company in writing that the Holder is acquiring the shares for investment without a view to distribution thereof.

14.5 Additional Incentive Arrangements. Nothing contained in the Plan shall prevent the Board from adopting such other or additional incentive arrangements as it may deem desirable, including, but not limited to, the granting of Stock Options and the awarding of stock and cash otherwise than under the Plan; and such arrangements may be either generally applicable or applicable only in specific cases.

14.6 Withholding Taxes. Not later than the date as of which an amount must first be included in the gross income of the Holder for Federal income tax purposes with respect to any option or other award under the Plan, the Holder shall pay to the Company, or made arrangements satisfactory to the Committee regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. If permitted by the Committee, tax withholding or payment obligations may be settled with Common Stock, including Common Stock that is part of the award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditioned upon such payment or arrangements and the Company or the Holder's employer (if not the Company) shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder from the Company or any Subsidiary.

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14.7 Governing Law. The Plan and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Nevada (without regard to choice of law provisions).

14.8 Other Benefit Plans. Any award granted under the Plan shall not be deemed compensation for purposes of computing benefits under any retirement plan of the Company or any Subsidiary and shall not affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation (unless required by specific reference in any such other plan to awards under this Plan).

14.9 Non-Transferability. Except as otherwise expressly provided in the Plan, no right or benefit under the Plan may be alienated, sold, assigned, hypothecated, pledged, exchanged, transferred, encumbered or charged, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void.

14.10 Applicable Laws. The obligations of the Company with respect to all Stock Options and awards under the Plan shall be subject to (i) all applicable laws, rules and regulations and such approvals by any

governmental agencies as may be required, including, without limitation, the Securities Act of 1933, as amended, and (ii) the rules and regulations of any securities exchange on which the Stock may be listed.

14.11 Conflicts. If any of the terms or provisions of the Plan or an Agreement (with respect to Incentive Stock Options) conflict with the requirements of Section 422 of the Code, then such terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of said Section 422 of the Code. Additionally, if this Plan or any Agreement does not contain any provision required to be included herein under Section 422 of the Code, such provision shall be deemed to be incorporated herein and therein with the same force and effect as if such provision had been set out at length herein and therein. If any of the terms or provision of any Agreement conflict with any terms or provision of the Plan, then such terms or provision shall be deemed inoperative to the extent they so conflict with the requirements of the Plan. Additionally, if any Agreement does not contain any provision required to be included therein under the Plan, such provision shall be deemed to be incorporated therein with the same force and effect as if such provision had been set out at length therein.

14.12 Non-Registered Stock. The shares of Stock to be distributed under this Plan have not been, as of the Effective Date, registered under the Securities Act of 1933, as amended, or any applicable state or foreign securities laws and the Company has no obligation to any Holder to register the Stock or to assist the Holder in obtaining an exemption from the various registration requirements, or to list the Stock on a national securities exchange.