

DEED OF TRUST

THIS DEED OF TRUST is made this 22ND day of NOVEMBER 1983, among the Grantor, RICHARD W. WALLISER AND DIANNA L. WALLISER HUSBAND AND WIFE (herein "Borrower"), DOUGLAS COUNTY TITLE COMPANY, INC. (herein "Trustee"), and the Beneficiary, OLD STONE MORTGAGE CORPORATION, a corporation organized and existing under the laws of WASHINGTON, whose address is 1417 FOURTH AVENUE, SEATTLE, WASHINGTON 98101 (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of DOUGLAS, State of Nevada:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, DESCRIBED AS FOLLOWS: LOT 10, BLOCK B, AS SHOWN ON THE OFFICIAL MAP OF CHAMBERS FIELD SUBDIVISION, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON JANUARY 9, 1979, AS DOCUMENT NO. 28862. RESERVING THEREFROM: ALL SURFACE WATER RIGHTS AS CONVEYED IN DEED, RECORDED APRIL 17, 1979, IN BOOK 479 OF OFFICIAL RECORDS AT PAGE 897, DOUGLAS COUNTY, NEVADA, AS DOCUMENT NO. 31616.

"This deed of trust is being re-recorded for the purpose of the correction of location of property to read 1150 Amarillo Drive."

This Deed of Trust (Mortgage) is subject to the attached Addendum, which substantially modifies the terms of this loan. Do not sign it unless you read and understand it.

NOTICE: This deed of trust secures an adjustable interest rate note which contains provisions permitting periodic changes in the interest rate and, in the event of high interest rates, the possibility of an increase in the aggregate amount of principal and interest secured hereby.

which has the address of 1150 AMARILLO DRIVE, GARDNERVILLE, NEVADA 89410 (herein "Property Address");
(Street) (City) (State and Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

To SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated NOVEMBER 22, 1983 (herein "Note"), in the principal sum of ONE HUNDRED FIFTY THOUSAND AND NO /100 Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on DECEMBER 01, 2013; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency, within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

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9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Uniform Deed of Trust; Governing Law; Severability. This form of deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of (i) the fifth day before sale of the Property pursuant to the power of sale contained in this Deed of Trust or (ii) entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay

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the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. **Future Advances.** Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

23. **Substitute Trustee.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

25. **Assumption Fee.** If there is an assumption pursuant to paragraph 17 hereof, Lender may charge an assumption fee of US \$... 1% OF THE UNPAID PRINCIPAL BALANCE

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

Richard W. Walliser
RICHARD W. WALLISER —Borrower

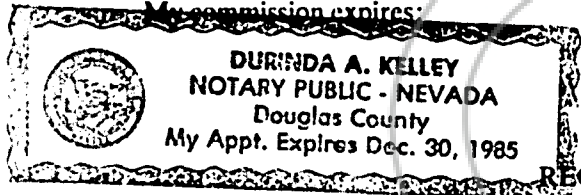
Dianna L. Walliser
DIANNA L. WALLISER —Borrower

STATE OF NEVADA, DOUGLAS County ss: ?

On this... *23rd* day of... *November* 19 *83*, personally appeared before me, the undersigned, a notary public in and for the County and State aforesaid, RICHARD W. WALLISER DIANNA L. WALLISER known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that ... they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said county of *Douglas*, the day and year in this Certificate first above written.

My commission expires:



Durinda A. Kelley
Notary Public

County of... *Douglas*, State of Nevada

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Date:

(Space Below This Line Reserved For Lender and Recorder)

**OWNER-OCCUPANT
ADDENDUM TO FNMA/FHLMC UNIFORM INSTRUMENTS
(Deed of Trust or Mortgage and Note)**

\$ 150000.00 Principal Sum
12.230 % per annum

Reference to:

Loan No. 302832
Address of Property 1150 AMARILLO ROAD
GARDNERVILLE, NEVADA
(City) (State)
NOVEMBER 22, 19 83
Date of Note & Deed of Trust or Mortgage

The rights and obligations of the parties to the referenced FNMA/FHLMC Uniform Instrument form of Deed of Trust or Mortgage and Note are expressly made subject to this Addendum. In the event of any conflict between the provisions of this Addendum and the provisions of the Deed of Trust or Mortgage and the Note, the provisions of this Addendum shall control.

1. It is understood and agreed that:
 - a. The Lender intends to sell the Note to an Investor,
 - b. Lender would not make the loan unless it is able to sell the Note, and
 - c. The Investor would not buy the Note unless the Borrower occupies the subject property in accordance with the requirements described below.
2. The Borrower agrees that the Lender, its successors or assigns may, at Lender's sole option, accelerate all payments due under said Deed of Trust or Mortgage and Note and exercise any other remedy allowed by law for breach of the Deed of Trust or Mortgage or Promissory Note If:
 - a. The Borrower fails to occupy the subject property as Borrower's primary and permanent residence within THIRTY (30) consecutive calendar days after the loan proceeds have been disbursed and that such occupancy be continuous thereafter for one hundred eighty (180) consecutive calendar days from the date of initial occupancy. Borrower understands and agrees that Lender may require and Borrower shall promptly furnish, documentation and other proof acceptable to Lender, of the required occupancy of the subject property.
 - b. The Lender finds any statement contained in the Borrower's Loan Application to be substantially inaccurate.
3. The Borrower understands and agrees that the statements of fact contained in the Borrower's Loan Application and the documentation and proof of the occupancy of the property are necessary conditions for the granting of the loan.
4. If Lender exercises the option to accelerate, Lender shall mail notice of intent to Borrower in accordance with paragraph 14 of said Deed of Trust or Mortgage. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 of said Deed of Trust or Mortgage.
5. If the Federal Home Loan Mortgage Corporation buys all or some of the Lender's rights under the Deed of Trust or Mortgage and Note, the provisions of this Addendum will no longer have any force or effect.

NOTICE TO BORROWER

THIS ADDENDUM DOCUMENT SUBSTANTIALLY MODIFIES THE TERMS OF YOUR LOAN. DO NOT SIGN IT UNLESS YOU READ AND UNDERSTAND IT.

The undersigned hereby consent to the modification of the referenced Deed of Trust or Mortgage and the Note by the provisions contained in this Addendum.

DATED this 23 day of November 19 83

(Borrower)

Richard W. Walliser
RICHARD W. WALLISER
(Borrower)

(Borrower)

Dianna C. Walliser
DIANNA C. WALLISER
(Borrower)

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ADJUSTABLE INTEREST RATE NOTE

THIS IS AN ADJUSTABLE INTEREST RATE NOTE. ITS RATE WILL CHANGE EVERY 6 MONTHS BASED ON CHANGES IN AN INTEREST RATE INDEX. BECAUSE FUTURE MOVEMENTS OF THE INDEX ARE RELATED TO MARKET CONDITIONS THAT CANNOT BE PREDICTED, IT IS IMPOSSIBLE TO KNOW IN ADVANCE HOW MUCH YOU WILL HAVE TO PAY OVER THE LIFE OF THE LOAN. HIGH INTEREST RATES CAN CAUSE INCREASES IN WHAT YOU OWE AND LOW INTEREST RATES CAN CAUSE YOUR LOAN TO PAY AHEAD OF SCHEDULE.

NOVEMBER 22, 1983

Date

GARDNERVILLE

City

NEVADA

State

Payment of this Note is secured by a mortgage on the following property:

1150 AMARILLO ROAD, GARDNERVILLE, NEVADA 89410

Property Address

City

State

Zip Code

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay US \$ 150000.00 (this amount is called "Principal"), plus interest as described in this Note, to the order of Old Stone Mortgage Corp., (the "Lender"). The interest I owe on Principal for any month could be larger than the monthly payment I am required to make. Any interest I owe in excess of my monthly payments is called "Additional Loan Balance." The sum of Principal and Additional Loan Balance is called my "Loan Obligation."

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST
(A) How Interest Is Calculated

Interest will be charged on that part of Principal and Additional Loan Balance which have not been paid. Interest will be charged on Principal from the date of this Note until the full amount of Principal has been paid. Interest is calculated in monthly intervals of 30 days each. The interest for each month is added to my loan as of the first day of that month and is due on the first day of the following month. If the monthly payment for that month is less than the interest for that month, the interest in excess of the payment will be added to my Additional Loan Balance on the day that payment is due. Interest will be charged on Additional Loan Balance from the day any unpaid interest is added to my Additional Loan Balance until the full amount of the Additional Loan Balance is paid. Sections 3(A) and 3(F) describe how payments are applied.

(B) Initial Interest Rate; How The Interest Rate Can Change

My initial yearly rate of interest is 12.230 %.

On JUNE 01, 1984 and every sixth month thereafter (the "Interest Adjustment Dates") until I pay this loan in full, my yearly rate of interest will be adjusted to a rate 3.00 percentage points above the investment yield of the most recently auctioned six month maturity United States Treasury bills. If there has been no six month U.S. Treasury bill rate established for a period

of 30 days, the Note Holder shall thereafter adjust my yearly rate of interest to a rate 3.50 percentage points above the investment yield of the most recently auctioned three month maturity United States Treasury bills. Any change in my rate of interest will be effective on an Interest Adjustment Date. If I pay my entire Loan Obligation in full within 90 days of any interest Adjustment Date on which my rate of interest increases, my interest will be calculated until full payment at my previous interest rate. Changes in my rate of interest do not change my monthly payments. Section 3 tells how my monthly payments are determined. Section 9 states that my rate of interest will not exceed limits permitted by law.

(C) Notice to Borrower of Changes in Interest Rate

Each time my yearly rate of interest increases or decreases, the Note Holder will mail me a notice (all or part of which may be included on my monthly bill) by first class mail within 30 days after the Interest Adjustment Date which will include:

- (i) My new rate of interest and the date on which the change was effective (i.e., the Interest Adjustment Date);
- (ii) the fact that my new rate of interest will apply to my Loan Obligation for the six months following the Interest Adjustment Date and then could increase or decrease;
- (iii) the present balance of my Loan Obligation;
- (iv) in the case of increases, a reminder that if I pay off my entire Loan Obligation within 90 days of the Interest Adjustment Date my interest will be calculated at the previous interest rate and not the new rate;
- (v) a reminder that there is no penalty if I pay off my entire Loan Obligation or any part of it at any time; and
- (vi) the title and telephone number of a person who will answer my questions regarding the notice.

3. PAYMENTS
(A) Time and Place of Payments

I will make monthly payments on the first day of each month beginning on the first day of JANUARY 1984. I will make my monthly payments at 1417 Fourth Avenue, Seattle, WA 98111, or at a different place if required by the Note Holder. I will make monthly payments until I have paid all of my Loan Obligation and interest and any other charges that I may owe under this Note. My monthly payments will be used first to pay interest added to my loan during the preceding month, then to pay any Additional Loan Balance and then to pay Principal.

(B) Initial Monthly Payments; My Monthly Payments Will Get Larger Each Year

My first 12 monthly payments will each be in the amount of US \$ 1193.46. My monthly payment, which is determined independently of my rate of interest, will increase every year during this loan on the anniversary of my first monthly payment by 5.000 % over the last monthly payment of the preceding loan year.

(C) Notice to Borrower of Change in Monthly Payment

When changes in my monthly payment occur, the Note Holder will send me a notice, which may be included on my monthly bill, before my increased payment is due which will include:

- (i) the amount of my monthly payment for the next 12 payments;
- (ii) the title and telephone number of a person who will answer my questions regarding the notice.

(D) If, during the six months preceding the 10th, 15th, 20th, 25th, 29th anniversary of my first monthly payment, the Note Holder determines that my monthly payments for the remaining term of the loan would not be sufficient to pay my entire remaining Loan Obligation (at the rate of interest then in effect) by the Final Payment Date, the Note Holder will increase my monthly payment to that amount which, increased annually as described in 3(B), would cause my Loan Obligation to be paid in full on the Final Payment Date. My annual increases thereafter will be based on that amount. Before doing so, the Note Holder will mail me a notice which will include:

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- (i) a statement that, based on my present interest rate, my remaining monthly payments including annual increases will not be sufficient to pay my Loan Obligation by the Final Payment Date;
- (ii) the payment (which may be an estimate) which I could make to reduce my Loan Obligation to that amount at which my remaining monthly payments including annual increases would be sufficient to pay my Loan Obligation by the Final Payment Date (again, based on my then present interest rate);
- (iii) the amount of the monthly payment the Note Holder intends to establish in accordance with this Section if I do not make that payment;
- (iv) the date (which cannot be sooner than 60 days from the date the notice was mailed) on which my new monthly payment will become effective;
- (v) the date (which cannot be sooner than 60 days from the date the notice was mailed) by which I must make the payment described in (iii) above to avoid the increase in my monthly payment;
- (vi) a statement that once my monthly payment is increased as described in this Section, the annual increases in my monthly payments for the rest of my loan, determined under Section 3(B), will be based on my new payment; and
- (vii) the title and telephone number of a person who will answer my questions regarding the notice.

(E) When Loan Obligation Must Be Paid

I will pay all amounts that I owe under this Note no later than DECEMBER 01, 2013 (the "Final Payment Date"). MY MONTHLY PAYMENTS ARE NOT CALCULATED TO PAY MY LOAN OBLIGATION ON THE FINAL PAYMENT DATE AND DEPENDING ON THE INTEREST RATES WHICH ARE IN EFFECT DURING THE LOAN, I COULD OWE AN ADDITIONAL AMOUNT ON THE FINAL PAYMENT DATE OR MY MONTHLY PAYMENTS COULD PAY THIS LOAN SUBSTANTIALLY BEFORE THE FINAL PAYMENT DATE.

(F) Borrower's Right to Make Payments Before They Are Due

I have the right at any time to pay any amount in addition to my monthly payment, including payment of Principal, or my entire Loan Obligation, without paying any penalty. Any payment I make other than my monthly payment will be used first to pay any Additional Loan Balance and then to pay Principal as if received on the first day of the following month. If I pay only a part of my Loan Obligation before I am required to do so, there will be no delays in the due dates of and no reduction in the amount of my monthly payments unless the Note Holder agrees in writing to those delays or reductions.

4. THIS NOTE IS SECURED BY A MORTGAGE

In addition to the protections given to the Note Holder under this Note, a Mortgage dated NOVEMBER 22, 1983 protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. Section 5(C) of this Note and the provisions of that Mortgage describe how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

5. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any of my monthly payments within 15 calendar days after the date the monthly payment was due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment. I will pay this late charge only once on any late payment.

(B) Notice of Default from Note Holder

If I do not pay the full amount of each monthly payment on time, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. That date must be at least 30 days after the date on which the notice is mailed to me.

(C) Default

If I do not pay the overdue amount by the date stated in the notice described in Section 5 (B) above, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of my Loan Obligation which has not been paid and all the interest I owe on the Loan Obligation through the day I make full payment.

If, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all its reasonable costs and expenses to the extent not prohibited by applicable law. Those expenses may include, for example, reasonable attorneys' fees.

6. WAIVERS

Anyone who signs this Note to transfer it to someone else (known as an "endorser") waives certain rights. Those rights are (A) the right to require the Note Holder to demand payment of amounts due (known as "presentment") and (B) the right to require the Note Holder to give notice that amounts due have not been paid (known as "notice of dishonor").

7. GIVING OF NOTICES

Except for the notices provided in Sections 2(C), 3(C) and 3(D), any notice that must be given to me under this Note will be given by mailing it by certified mail. All notices will be addressed to me at the Property Address stated at the beginning of this Note. Notices will be mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3(A) above. Notices will be mailed to the Note Holder at a different address if I am given a notice of that different address.

8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

My mortgage states that the Note Holder can require me to pay the Loan Obligation in full immediately instead of allowing another person to take over my rights and obligations under this Loan.

9. LOAN CHARGES

It could be that this loan is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with this loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing my Loan Obligation or by making a direct payment to me. A refund made by reducing my Loan Obligation will be treated as a partial prepayment.

Richard W. Walliser (Seal)
Borrower
RICHARD W. WALLISER

Dianna L. Walliser (Seal)
Borrower
DIANNA L. WALLISER

Borrower (Sign Original Only)

We hereby certify that this is a true and correct copy of the original.
/ Douglas County Title Co.

By: [Signature]

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BOOK 1183 PAGE 2521

BOOK 184 PAGE 1381

COPY

REQUESTED BY
DOUGLAS COUNTY TITLE

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

\$12.00 pd

1984 JAN 19 PM 12:40

SUZANNE BEAUDREAU
RECORDER

094407

Betty Herdon
Dip BOOK **184** PAGE **1382**

REQUESTED BY
DOUGLAS COUNTY TITLE

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

\$12.00 pd

1983 NOV 23 PM 2:32

SUZANNE BEAUDREAU
RECORDER

091498

Diana Hawn
slp BOOK **1183** PAGE **2622**