

Sierra Land Title Corporation  
P.O. Box 1887  
Carson City, NV 89701

Escrow #21476-DS/DVS

This form is used in connection with deeds of trust insured under the one- to four-family provisions of the National Housing Act.

FHA Case Number 331-049724-3  
Loan Number 18112661-7

# DEED OF TRUST

THIS DEED OF TRUST, made this 27th day of January, 1986, by and between

JEFFREY P. HARDMAN and ARTHUR L. ROYBAL

hereinafter called Grantor, and FAMILY FINANCIAL SERVICES, INC. hereinafter called Trustee, and CALIFORNIA FEDERAL SAVINGS AND LOAN ASSOCIATION a Corporation organized and existing under the laws of THE UNITED STATES, hereinafter with its successors and assigns called Beneficiary; it being understood that the words used herein in any gender include all other genders, the singular number included the plural, the plural the singular.

**WITNESSETH:**

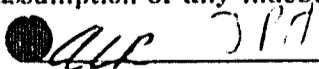
WHEREAS, the said Grantor is justly indebted to the said Beneficiary in the sum of Forty Three Thousand Five Hundred Forty Four and No/100 (\$43,544.00) Dollars legal tender of the United States of America, evidenced by a certain promissory note dated January 27, 1986, providing for monthly installments of principal and interest with the balance of the indebtedness, if not sooner paid, due and payable on February 1, 2016

NOW, THEREFORE, THIS DEED OF TRUST WITNESSETH, that the Grantor in consideration of the foregoing, and for the purpose of better securing all the other covenants and conditions of the above note and of this Deed of Trust, and in further consideration of the sum of One Dollar (\$1.00) legal tender to Grantor in hand paid by the Trustee, the receipt whereof is hereby acknowledged, has granted, bargained, sold, conveyed, and confirmed, and by these presents does hereby grant, bargain, sell, convey and confirm, unto the said Trustee, its successors and assigns, all that certain lot or parcel of land situated in GARDNERVILLE County of DOUGLAS, State of Nevada, described as follows:

LOT 18 IN BUILDING C, AS SET FORTH ON THE MAP OF SEQUOIA VILLAGE TOWNHOUSES - 1, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OR DOUGLAS COUNTY, NEVADA ON NOVEMBER 14, 1979 AS FILE NO. 38712, AND AS CORRECTED BY CERTIFICATE OF AMENDMENT RECORDED JULY 14, 1980 AS DOCUMENT NO. 46136.

THE MORTGAGE INSURANCE PREMIUM RIDER ATTACHED HERETO AND MADE A PART HEREOF.

In the event of transfer of the said property and assumption of any indebtedness secured hereby, a fee of 45.00 will be charged.

 Initial

Including all heating, plumbing, and lighting fixtures and equipment now or hereafter attached to, or used in connection with the real estate herein described.

TO HAVE AND TO HOLD the said premises, with all the tenements, hereditaments, and appurtenances thereto belonging, unto the Trustee, its successors and assigns forever.

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BOOK **186** PAGE **2436**

**First.**- To permit said Grantor to possess and enjoy said described premises, and to receive the issues and profits thereof until default be made in the payment of any manner of indebtedness hereby secured or in the performance of any of the covenants herein provided; and upon the full payment of said note and of any extensions or renewals thereof, and the interest thereon, and all moneys advanced or expended, as herein provided, and all other proper costs, charges, commissions, half-commissions, and expenses, to release and reconvey in fee unto and at the cost of the said Grantor the said described land and premises.

**Second.**- Upon any default being made in the payment of the said note or of any monthly installment of principal and interest as therein provided, or in the payment of any of the monthly sums for ground rents, taxes, special assessments, mortgage insurance, fire and other hazard insurance, all as hereinafter provided, or upon any default in payment on demand of any money advanced by the Beneficiary on account of any proper cost, charge, commission, or expense in and about the same or on account of any tax or assessment or insurance or expense of litigation, with interest thereon at the rate provided for in the principal indebtedness per annum from date of such advance *(it being hereby agreed that on default in the payment of any tax or assessment or insurance premium or any payment on account thereof or in the payment of any of said cost, charge, commission, or expense, as aforesaid, the Beneficiary may pay the same and all sums so advanced, with interest as aforesaid, shall immediately attach as a lien hereunder, and be payable on demand)*, or upon failure or neglect faithfully and fully to keep and perform any of the other conditions or covenants herein provided; then upon any and every such default being so made as aforesaid, the said Trustee, or the trustee acting in the execution of this trust, shall have power, in strict accordance with the applicable laws of this State, and it shall be its duty thereafter to sell, and in case of any default of any purchaser to resell, at public auction, for cash, in one parcel at such time and place, and after such previous public advertisement as the Trustee, or the trustee acting in the execution of this trust, shall deem advantageous and proper; and to convey the same in fee simple, upon compliance with the terms of sale, to and at the cost of the purchaser or purchasers thereof, who shall not be required to see to the application of the purchase money; and shall apply the proceeds of said sale or sales: Firstly, to pay all proper costs, charge, and expenses, including all attorneys' and other fees, and costs herein provided for, and all moneys advanced for costs or expenses, or expense of litigation as aforesaid, or taxes or assessments, or insurance with interest thereon as aforesaid, and all taxes, general and special, and assessments, due upon said land and premises at time of sale; Secondly, to retain as compensation a commission of one per centum (1%) on the gross amount of the said sale or sales; Thirdly, to pay whatever may then remain unpaid of the principal of the said note whether the same shall be due or not, and the interest thereon to date of payment, it being agreed that said note shall, upon such sale being made before the maturity of said note, be and become immediately due and payable, at the election of the Beneficiary; and, Lastly, to pay the remainder of said proceeds, if any, to said Grantor, or assigns, upon the delivery of and surrender to the purchaser, his, her, or their heirs or assigns, of possession of the premises as aforesaid sold and conveyed, less the expense, if any, of obtaining possession.

And it is further agreed that if the said property shall be advertised for sale as herein provided, and not sold, the Trustee shall be entitled to a reasonable commission, not exceeding one-half (½) of the commission above provided, to be computed on the amount of principal then unpaid.

And the said Grantor, for himself, his heirs, executors, administrators, and assigns, in order more fully to protect the security of this deed of trust, does hereby covenant and agree as follows:

1. That he will pay the indebtedness, as hereinbefore provided. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; *Provided, however*, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

2. That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, Grantor will pay to the Beneficiary, on the first day of each month until the said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge *(in lieu of a mortgage insurance premium)* if they are held by the Secretary of Housing and Urban Development, as follows:

(I) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or

(II) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge *(in lieu of a mortgage insurance premium)* which shall be in an amount equal to one-twelfth of one-half per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments;

(b) A sum equal to the ground rents, if any, and taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby *(all as estimated by the Beneficiary)* less all sums already paid therefor divided by the number of months to elapse before 1 month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments before the same become delinquent; and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Grantor each month in a single payment to be applied by Beneficiary to the following items in the order set forth:

(I) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge *(in lieu of mortgage insurance premium)*, as the case may be;

(II) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(III) interest on the note secured hereby; and

(IV) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the grantor prior to the due date of the next such payment, constitute an event of default under this Deed of Trust. The Beneficiary may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1.00) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the Grantor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by the Beneficiary for ground rents, taxes or assessments of insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Grantor, shall be credited on subsequent payments to be made by the Grantor, or refunded to the Grantor. If, however, the monthly payments made by the Grantor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes and assessments and insurance premiums, when the same shall become due and payable, then the Grantor shall pay to the Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such ground

rents, taxes, assessments or insurance premiums shall be due. If at any time the Grantor shall tender to the Beneficiary, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Beneficiary shall, in computing the amount of such indebtedness, credit to the account of the Grantor all payments made under the provisions of (a) of paragraph 2 hereof which the Beneficiary has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust resulting in a public sale of the premises covered hereby, or if the Beneficiary acquires the property otherwise after default, it shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of paragraph 2.

4. That the Grantor will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions, for which provision has not been made hereinbefore, and in default thereof the Beneficiary may pay the same, and that the Grantor will promptly deliver the official receipts therefor to the Beneficiary.

5. That the Grantor will keep the improvements now existing or hereafter erected on the said premises, insured as may be required from time to time by the Beneficiary against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Beneficiary and the policies and renewals thereof shall be held by the Beneficiary and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In event of loss he will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by the Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Beneficiary instead of to the Grantor and the Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by the Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Deed of Trust or other transfer of title to the said premises in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. That the Grantor will keep the said premises in as good order and condition as they are now and will not commit or permit any waste of the said premises, reasonable wear and tear excepted.

7. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Deed of Trust and the note secured hereby remaining unpaid, are hereby assigned by the Grantor to the Beneficiary and shall be paid forthwith to the Beneficiary to be applied by it on account of the next maturing installment of such indebtedness.

8. The Grantor further agrees that should this Deed of Trust and the note secured hereby not be eligible for insurance under the National Housing Act within 90 DAYS from the date hereof (or written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the 90 DAYS time from the date of this Deed of Trust, declining to insure said note and this Deed of Trust, being deemed conclusive proof of such ineligibility), the Beneficiary or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable.

9. That the Grantor hereby assigns to the Trustee any and all rents of the above-described premises and hereby authorizes the Trustee, without waiving or affecting its right to foreclosure or any other right hereunder, to take possession of the premises at any time after there is a default in the payments of the debt or in the performance of any of the obligations herein contained, and to rent the premises for the amount of the Grantor.

10. That notice of the exercise of any option granted herein, or in the note secured hereby, to the Beneficiary is not required to be given, the Grantor hereby waiving any such notice.

11. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor Trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed and its place of record, which, when recorded in the office of the County Recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor Trustee.

12. The benefits of the covenants herein contained shall accrue to, and the obligations thereof shall bind, the heirs, representatives, successors and assigns of the parties hereto.

13. EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

15. A PLANNED UNIT DEVELOPMENT RIDER ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS WHEREOF, the said Grantor has executed these presents the day and year first hereinbefore written.

*Jeffrey P. Hardman*  
 \_\_\_\_\_  
 JEFFREY P. HARDMAN

*Arthur L. Roybal*  
 \_\_\_\_\_  
 ARTHUR L. ROYBAL

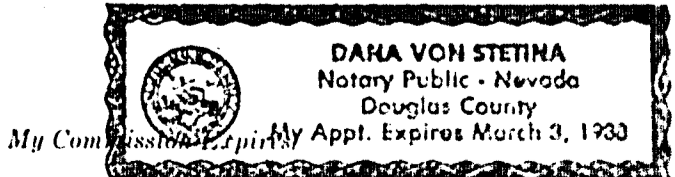
Address of Grantor: 892 TILLMAN LN #2, GARDNERVILLE, NV 89410

STATE OF NEVADA )  
 ) ss:  
 COUNTY OF Carson City )

On this 28th day of January, 1986, personally appeared before me, the undersigned, a notary public in and for the county and State aforesaid, Jeffrey P. Hardman and Arthur L. Roybal

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 Carson City, State of Nevada, the day and year in this Certificate first above written.



*Dana Von Stetina*  
 \_\_\_\_\_  
 Notary Public  
 Carson City, State of Nevada

EXHIBIT "B"

DEED OF TRUST RIDER

LOAN #18112661-7  
FHA #331-049724-3

THE RIDER, DATED THE 27TH DAY OF JANUARY, 19 86 AMENDS THE DEED OF TRUST OF EVEN DATE BY AND BETWEEN JEFFREY P. HARDMAN AND ARTHUR L. ROYBAL THE BORROWER, AND FAMILY FINANCIAL SERVICES, INC., THE TRUSTEE AND THE LENDER, AS FOLLOWS:

1. IN PARAGRAPH 1, THE SENTENCE WHICH READS AS FOLLOWS IS DELETED:

"PRIVILEGE IS RESERVED TO PAY THE DEBT IN WHOLE, OR IN AN AMOUNT EQUAL TO ONE OR MORE MONTHLY PAYMENTS ON THE PRINCIPAL THAT ARE NEXT DUE ON THE NOTE, ON THE FIRST DAY OF ANY MONTH PRIOR TO MATURITY; PROVIDED, HOWEVER, THAT WRITTEN NOTICE OF AN INTENTION TO EXERCISE SUCH PRIVILEGE IS GIVEN AT LEAST THIRTY (30) DAYS PRIOR TO PREPAYMENT."

2. PARAGRAPH 1 IS AMENDED BY THE ADDITION OF THE FOLLOWING:

"PRIVILEGE IS RESERVED TO PAY THE DEBT, IN WHOLE OR IN PART, ON ANY INSTALLMENT DUE DATE."

IN WITNESS WHEREOF, JEFFREY P. HARDMAN AND ARTHUR L. ROYBAL HAS SET T HEIR HAND AND SEAL THE DAY AND YEAR FIRST AFORESAID.

*Jeffrey P. Hardman* (BORROWER)  
JEFFREY P. HARDMAN

*Arthur L. Roybal* (BORROWER)  
ARTHUR L. ROYBAL

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

*Diana Ann Williams*

130120

BOOK 186 PAGE 2439

**MORTGAGE INSURANCE PREMIUM RIDER**

This Mortgage Insurance Premium Rider is made this 27th day of January, 1986 and is incorporated into and shall be deemed to amend the Deed of Trust (the "Security Instrument") of the same date given by the undersigned (the "Trustor") to secure Trustor's Note to CALIFORNIA FEDERAL SAVINGS & LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument located at:

892 TILLMAN LN #2  
GARDNERVILLE, NV 89410

1. Section 2(a) (I) (II) Delete this subsection in its entirety.
2. Section 2 c. (I) Delete this subsection in its entirety.
- 3.a. Section 3 Delete in lines 10 and 11 the phrase "all payments made under the provisions of (a) of paragraph 2 hereof which the Beneficiary has not become obligated to pay to the Secretary of Housing and Urban Development and".
- b. Section 3 Delete in lines 16 and 17 the phrase "and shall properly adjust any payments which shall have been made under (a) of paragraph 2."
4. Paragraph 8 is incorporated herein except that it also shall include the following additional provision: This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.
5. The identity of all sections and subsections affected by the changes in this rider should be re-identified as necessary in order to account for the deletions and changes.

IN WITNESS WHEREOF Trustor has executed this Mortgage Insurance Premium Rider.

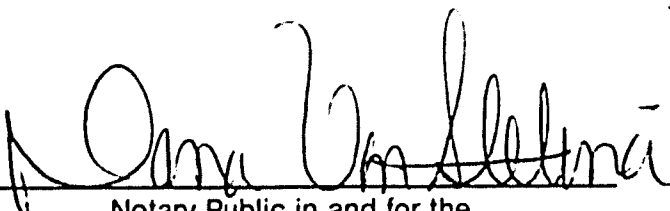
  
\_\_\_\_\_  
JEFFREY P. HARDMAN

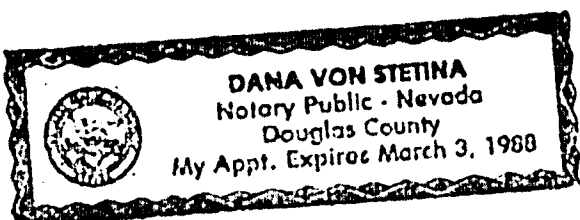
  
\_\_\_\_\_  
ARTHUR L. ROYBAL

STATE OF NEVADA )  
 ) ss.  
COUNTY OF Carson City )

On this 28th day of January, 19 86, before me, the undersigned, a Notary Public, personally appeared Jeffrey P. Hardman and Arthur L. Roybal, known to me to be the person(s) described in and who executed the above and foregoing instrument and t he y acknowledged to me that t he y executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public in and for the  
County of Carson City, State of Nevada



PLANNED UNIT DEVELOPMENT RIDER

LOAN #18112661-7
FHA #331-049724-3

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 27TH day of JANUARY, 1986, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to

CALIFORNIA FEDERAL SAVINGS & LOAN ASSOCIATION

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

892 TILLMAN LN #2
GARDNERVILLE, NV 89410

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

COVENANTS, CONDITIONS AND RESTRICTIONS BY PHILIP E. HALCOMB et ux

(the "Declaration"). The Property is a part of a planned unit development known as

SEQUOIA VILLAGE TOWNHOUSES

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association;

or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

[Signature] (Seal)
JEFFREY P. HARDMAN

[Signature] (Seal)
ARTHUR L. ROYBAL

(Seal)
Borrower

(Seal)
Borrower

COPY

REQUESTED BY  
SIERRA LAND TITLE CORP.

IN OFFICIAL RECORDS OF  
COUNTY OF NEVADA

'86 JAN 29 P3:45

SUZANNE BEAUREAU  
RECORDER

\$ 11<sup>00</sup> PAID *SL* DEPUTY

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BOOK 186 PAGE 2142