

**HOME OWNER EXPRESS LOAN
DEED OF TRUST AND ASSIGNMENT OF RENTS**

Account No. 402598-00-7 60

THIS DEED OF TRUST is made this 6th day of March, 19 87 among the Trustor, DANIEL M. HOWARD AND JOYCE E. HANDLEY-HOWARD (the "Trustor"), whose address is P.O. BOX 3821., STATELINE, NV. 89449, the Trustee, DEL E. WEBB FEDERAL CREDIT UNION, whose mailing address is P.O. Box 29040, Phoenix, Arizona 85038 (the "Trustee"), and the Beneficiary, DEL E. WEBB FEDERAL CREDIT UNION, whose mailing address is P.O. Box 29040, Phoenix, Arizona 85038 (the "Beneficiary").

Trustor, in consideration of the credit which Beneficiary has agreed to extend to Trustor as evidenced by the Home Owner Express Loan of even date herewith (hereinafter the "Agreement"), any amounts advanced by Beneficiary to Trustor under such Agreement, and the trust herein created hereby irrevocably grants, conveys, transfers and assigns to Trustee in trust, with Power of Sale and right of entry and possession as hereinafter provided, all their right, title, interest, estate, claims and demands which Trustor now has or may acquire in or to that certain real property located in the County of Douglas, State of ~~Arizona~~ Nevada, described as follows:

Lot 27, as shown on the Amended Map of Kingsbury Village Subdivision Unit No. 1, filed in the office of the County Recorder of Douglas County, Nevada, July 10, 1963, Document No. 22952.

Assessor's Parcel No. 11-186-03

including all improvements, buildings, structures, tenements and appurtenances now located on the above-described real property or hereafter erected, together with all easements, rights of way, leases, rents, profits, income, royalties, mineral, oil and gas rights, profits, water, water rights and water stock, and all fixtures now or hereafter attached to or used with the property; and together with all insurance proceeds payable to Beneficiary pursuant to the applicable insurance policies required to be maintained, and all awards, payments and proceeds from condemnation, eminent domain or injury to or the decrease in value of 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 together with said property, are herein referred to as the "Property." The Property is subject to all covenants, conditions, restrictions, rights of way and easements of record and those certain encumbrances set forth in the Agreement.

The Property is transferred into trust to secure full performance of the items, promises, obligations and covenants contained in the Agreement to secure the payment of all amounts owed to Beneficiary by Trustor, including but not limited to, all future advances and extensions made by Beneficiary to Trustor under the Agreement as well as any amounts owed as of the date of signing this Deed of Trust and any future amounts owed under any other loan agreements between beneficiary and trustor.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. **WARRANTY.** Trustor warrants that Trustor is seized with fee simple title in the Property, has authority to convey the same, that the same is free and clear of all liens and encumbrances, except those of record set forth in the Agreement, and the Trustor will forever warrant and defend the same and the title thereto against the claims of all persons whomsoever.

2. **PAYMENT OF PRINCIPAL AND INTEREST.** Trustor shall promptly pay when due all amounts provided for under the Agreement, including, but not limited to: principal and finance charges on all accounts advanced to or paid on behalf of Trustor; principal and interest on any future advances or payments; any late charges and all other amounts owed by Trustor to Beneficiary as provided for in the Agreement or this Deed of Trust.

3. **PAYMENT OF ALL CHARGES AND LIENS.** Trustor shall pay directly when due all taxes, assessments, encumbrances, liens and other charges, fines and impositions attributable to the Property (without limitation to whether the foregoing are senior or junior to this Deed of Trust). Trustor shall promptly furnish Beneficiary notices of amounts due, and receipts evidencing, payments made. Trustor agrees to pay the charges, liens, and encumbrances so secured or, in good faith, to contest each of them by legal proceedings which operate to prevent enforcement of the lien or forfeiture of the Property or any party thereof.

4. INSURANCE. Trustor shall keep the Property insured in amounts and by carriers satisfactory to and approved by Beneficiary against loss by fire, hazards included within the term "extended coverage," flood, if applicable, and such other hazards as Beneficiary may designate and in amounts not less than 100% of the replacement cost thereof. All insurance policies and renewals shall be in a form acceptable to and approved by Beneficiary and shall include a standard mortgage clause in favor of and in form acceptable to and approved by Beneficiary. The approval of the Beneficiary shall not be unreasonably withheld. The insurance policy must also provide that the Beneficiary will receive not less than 10 days prior written notice before the policy may be canceled. Beneficiary shall have the right to hold the policies and renewals thereof, and Trustor shall promptly furnish to Beneficiary all renewal notices and "premium-paid" receipts.

In the event of loss, Trustor shall give prompt notice thereof to insurance carriers and Beneficiary, and Beneficiary may make proof of loss if not made promptly by Trustor. Trustor authorizes and directs such insurance company to make payments for any loss directly to Beneficiary and authorizes and empowers Beneficiary to collect and receive the insurance proceeds, and to apply proceeds, or any part thereof, at Beneficiary's option: to restore or repair the damaged Property; to reduce any indebtedness secured hereby. Any such application shall not extend or postpone the due date of monthly installments, change their amount, or cure or waive any default of the Trustor. Should Trustor fail to pay any premium or do any act as hereinabove set forth, then Beneficiary or Trustee, may but without obligation so to do, and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereunder, pay any such premium or do any such act in such manner and to such extent as is necessary to protect the security thereof. Trustor shall reimburse Beneficiary for all such premiums paid.

If the Property is acquired by the Beneficiary, all right, title and interest of Trustor in and to any insurance policies and proceeds resulting from damage to Property prior to sale or acquisition shall pass to Beneficiary. All unexpired insurance is assigned and shall inure to the benefit of and pass to the purchaser of the premises at any sale held pursuant to a decree of foreclosure and order of sale in any action to foreclose this Deed of Trust.

5. LEASEHOLD ESTATES, CONDOMINIUMS AND APARTMENTS. Trustor shall pay when due all ground rents, assessments and other charges imposed on Trustor by any lease or leases creating a leasehold estate, and to comply with all other covenants and conditions to be performed hereunder. Trustor shall not amend change, terminate or modify any such leases without the express consent of Trustee or Beneficiary. If the security under this Deed of Trust is a condominium, cooperative apartment or planned area development, Trustor shall perform each and every obligation contained in the Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions pertaining to the condominium, cooperative apartment or planned area development.

6. PRESERVATION AND MAINTENANCE OF PROPERTY. Trustor shall keep property in good condition and repair and shall not permit or commit waste, impairment, or deterioration of Property, and shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property. Trustor shall not remove or demolish any building or structure on the Property without Beneficiary's permission and shall complete or restore promptly in a good and workmanlike manner any building or structure which may be constructed, damaged or destroyed on the property. Trustor shall pay when due all claims for labor performed and materials furnished for the construction or restoration of any building or structure and shall not permit any mechanic's lien to be filed against the Property. Should Trustor fail to protect, repair and maintain the Property as hereinabove set forth, then Beneficiary or Trustee, but without obligation so to do, and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may make any such payment or do any such act in such manner and to such extent as is necessary to protect the security hereof. Beneficiary or Trustee is authorized to enter upon the Property at any time for such purpose.

7. DEPENDENT TRUST. Trustor covenants to appear in and defend this Trust in any action or proceeding purporting to affect the Property, title to the property, or the security hereof or the rights and powers of the Beneficiary or Trustee, and to file and prosecute all claims and actions to prevent damage to or to recover for damage to or destruction of the property. Trustee or Beneficiary, at any time during the continuation of this Trust, is authorized, without obligation so to do, to commence, appear in or defend such actions, or to exercise any right, remedy, or power available whether or not judgment be entered in any such action or proceeding.

Trustor, at the option of Beneficiary, agrees to assign to Beneficiary to the extent of Beneficiary's interest, any claims, demands or causes of action of any kind, including any award, Court judgment or proceeds of settlement of any such claim, demand or cause of action of any kind which Trustor now has or may hereafter acquire arising out of acquisition of or ownership of the Property. Without limiting the generality of the foregoing, any such claim, demand or cause of action arising out of acquisition of or ownership of the Property may include: (1) awards made under the right of eminent domain or condemnation, or (2) any injury or damage to the property or any structure or improvement situated thereon through fire or other casualty, or (3) any claim or cause of action in favor of Trustor (except for bodily injury) which arises as a result of any negligent or improper construction, installation or repair of the property or of any building or structure thereon. Beneficiary may apply, use or release such moneys so received by it in the same manner as provided for in Paragraph 4 for the proceeds of insurance. Trustee or Beneficiary may appear or intervene in any action or proceeding, retain counsel, take action therein, and may settle, compromise or pay claims and expend or advance such sums as either may deem necessary. Trustor shall pay all costs and expenses of Beneficiary or Trustee, including costs incurred in evidencing title and reasonable attorneys' fees, in any action or proceeding in which Beneficiary or Trustee may appear, intervene or be named and in any action or proceeding brought by Beneficiary to foreclose this Deed of Trust or to enforce any provisions of the Agreement or this Deed of Trust.

8. PROTECTION OF BENEFICIARY'S SECURITY. If Trustor fails to perform the covenants and agreements contained in the

Agreement or the Deed of Trust, or if any action or proceeding is commenced which affects the Property, title to the Property, the interest of Beneficiary therein, or the security hereof, including, but not limited to, eminent domain, insolvency, code enforcement, and proceedings involving a bankrupt or decedent, then, at Beneficiary's option and without notice or demand on Trustor, and without obligation to do so, the Beneficiary may appear, disburse such sums or take action as Beneficiary deems necessary to protect the security of the Agreement and this deed of Trust. Trustor shall pay on demand all expenses, including but not limited to, expenses for services of attorneys, accountants, real estate brokers, contractors, laborers and other persons and for labor and materials, incurred or paid by Beneficiary or Trustee to protect the Property or in the exercise of any right, power or remedy. Any amounts disbursed by Beneficiary, together with interest, shall become an additional indebtedness secured by this Deed of Trust. Such amount shall be payable to Trustor from Beneficiary after notice of these amounts, and shall bear interest from date of disbursement at the rate set forth in the Agreement unless payment of interest at such rate would be contrary to law, in which event such interest shall be at the highest rate permissible. Nothing contained herein shall require Beneficiary to incur any expense or do any act nor shall it release Trustor from any obligation.

9. RECEIVERS. Trustor agrees that Beneficiary or Trustee in any action under Power of Sale or foreclosure, upon application and without notice, may have a receiver appointed without bond, to take charge of the Property, to manage and rent same, collect rents, issues and profits, to farm, harvest and sell any crop and collect the proceeds, and to apply same, after payment of expenses connected therewith, to payment of indebtedness and obligations secured hereby, including any which may become due during the pendency of said action or sale and until the foreclosure sale or the Trustee's sale is completed.

10. LATE CHARGE. Trustor agrees to pay on demand a late charge in event that any payment is not paid in full within 10 days of its due date. The late payment charge shall not exceed 6% of the payment due.

11. RENTS AND PROFITS. Trustor assigns and transfers to Beneficiary all of Trustor's right, title to, interest in and authority to collect and retain rents, issues and profits of the Property as they become due and payable. Beneficiary may temporarily reject said authority at any time in its sole discretion and without notice to Trustor. Beneficiary may collect rents, issues and profits of the Property assigned whether or not Trustor is in default and without taking possession of subject Property. Any rents, issues and profits collected less costs and expenses of operating and collection, including attorneys' fees, may be applied by Beneficiary in its discretion against indebtedness secured hereby. Collection of any rents, issues and profits by Beneficiary shall not be liable for the failure to collect any rents, issues or profits or other sums nor for the failure to assert or enforce any of the foregoing rights. Trustor hereby agrees that, in the event Beneficiary exercises its rights under this paragraph or through a Court appointed Receiver, Trustor waives any right to compensation for the use of Trustor's furniture, furnishings or equipment in said Property.

12. HOMESTEAD EXEMPTION. Trustor hereby expressly intends to waive and abandon all homestead exemptions on the Property granted by law. **NOTE: BY SIGNING THIS DEED OF TRUST THE TRUSTOR WAIVES ALL RIGHTS PROVIDED BY LAW TO CLAIM THE PROPERTY EXEMPT FROM PROCESS.**

13. ASSUMPTION. The Agreement cannot be assumed by a third party. The Property cannot be transferred, without the prior written consent of the Beneficiary. In the event of any sale, conveyance, lease, disposal, further encumbrance, assignment or other transfers of the real property covered by this Deed of Trust or any part thereof without the prior written consent of the Beneficiary, the entire balance of the principal and interest of the note secured hereby shall, at the option of the Beneficiary hereof, be declared immediately due and payable. The waiver of this clause on one occasion shall not be deemed a waiver thereof for subsequent occasions. This clause shall be effective as to any and all sales, conveyances, leases, disposals, further encumbrances, assignments or other transfers of the property at any time and from time to time. If the Trustor attempts to sell, convey, lease, dispose, further encumber, assign or otherwise transfer the Property, all credit privileges under the Agreement will be terminated and the total unpaid balance and all other amounts will be due immediately.

14. ATTORNEYS' AND OTHER FEES. Trustor shall pay immediately upon demand all sums, costs, fees and expenses (including, but not limited to, reasonable expenses for services of attorneys) incurred or paid by Beneficiary or Trustee in connection with: (1) the defense of any claim affecting the secured Property; (2) breach of any promise or covenant contained herein; (3) collection of any moneys agreed to be paid; (4) any proceeding to exercise the power of sale granted herein; (5) any proceeding to foreclose this Deed of Trust by legal process; (6) any proceeding to appoint a Receiver for the secured premises; (7) any proceeding to remove or dispossess Trustor from the premises after exercise of sale or foreclosure; or (8) any other proceeding or matter in which Trustee or Beneficiary may become involved which involves Trustor or the Property, without regard to whether actual litigation or judicial proceedings take place.

TRUSTOR, TRUSTEE AND BENEFICIARY MUTUALLY AGREE AS FOLLOWS:

15. INSPECTION. After notice to Trustor, Beneficiary may make or cause to be made reasonable entries upon and inspections to the Property.

16. FOREBEARANCE AND NON-WAIVER. The acceptance of any sum on account of any indebtedness secured hereby, after the date when such sum is due or after recording a notice of default and election to sell, shall not constitute a waiver of the right either to require prompt payment when due of all sums secured hereunder or to declare a default for failure to pay or a waiver of

the right to proceed with the sale of said Property under such notice for any unpaid balance of said indebtedness. The failure of Beneficiary to exercise any option or right to accelerate maturity of the sums secured by this Deed of Trust, the forbearance of Beneficiary before or after the exercise of such option or right, or the withdrawal or abandonment of proceedings provided for by this Deed of Trust shall not be a waiver of the right to exercise such option or right to accelerate the maturity of such sums by reason of any past, present or future event which would permit acceleration under this Deed of Trust. Any delay by Beneficiary in exercising any right or remedy herein, as afforded by law, shall not be waiver of any right or remedy. Failure of Beneficiary to exercise any option to accelerate maturity of sums secured, the forbearance by Beneficiary, or the withdrawal or abandonment of proceedings provided for shall not be a waiver of the right to accelerate and require the total outstanding balance to be paid at once. The procurement of insurance or the payment of taxes, liens or other charges by Beneficiary shall not be a waiver of Beneficiary's rights including the right to accelerate or Trustor's obligations. Beneficiary's receipt of awards, proceeds or damages shall not operate to cure or waive defaults by Trustor. No waiver by Beneficiary of any right under this Deed of Trust shall be effective unless in writing. Consent by Beneficiary to one transaction, occurrence, amendment, change, modification or option exercise shall not be deemed to be consent to nor a waiver of the right to require such consent to any other transaction, occurrence, amendment, change, modification or option exercise.

17. NOTICE. Any notice from Beneficiary to Trustor under this Deed of Trust shall be deemed to be given by Beneficiary and received by Trustor when mailed by certified mail to Trustor at the address of the Property.

18. RECONVEYANCE. If Trustor pays or causes to be paid in full all sums agreed to be paid or secured hereby and interest thereon, and the reasonable expense of this Trust, and intends to cancel the Agreement, then Trustee, on delivery to it of this Deed of Trust, the Agreement marked fully paid and canceled, the written request of Trustor to cancel, and satisfactory evidence of payment in full of all indebtedness hereby secured, shall reconvey, without warranty regarding title, possession or encumbrance, all the estate in said Property granted to Trustee not theretofore reconveyed. All reconveyances in whole or in part shall be at the sole cost of the Trustor.

19. DEFAULT. Default shall occur if:

- (1) Payment of any indebtedness or obligation secured by this Deed of Trust or if any other payments, including but not limited to payment of taxes, assessments, and liens, are not made at the time or in manner agreed;
- (2) Trustor fails to perform any of its obligations hereunder;
- (3) Without prior written consent of the Beneficiary, Trustor sells, conveys, leases, disposes of, further encumbers, assigns or otherwise transfers said Property or any part thereof or any interest therein, or agrees to do so;
- (4) Property becomes subject to abatement proceedings;
- (5) Any financial information given by Trustor is false in any material respect or if any essential financial information is withheld by Trustor from Beneficiary;
- (6) Property, or any part thereof, is attached or becomes subject to any legal process and is not released therefrom within 90 days;
- (7) Trustor is declared incompetent, becomes insolvent, dies, makes an assignment for the benefit of creditors, is the subject of any bankruptcy proceedings, reorganization, arrangement, insolvency, receivership, liquidation or dissolution proceedings;
- (8) Any proceeding is filed to foreclose or any Notice of Trustee's Sale is recorded or any other lien is filed on the secured Property (whether junior or senior to this Deed of Trust) or if Trustor abandons the secured Property or leaves the same unattended or unprotected or in the event Beneficiary shall deem the security provided by this Deed of Trust inadequate or in danger of being impaired or diminished from any cause whatsoever; or
- (9) Any action occurs that is a default under the Agreement.

20. REMEDIES. Upon any default, Beneficiary or Trustee, or both, may, with written notice to the other but without necessity of notice or demand on Trustor or any other party, do any of the following:

- (1) Declare all indebtedness secured hereby immediately due and payable and cancel all credit privileges;
- (2) Take possession of and hold or operate the Property and any personal property used in operation of the Property and any business conducted thereon without liability or obligation on its part, and do all such acts affecting the Property as Beneficiary or Trustee may deem necessary to conserve the value thereof;
- (3) Bring an action to enforce payment of or performance of any installment, obligation or indebtedness secured hereby and without thereby waiving any other right or remedy;
- (4) Make, cancel, enforce, modify or terminate leases and, in furtherance thereof, eject and obtain tenants, set or modify rents, collect all or any part of the rents, issues, profits, royalties or other income and revenues thereon and after payment of maintenance and operational expenses, apply the same as in the discretion of Beneficiary or Trustee seems necessary or proper, PROVIDED, HOWEVER, that the acceptance, receipt and application of such rents, issues, profits, royalties or other income and revenues shall not constitute a waiver under this Deed of Trust or cure any breach or default nor affect any sale which is proceeding pursuant to law;
- (5) Perform any of the foregoing with or without bringing any action or proceeding through a receiver and without the necessity of having given or recorded any notice of default of election to sell and without regard to the adequacy of security;

- (6) Foreclose this Deed of Trust in the manner provided by law for the foreclosures of mortgages on real property, bring an action for damages, or exercise such other remedies or combinations of remedies as Beneficiary or Trustee may have under law and equity;
- (7) Exercise the power of sale by declaring all sums secured by this Deed of Trust to be immediately due and payable and by delivering to Trustee a written notice of default and election to sell. Trustee shall cause to be filed for record in the office of the County Recorder wherein the Property or some part thereof is situated said notice of default and election to sell said Property, which notice shall contain such recitals as may then be required by law, and Trustee shall duly mail a copy of said notice of default and election to sell to any party entitled thereto. Beneficiary shall also deposit with Trustee this Deed of Trust and the Agreement and other agreements and documents as required by Trustee evidencing loans, expenditures and advances secured hereby. After the lapse of such time as may be required by law following the filing for record of said notice of default, and after giving all such notices as may be required by law. Trustee, without demand on Trustor, may sell the Property, either as a whole or in separate parcels, and in such order as it may determine, by public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, or for the equivalent of cash, as so determined by Trustee in its sole discretion. For purposes of such sale Beneficiary's credit bid may, at its option, include all amounts due which are secured by this Deed of Trust. Trustee may postpone the sale of all or any portion of the Property by public announcement at the time and place fixed for such sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Following sale, Trustee shall deliver to the purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied, as to title, possession or encumbrance. The recital in such deed of any matters of fact shall be conclusive proof of the truth thereof. Any person, including Trustor, Trustee and Beneficiary, may purchase at such sale;
- (8) Beneficiary may, at any time request cancellation of Trustee's notice of sale, whereupon Trustee shall execute and record, or cause to be recorded, a cancellation of notice of sale in the same county in which the notice of sale was recorded. The exercise by Beneficiary of this right shall not constitute a waiver of any default when existing or subsequently occurring.

The Trustee upon presentation of an affidavit signed by Beneficiary setting forth facts showing default, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon.

21. SALE OF PROPERTY AFTER DEFAULT. If the Property is sold pursuant to foreclosure or Power of Sale, it is agreed that the purchaser shall be entitled to immediate possession against Trustor or any other person, and Trustor expressly waives, relinquishes and abandons all right and authority to remain in possession after said sale and agrees to peaceably vacate and deliver possession to purchaser.

22. PROCEEDS OF SALE. Upon sale through Power of Sale, Trustee shall, after receipt of amount paid, deliver to purchaser its Deed conveying said Property without covenant or warranty, express or implied, as to title, possession or encumbrance and shall apply the proceeds in the following order to payment of:

- (1) Costs and expenses of exercising the Power of Sale and of sale, including the payment of the costs, fees, charges and expenses of Trustee and this Trust, including reasonable attorneys' fees;
- (2) Costs of evidence of title and Trustee's fee in connection with sale;
- (3) All sums expended under any terms hereof by Trustee or Beneficiary not repaid, with accrued interest at the rate contained in the agreement;
- (4) Accrued interest and the unpaid principal balance of the Agreement;
- (5) All other obligations of Trustor or amounts due to Beneficiary secured hereby or provided for in the Agreement and this Deed of Trust;
- (6) Junior lienholders or encumbrances in order of their priority upon proof of entitlement being submitted to Trustee; and
- (7) Trustor or any other person legally entitled thereto.

23. MODIFICATION. Without affecting liability for payment of indebtedness secured hereby or the lien of this Deed of Trust, Beneficiary, or Trustee if so requested by Trustor, may from time to time do the following:

- (1) Extend the time or alter terms of payment of any amounts due to Beneficiary;
- (2) Accept additional security;
- (3) Substitute or release all or part of any Property securing such indebtedness;
- (4) Reconvey any part of said Property;
- (5) Consent to making any map or plat; and

