

WHEN RECORDED PLEASE MAIL TO:  
HOME FEDERAL SAVINGS BANK OF NEVADA  
P.O. Box 462  
Reno, Nevada 89504

DO-14592-PT  
APN 21-120-07

FHA Case Number 331-0629960  
Loan Number 25100630-1

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

# DEED OF TRUST

THIS DEED OF TRUST, made this 5th day of August, 19 87, by and between Ronald D. Foster, an unmarried man, and Clayton D. Foster, a married man

hereinafter called Grantor, and HOME ESCROW, A Nevada Corporation hereinafter called Trustee, and HOME FEDERAL SAVINGS BANK OF NEVADA a Corporation organized and existing under the laws of The United States of America, 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: THAT

WHEREAS, the said Grantor is justly indebted to the said Beneficiary in the sum of Seventy Thousand Sixty Five and No/100 (\$ 70,065.00 ) Dollars legal tender of the United States of America, evidenced by a certain promissory note dated August 5 1987, providing for monthly installments of principal and interest with the balance of the indebtedness, if not sooner paid, due and payable on September 1, 2017

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 County of Douglas, State of Nevada, described as follows:

PLEASE SEE ATTACHED "EXHIBIT A" FOR COMPLETE LEGAL DESCRIPTION.

COMMONLY KNOWN AS: 2684 Clapham Avenue, Minden, Nevada 89423

"Exhibit B" - SEE ADJUSTABLE RATE RIDER ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS, COVENANTS AND CONDITIONS OF THIS MORTGAGE.

THE PREPAYMENT RIDER ATTACHED HERETO AND MADE A PART HEREOF.

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

THE SUBSEQUENT PURCHASER RIDER ATTACHED HERETO AND MADE A PART HEREOF.

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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IN AND UPON THE USES AND TRUSTS, HERINAFTER DECLARED, that is to say:

**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, changes, 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, expense of litigation, 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

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The South 150 feet of the North 380 feet of the East 290.40 feet of the Northeast 1/4 of the Southeast 1/4 of Section 33, Township 14 North, Range 20 East, M.D.B. & M.

EXCEPTING THEREFROM, the East 40 feet as dedicated to the County of Douglas, State of Nevada for Highway purposes, recorded April 24, 1961, in Book 6, at page 147, as Document No. 17610, Official Records.

*file*

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BOOK 887 PAGE 1128

For use only with an Adjustable Rate Mortgage, Deed of Trust or Security Deed insured under section 203(b), 203(k) (first lien only) or 234(c) of the National Housing Act, using the Margin method.

## ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 5th day of August, 1987, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Mortgage"), of even date herewith, given by the undersigned ("Mortgagor") to secure Mortgagor's Adjustable Rate Note ("Note"), of even date herewith, to HOME FEDERAL SAVINGS BANK OF NEVADA ("Mortgagee"), covering the premises described in the Mortgage and located at 2684 Clapham Avenue, Minden, Nevada 89423.

Notwithstanding anything to the contrary set forth in the Mortgage, Mortgagor and Mortgagee hereby agree to the following:

1. Under the Note, the initial stated interest rate of 8.50 per centum (8.50 %) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the equal monthly installments of principal and interest also will be adjusted, as hereinafter provided, so that each installment will be in an amount necessary to fully amortize the unpaid principal balance of the Note, at the new adjusted interest rate, over the remaining term of the Note.
2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of September, 1988 (which date will not be less than twelve months nor more than eighteen months from the due date of the first installment payment under the Note), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year during the term of the Mortgage ("Change Date").
3. Each adjustment to the interest rate will be made based upon the following method of employing the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release H. 15

159978

BOOK 887 PAGE 1129

(519)). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:

- (a) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- (b) 2.95 percentage points (2.95 %; the "Margin") will be added to the Current Index and the sum of this addition will be rounded to the nearest one-eighth of one percentage point (0.125%). The rounded sum, of the Margin plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.
- (c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
  - (i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
  - (ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the maximum allowable change over the term of the Mortgage of five percentage points, in either direction, from the Initial Interest Rate, herein called the "5% Cap").
  - (iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the 5% Cap).
  - (iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the 5% Cap).

159978

BOOK 887 PAGE 1130

- (d) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap, the new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the Initial Interest Rate.
- (e) Mortgagee will perform the functions required under Subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted rate, if any. Any such new adjusted interest rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.
- (f) The method set forth in this Paragraph 3 of this Adjustable Rate Rider, for determining whether or not an adjustment must be made to the Existing Interest Rate incorporates the effects of the provisions of 24 CFR 203.49(e)(1) and 234.79(e)(1) which require that changes in the Index in excess of one percentage point must be carried over for inclusion in adjustments to the Existing Interest Rate in subsequent years.
- (g) If the Index is no longer available, Mortgagee will be required to use any index prescribed by the Department of Housing and Urban Development. Mortgagee will notify Mortgagor in writing of any such substitute index (giving all necessary information for Mortgagor to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.
4. (a) If the Existing Interest Rate changes on any Change Date, Mortgagee will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note but that all prepayments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. On or before the Change Date, Mortgagee will give Mortgagor written notice ("Adjustment Notice") of

159978

BOOK 887 PAGE 1131

any change in the Existing Interest Rate and of the revised amount of the monthly installment payments of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the Current Index, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.

(b) Mortgagor agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least thirty (30) days after Mortgagee has given the Adjustment Notice to Mortgagor. Mortgagor will continue to pay the adjusted monthly installment amount set forth in the last Adjustment Notice given by Mortgagee to Mortgagor until the first payment date which occurs at least thirty (30) days after Mortgagee has given a further Adjustment Notice to Mortgagor. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Mortgage, Mortgagor will be relieved of any obligation to pay, and Mortgagee will have forfeited its right to collect, any increase in the monthly installment amount (caused by the recalculation of such amount under Subparagraph 4(a)) for any payment date occurring less than thirty (30) days after Mortgagee has given the applicable Adjustment Notice to Mortgagor.

(c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Mortgagee failed to give the Adjustment Notice when required, and (iii) Mortgagor, consequently, has made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Mortgagor, at Mortgagor's sole option, may either (1) demand the return from Mortgagee (who for the purposes of this sentence will be deemed to be the mortgagee, or mortgagees, who received such Excess Payments, whether or not any such mortgagee subsequently assigned the Mortgage) of all or any portion of such Excess Payments, with interest thereon at a rate equal to the Index on the Change Date when the Existing Interest Rate was so reduced, from the date each such Excess Payment was made by Mortgagor to repayment, or (2) request

159978

BOOK 887 PAGE 1132



that all or any portion of such Excess Payments, together with all interest thereon calculated as provided above, be applied as payments against principal.

- 5. Nothing contained in this Adjustable Rate Rider will permit Mortgagee to accomplish an interest rate adjustment through an increase (or decrease) to the unpaid principal balance. Changes to the Existing Interest Rate may only be reflected through adjustment to Mortgagor's monthly installment payments of principal and interest, as provided for herein.

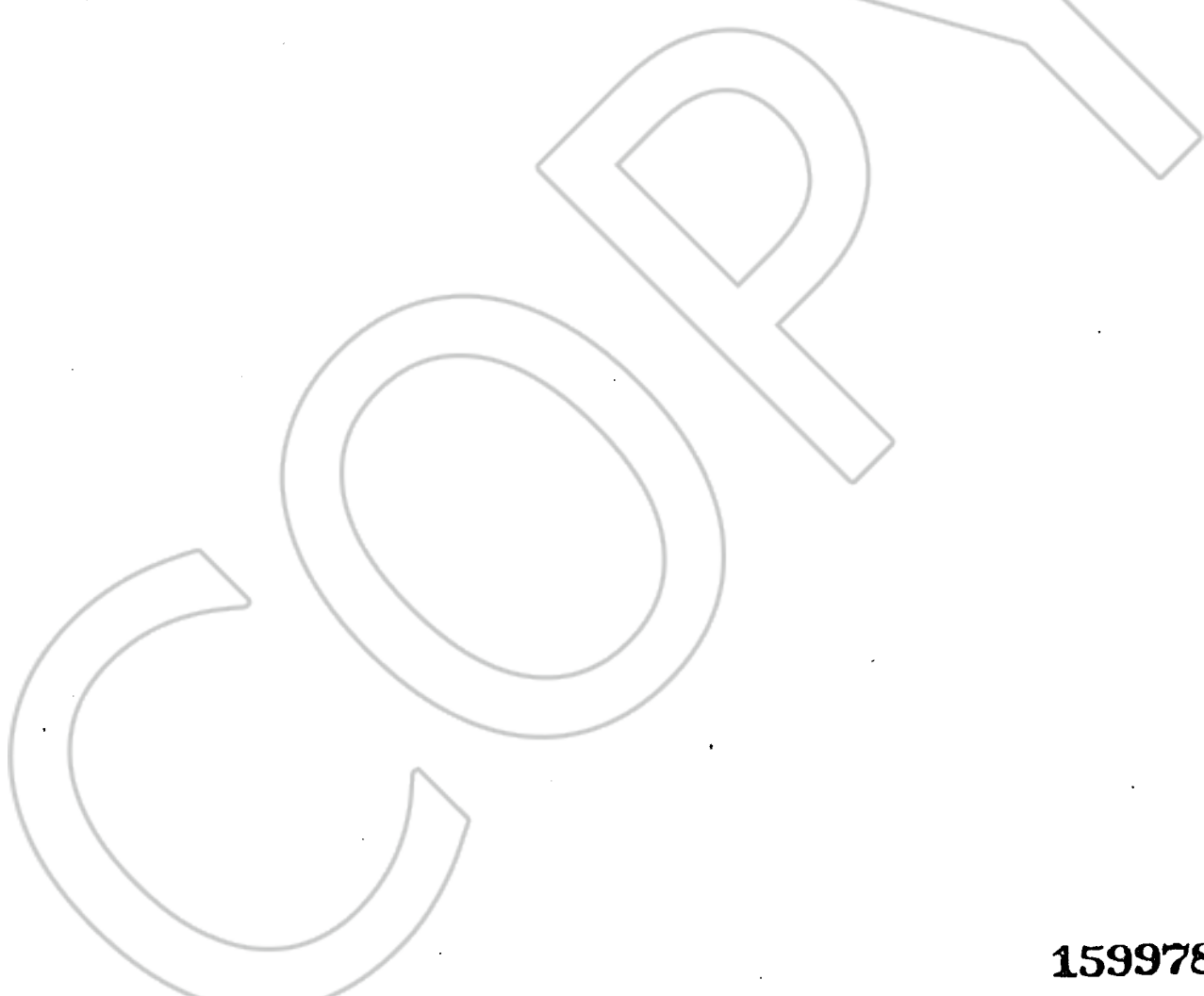
BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Ronald D Foster (Seal)

Mortgagor  
 Ronald D. Foster

Clayton D. Foster (Seal)

Mortgagor  
 Clayton D. Foster



159978

BOOK 887 PAGE 1133

"Exhibit C"  
**DEED OF TRUST RIDER**  
PREPAYMENT

This Rider, dated the 5th day of August, 1987, amends the Deed of Trust of even date by and between Ronald D. Foster, an unmarried man, and Clayton D. Foster, a married man, the Trustor

and HOME ESCROW, A Nevada Corporation, the Trustee  
and HOME FEDERAL SAVINGS BANK OF NEVADA, A Federal Corporation, the Beneficiary

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."

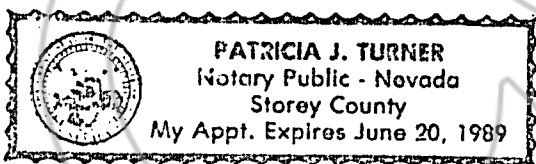
IN WITNESS WHEREOF, Trustor has set his hand and seal this day and year first aforesaid.

Ronald D. Foster (SEAL)  
Trustor  
Ronald D. Foster

\_\_\_\_\_  
Trustor (SEAL)

Clayton D. Foster (SEAL)  
Trustor  
Clayton D. Foster

\_\_\_\_\_  
Trustor (SEAL)



Signed, sealed and delivered in the presence of

Patricia J. Turner

NEVADA/FHA RIDER TO HUD-92146M (4-79)

Form 6429 LEGAL BUSINESS FORMS, INC.—(818) 982-1200

159978

BOOK 887 PAGE 1134

DEED OF TRUST RIDER

This Rider, dated the 5th day of August, 1987, amends the Deed of Trust of even date by and between Ronald D. Foster, an unmarried man, and Clayton D. Foster, a married man, the Grantor

and HOME ESCROW, A Nevada Corporation, the Trustee and HOME FEDERAL SAVINGS BANK OF NEVADA, A Federal Corporation, the Beneficiary

as follows:

1. Subsection (a) of Paragraph 2 is deleted.
2. Subsection (c) (1) of Paragraph 2 is deleted.
3. In the third sentence of Paragraph 3, the words "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" are deleted.
4. The fourth sentence of Paragraph 3 is amended by insertion of a period after "....then remaining unpaid under said Note" and deletion of the remainder of the sentence.
5. Paragraph 8 is amended by the addition of the following:

"This option may not be exercised when the ineligibility for insurance under the National Housing Act is due to the Beneficiary's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development."

IN WITNESS WHEREOF, Grantor has set his hand and seal this day and year first aforesaid.

Ronald D. Foster (SEAL) Grantor

(SEAL) Grantor

Clayton D. Foster (SEAL) Grantor

(SEAL) Grantor



Signed, sealed and delivered in the presence of Patricia J. Turner

159978

**DEED OF TRUST RIDER  
(SUBSEQUENT PURCHASER)**

This Rider, dated the 5th day of August, 1987, amends the Deed of Trust of even date by and between Ronald D. Foster, an unmarried man, and Clayton D. Foster, a married man, the Trustor

and HOME ESCROW, A Nevada Corporation

, the Trustee

and HOME FEDERAL SAVINGS BANK OF NEVADA, A Federal Corporation

, the Beneficiary

as follows:

The mortgagee shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this mortgage to be immediately due and payable if all or part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 24 months after the date of execution of this mortgage or not later than 24 months after the date of a prior transfer of the property subject to this mortgage, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner.

IN WITNESS WHEREOF, Trustor has set his hand and seal this day and year first aforesaid.

Ronald D Foster (SEAL)  
Mortgagor  
Ronald D. Foster

\_\_\_\_\_  
Mortgagor (SEAL)

Clayton D. Foster (SEAL)  
Mortgagor  
Clayton D. Foster

REQUESTED BY  
Northern Nevada Title Company  
\_\_\_\_\_  
IN OFFICIAL RECORDS OF DOUGLAS CO. NEVADA Mortgagor (SEAL)



Signed, sealed and delivered in the presence of  
Patricia J. Turner

'87 AUG 11 P3:12

SUZANNE BEAUDREAU  
RECORDER

\$16.00 PAID RL DEPUTY

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BOOK 887 PAGE 1136