

AND MAIL TO

HOME FEDERAL

ATTN

QUALITY COMPLIANCE REVIEW
625 BROADWAY STE 625
SAN DIEGO CA 92185-0054

ORDER NO. 5891ST-L
ESCROW NO. 1-27422-BS
LOAN NO. 8102173

SPACE ABOVE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS IS IS NOT A CONSTRUCTION DEED OF TRUST

NOTICE: THIS DEED OF TRUST SECURES A NOTE WHICH CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE

This Deed of Trust dated February 23, 1988 is made among the Trustor,
ANGELO A MAZZA

("Borrower"),

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation ("Trustee"), and the beneficiary, HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation ("Lender"), organized and existing under the laws of the United States of America, whose address is 615 Broadway, San Diego, California 92101.

Borrower irrevocably grants to Trustee, in trust, with power of sale, the following property in DOUGLAS County, ~~California~~ NEVADA:

LOT 5, AS SET FORTH ON THE CONDOMINIUM MAP OF LOT 11 OF THE AMENDED MAP TO TAHOE VILLAGE UNIT NO. 2, RECORDED ON JULY 3, 1978, IN BOOK 778, PAGE 33, AS DOCUMENT NO. 22606 ...AND BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

which has the address of 761 MILKY WAY CT E-5
STATELINE NV 89449

together with all improvements, fixtures, easements, rights, appurtenances, rents (subject to the authority given to Lender to collect and apply rents), royalties, mineral, oil, and gas rights and profits, water, water rights and water stock, all of which (including any additions or replacements) are considered to be and will remain a part of the property (or the leasehold estate if the Deed of Trust is on a leasehold) referred to in this Deed of Trust as "Property."

Borrower unconditionally and irrevocably assigns to Lender all rents and income of the Property subject to the rights of Trustor under paragraph 20 hereof. However, Borrower may collect and retain any rents, as they become due and payable, before acceleration under paragraph 18 hereof or abandonment of the Property.

FOR THE PURPOSE OF SECURING:

1. Payment of Borrower's Note dated February 23, 1988 ("Note") in the principal sum of U.S. \$ 41,400.00, of which \$ 0.00 is for construction purposes, together with any interest and all other charges under the Note, any renewals, extensions, and modifications.

2. The payment of any additional advances, with interest, made to Borrower by Lender according to paragraph 21 hereof.

3. Compliance with each provision contained in any Construction Loan Agreement and any other agreement between Borrower and Lender which affects this Property.

Borrower's compliance with those provisions contained in any lease or sublease which are binding upon Borrower if the Property is a leasehold estate or is subject to a lease or a sublease.

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 except as permitted by Lender, 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.

BORROWER AND LENDER AGREE AS FOLLOWS:

1. Payment of Principal and Interest. Borrower will pay all principal and interest on the Note when due in addition to any other charges as provided in the Note, and all principal and interest on additional advances when due.

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2. **Funds for Taxes and Insurance.** Subject to applicable law and if required by Lender, Borrower will 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 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 will 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 will 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. Unless applicable law requires interest to be paid, Lender will not be required to pay Borrower any interest or earnings on the funds. Lender will 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 will exceed the amount required to pay said taxes, assessments, insurance premiums, and ground rents as they fall due, such excess will be repaid to Borrower. If greater than \$25.00 any such excess in the amount of \$25.00, or less will be repaid to Borrower upon Borrower's request. If the amount of the funds held by Lender will not be sufficient to pay taxes, assessments, insurance premiums, and ground rents as they fall due, Borrower will 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 will 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 will 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.** Any payment received by Lender will be applied in the following order: (1) interest currently due; (2) deferred interest; (3) principal; (4) late charges; (5) other charges under the Note and this Deed of Trust.

4. **Charges; Liens.** Borrower will pay all taxes, assessments, and other charges, fines, and impositions attributed to the Property which may attain 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 will promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower will make payment directly, Borrower will promptly furnish to Lender receipts evidencing such payments. Borrower will promptly discharge any lien which has priority over this Deed of Trust, provided that Borrower will not be required to discharge any such lien so long as Borrower will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or will 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. **Fire and Other Hazard Insurance.** Borrower must keep existing and future improvements to the Property insured through the term of the loan against loss by fire or other hazard(s) in the amount, form, and content acceptable to Lender. The insurance carrier providing the required coverage will be chosen by Borrower subject to approval by the Lender. All insurance policies and renewals will include a standard mortgage clause in favor of and in form acceptable to Lender. Lender has the right to retain original policies and renewals. All premiums due on insurance policies will be the responsibility of the Borrower. If Borrower fails to provide Lender with evidence of the required insurance during the term of the loan, Lender is authorized, but not obligated, to obtain insurance protecting Lender's interest only. Borrower will be required to pay Lender the insurance premium upon request, or the premium may be added to the loan, with interest at the Note rate. Any sums Lender pays for insurance premiums will be secured by this Deed of Trust.

When any hazard loss occurs, Borrower must give prompt notice to the insurance carrier and Lender. Lender may submit notice of claim and/or make proof of loss if not made promptly by Borrower. Unless Lender and Borrower agree in writing, insurance proceeds will be applied to restoration or repair of Property damaged, provided that such restoration or repair is economically feasible and the security of the Deed of Trust is not impaired. If such restoration or repair is not economically feasible or the security of this Deed of Trust would be impaired, the insurance proceeds will be applied to the sums secured by this Deed of Trust, with 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 the restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower agree in writing, any such application of proceeds to principal will not extend or postpone the due date of the monthly payments or change the amount of such payments. If title to Property is acquired by Lender, all rights, title, and interest of Borrower in and to any insurance policies will pass to Lender.

6. **Preservation and Maintenance of Property; Leasehold; Condominiums; Planned Unit Developments.** Borrower will keep the Property in good repair and will not commit waste or permit impairment or deterioration of the Property and will 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 planned unit development, Borrower will 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.

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 attorneys' 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 will 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 will 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 Borrower's additional indebtedness secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts will be payable upon notice from Lender to Borrower requesting payment thereof, and will 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 will bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 will 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 will give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds or 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 irrevocably assigned and will be paid to Lender.

In the event of a total taking of the Property, the proceeds will 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 will 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

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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 will 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 or amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower will not operate to release, in any manner, the liability of the original Borrower and the Borrower's successors in interest. Lender will 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. Forebearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, will 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 will 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 will bind, and the rights hereunder will inure to, the respective successors and assigns to Lender and Borrower, subject to the provisions of paragraph 18 hereof. All covenants and agreements of Borrower will 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 will be given by mailing such notice by first class mail, postage prepaid, addressed to Borrower at the address designated; and (b) any notice to Lender will be given by first class mail 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 will be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Governing Law; Severability. The loan secured by this Deed of Trust is made pursuant to the laws of the United States of America and the rules and regulations promulgated thereunder, including the federal laws, rules and regulations for federal laws, rules and regulations for federal savings and loan associations, and, so long as the Note or any part of the indebtedness evidenced thereby is held by a federal savings and loan association, the loan contract between the parties, including this Deed of Trust, and the Note and any other obligation this Deed of Trust secures, shall be construed and governed by such laws, rules and regulations. In the event that any provision or clause of the Deed of Trust or the Note conflicts with applicable law, such conflict will 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 will be furnished a copy of the Note and of this Deed of Trust at the time of signing or after recordation.

17. Transfer of Property. Lender may declare all the sums secured by this Deed of Trust to be immediately due and payable if any portion of the Property or any interest in the Property is sold or transferred voluntarily or involuntarily before obtaining Lender's written approval.

However, written approval is not required for: (a) the creation of a lien or encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Property; (b) the creation of a purchase money security interest for household appliances; (c) the transfer of title by devise, descent, or by operation of law upon the death of a joint tenant; (d) the grant of a leasehold for three years or less which does not contain an option to purchase; (e) a transfer to a relative resulting from the death of a Borrower; (f) a transfer where the spouse or children of the Borrower become an owner of the Property; (g) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Borrower becomes an owner of the Property; or (h) a transfer into an inter vivos trust in which the Borrower is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Property.

Lender may waive the right to declare this loan all due and payable if the person wishing to assume the loan: (a) meets Lender's credit requirements; (b) agrees to any interest rate, payment adjustments, and any other terms required by Lender; and (c) signs Lender's loan assumption agreement before any transfer.

If the Lender exercises this right to accelerate, Lender will mail Borrower notice of acceleration according to paragraph 14 hereof. Such notice will 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 before the expiration of such period, Lender may without further notice or demand on Borrower use any remedies permitted by paragraph 18 hereof.

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 will mail notice to Borrower as provided in paragraph 14 hereof specifying: (a) the breach; (b) the action required to cure such breach; and (c) 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 will 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 the 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 will 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 attorneys' fees.

If Lender invokes the power of sale, Lender will 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 will cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee will mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee will 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, will 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 will 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 will be prima facie evidence of the truth of the statements made therein. Trustee will 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 attorneys' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the persons legally entitled thereto.

19. Borrower's Right To Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to power of sale contained in this Deed of Trust, or at any time prior to 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 additional advances, if any, had not 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 attorneys' 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 the sums secured hereby will continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligation secured hereby will remain in full force and effect as if no acceleration had occurred.

20. **Appointment of Receiver; Lender in Possession.** Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent, or by judicially appointed receiver may enter upon, take possession of, and manage the Property and collect the rents of the Property including those past due. All rents collected by Lender or the receiver will be applied first to payment of the costs of management of the Property and collection of rents, including receiver's fees, premiums on receiver's bonds, and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver will only be liable to account for those rents actually received.

21. **Additional Advances.** Upon request of Borrower and before a full reconveyance of the Property, Lender may make additional advances to Borrower. Any additional advances, with interest, will be secured by this Deed of Trust.

22. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender will request Trustee to reconvey the Property and surrender this Deed of Trust and all Notes secured by this Deed of Trust to Trustee. Trustee will reconvey the Property without warranty to the person legally entitled, and that person will pay all costs of any full or partial reconveyance.

23. **Substitute Trustee.** Lender may remove Trustee and appoint a new Trustee. The new Trustee will succeed to all the title, power, and duties conferred upon the Trustee.

~~24. **Statement of Obligation.** Lender may collect a fee for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.~~

25. **Adjustable Mortgage Loan.** The Note(s) secured by this Deed of Trust contain(s) provisions which may result in increases or decreases in the interest rate, in monthly installments, and in the unpaid principal balance. Refer to the Note(s) for the specific provisions about these adjustments.

26. (Check if applicable) I, _____, am signing this Deed of Trust only for the purpose of creating an enforceable lien, and I will not be personally liable for the payment or compliance with the obligation(s) which this Deed of Trust secures.

BY SIGNING BELOW, EACH BORROWER ACKNOWLEDGES HAVING READ THIS DEED OF TRUST AND REQUESTS THAT A COPY OF ANY NOTICE OF DEFAULT OR NOTICE OF SALE BE MAILED EACH BORROWER AT:

Mailing address for notices:

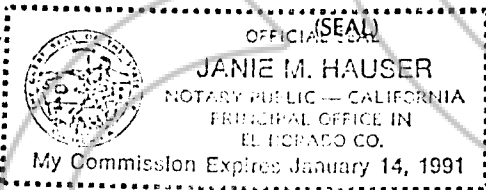
P O BOX 10822
SOUTH LAKE TAHOE CA 95731

Angelo A. Mazza
ANGELO A MAZZA

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF CALIFORNIA } SS
COUNTY OF SAN DIEGO }
El Dorado

On *MARCH 4 1989*, before me, the undersigned Notary Public, personally appeared *Angelo A. Mazza* personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument and acknowledged that _____ executed the same.



Janie M. Hauser
Signature

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF CALIFORNIA } SS
COUNTY OF SAN DIEGO }

On _____, before me, the undersigned Notary Public, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument and acknowledged that _____ executed the same.

(SEAL)

Signature

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the Note(s) secured by this Deed of Trust, and the Note(s) has been paid in full. Cancel the Note(s) and this Deed of Trust, and reconvey without warranty to the person(s) entitled all the estate now held by you in this Deed of Trust.

Dated: _____

Signature

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DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Lot 5, as set forth on the Condominium Map of Lot 11 of the Amended Map of Tahoe Village Unit No. 2, recorded on July 3, 1978, in Book 778, Page 33, as Document No. 22606 of Official Records of Douglas County, State of Nevada.

Together with an undivided 1/6 interest in and to the portion designated as Common Area as set forth on the Condominium Map of Lot 11 of the Amended Map of Tahoe Village Unit No. 2, recorded on July 3, 1978, in Book 778, Page 33, as Document No. 22606, of Official Records of Douglas County, State of Nevada.

APN 41-130-05

oOo

REQUESTED BY
SECURITY TITLE & ESCROW CO.
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'88 MAR 31 P2:13

SUZANNE BEAUDREAU
RECORDER

9.00 PAID *ML* DEPUTY

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