

When recorded return to:  
THE VALLEY BANK OF NEVADA · Consumer Lending Services · P.O. Box 98543 · Las Vegas, Nevada 89193-8543

## DEED OF TRUST/HOME EQUITY CREDIT LINE AGREEMENT

### PARTIES

TRUSTEE AND BENEFICIARY:  
The VALLEY BANK OF NEVADA ("Bank"), a corporation organized and existing under and by virtue of the laws of the State of Nevada.

### TRUSTOR:

(Customer) JOHN A WARNER and MARYDAWN WARNER  
Name(s)

Consumer Lending Services  
P.O. Box 98543  
Las Vegas, Nevada 89193-8543

773 SCOUT LN GARDNERVILLE NV 89423

Mailing Address

Zip

### AGREEMENT

In consideration of Bank approving Customer's request for the privileges of a Home Equity Credit Line ("HECL") account, Customer agrees to the terms and conditions of this Deed of Trust/HECL Agreement, which by this reference, includes, as applicable, the Home Equity Credit Line Agreement and Federal Truth and Lending Disclosure Statement, as if fully rewritten, and promises to pay in lawful money of the United States, to Bank all debt balances of the Customer's HECL account as herein agreed and as billed to Customer by Bank from time to time during the term of this HECL account, at the place and time and in the fashion designated by the Customer's HECL Periodic Statements and the terms and conditions of this Deed of Trust/HECL Agreement.

### AMOUNT

The maximum amount of credit extended by Bank to Customer and outstanding at any time under the Home Equity Credit Line shall not exceed \$ 45,000.00 ("Principal") ("Principal" means the money a lender advances to a borrower as a loan which, separately or together with other advances, is intended to be evidenced by the face amount of a note, bond or other similar document. The term does not include any interest, advances made to protect security or advances which would not have been made if the borrower and all other parties to the agreement relating to the loan or future advances had complied with its terms even if the obligations contained in the agreement were secured by an instrument). Bank will charge to the HECL account: The amount of money paid out on Customer's behalf (advances) drawn against the Principal in the HECL account; interest in form of finance charges; and applicable insurance charges; Deed of Trust/HECL Agreement recording, perfecting, reconveying, and/or releasing fees and costs of obtaining all initial and subsequent title reports and policies.

### DRAWING AGAINST ACCOUNT

Customer agrees advances on the HECL may be obtained in amounts of \$500.00 or more, using Bank by Phone service or a Home Equity Credit Line Check. Checks presented for payment against non-sufficient funds in Customer's checking account, (overdrafts) will be covered in advances in \$500.00 increments. Advances will be honored only if Customer is in full compliance with the terms and conditions of this Deed of Trust/HECL Agreement and has complied with all advance procedures stated by Bank from time to time.

### PAYMENTS

Payments will be made through automatic debit of the Minimum Monthly Payment, (as indicated on the Disclosure Statement provided herewith), or by automatic debit of a predesignated fixed amount, or the entire balance, from the Customer's preselected Valley Bank Checking Account. In the event Customer does not pay amounts due in accordance with this Deed of Trust/HECL Agreement, Customer understands that the Bank shall be entitled to set off all amounts due against any deposits in any account Customer has at the Bank.

### ADDRESS CHANGE, BILLING ERRORS, NEW INFORMATION

Customer agrees to promptly notify Bank in writing of any change of address, billing errors on any Monthly HECL Statement, and upon Bank's request, any new or changed information on the HECL application.

### SECURITY — DEED OF TRUST

To secure payment of all HECL account balances of Customer by Deed of Trust, Customer hereby irrevocably grants, bargains, sells, assigns, conveys, confirms and transfers to the Trustee/Beneficiary, in Trust with Power of Sale, the following real property ("Property" and/or "Security") located in DOUGLAS County, Nevada. 773 SCOUT LANE  
GARDNERVILLE, NV 89410

### SEE EXHIBIT 'A' ATTACHED HERETO, & MADE A PART THEREOF

Property includes all buildings, improvements, fixtures, equipment, and any other apparatus there, and all easements, rights-of-way, water rights and all appurtenances thereto now upheld or hereafter required, and all legal interest and property rights involved, and all proceeds payable to Bank as loss payee under any Property Damage Insurance or Flood Insurance relating to the Property. The security means that if Customer doesn't pay or perform as agreed, or fails to perform a material obligation in this Deed of Trust/HECL Agreement, the Trustee/Beneficiary holds the title to the Property in Trust and has the irrevocable power of sell or foreclose the Property as provided by law, if it desires. This Deed of Trust/HECL Agreement secures HECL balances only and HECL balances Customer may owe Bank may be covered by any other security held by Bank as indicated:

To the extent consistent with the other terms hereof, Covenants Nos. 1,2,3,4,5,6,7,8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust. The amounts relating to Nos. 2,4, and 7 shall be as otherwise set forth herein. In the event of a default in the performance of any covenant or payment under this Deed of Trust/HECL Agreement or the Security for which this Deed of Trust/HECL Agreement has been executed, any notice given under NRS section 107.080 shall be given by registered letter to Customer at Customer's address as shown on Bank records and such notice shall be binding upon the Customer, and any assignee or grantee of the Customer.

Customer hereby grants to Bank a lien upon, a security interest in, and a right of set-off against, any and all of Customer's monies, credits, securities, and other property of every kind and description now or hereafter in the possession or control of or on deposit with Bank, or with any agent or bailee for the Bank, whether held in a general or special account or deposit, or for safekeeping or otherwise; and every such lien, security interest and right of set-off may be exercised without demand upon, or notice to, Customer. No lien, security interest or right of set-off shall be deemed to have been waived by any act or conduct on the part of the Bank, or by any neglect to exercise such right of set-off, or to enforce such lien or security interest, by any delay in so doing, and every right of set-off and lien shall continue in full force and effect until such right of set-off or lien is specifically waived or released by an instrument in writing executed by Bank. Customer acknowledges that any and all monies, negotiable instruments, documents of title, securities, deposit accounts, and other cash equivalents in which the Bank has hereby been given a lien upon, security interest in and right of set-off against, shall constitute and be treated as "cash collateral" as defined in the Bankruptcy Reform Act of 1978, as such may be amended from time to time. Customer further acknowledges that the lien, security interest and right of set-off granted hereunder is in addition to all liens and rights of set-off otherwise available at either law or equity against Customer's monies, securities and other property.

### WARRANTY BY CUSTOMER

Customer promises he has good, merchantable, full and clear title to the Property, except for any known easements, water-use interests, reported restrictions, patent reservations, or other liens of record as of this date which encumbrances have been disclosed and agreed to by the Bank, and that it will continuously occupy the Property granted as collateral security as its primary residence.

### TAXES

Customer promises to pay all taxes, assessments, and other charges on the Property when due.

### INSURANCE

Customer promises to keep the Property insured in an amount no less than the HECL plus all other prior mortgage or other lien balances against fire, flood hazard (if any), and other casualties at all times by an insurance company acceptable to Bank. Customer promises to furnish Bank with a loss-payable clause to benefit Bank and to furnish proof of such coverage and payment of premiums. This fire, flood (when applicable), and extended coverage insurance is required by the Bank when HECL is secured by a Deed of Trust. Customer agrees to notify Bank immediately of any loss and to make immediate and proper proof of any such loss to the insurance company. The insurance policy must also state that Bank will be notified before the Policy's cancellation. If Bank gets payment from insurance company for a loss, it can use the money to either repay amounts that Customer owes Bank or to repair the Property.

### REIMBURSEMENT

Customer grants to Bank the right, but not the obligation to charge Customer's HECL and/or automatically debit Customer's Bank accounts for the payment of taxes, assessments, liens against the Property, insurance premiums and/or any other payments deemed necessary by Bank to protect its security hereunder should Customer fail to make such payments within ten (10) days before delinquency. Further, Customer grants a set-off which may be exercised by Bank, without notice or deemed upon Customer for the payment of taxes, assessments, liens against Property, insurance premiums and/or any other payments deemed necessary by Bank to protect its security hereunder should Customer fail to

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All that certain real property situate in Douglas County, State of Nevada,  
described as follows:

Parcel No. 4-C as shown on that certain parcel map for L. ROGER BITTON and  
MARION L. BITTON, recorded February 7, 1980, in Book 280, Page 471, as Document  
No. 41352, Official records of Douglas County, Nevada. Being a portion of Parcel  
4 as shown on that certain parcel map for L. Roger Bitton and Marion L. Bitton,  
recorded January 12, 1979, in Book 179 of Official Records at Page 596, Douglas  
County, Nevada, as Document No. 28933, Being a portion of Lot 19 as shown on the  
Official Map of RUHENSTROTH RANCHOS SUBDIVISION, filed for record in the office  
of the county recorder of Douglas County, Nevada, on April 14, 1965, and twice  
amended, as Document No. 27706.

COPY

REQUESTED BY  
**FIRST CENTENNIAL TITLE CO.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

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BOOK **280** PAGE **1573**