

WHEN RECORDED MAIL TO  
BANK OF AMERICA NATIONAL  
TRUST AND SAVINGS ASSOCIATION  
7034 SUNRISE BOULEVARD,  
CITRUS HEIGHTS, CA 95610  
ATTN: CONSTRUCTION LOANS

4369114  
LENDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CONSTRUCTION TRUST DEED  
DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on APRIL 23, 19 90. The grantor is THANE MCCALL, AN UNMARRIED PERSON

The trustee is CONTINENTAL AUXILIARY COMPANY, A SUBSIDIARY OF BANK OF AMERICA NT & SA, A CALIFORNIA CORPORATION ("Trustee").  
The beneficiary is BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, A NATIONAL BANKING ASSOCIATION, and whose address is 7034 SUNRISE BOULEVARD, CITRUS HEIGHTS, CA 95610 ("Lender").

Borrower owes Lender the principal sum of THREE HUNDRED TWENTY FIVE THOUSAND AND NO/100----- Dollars (U.S. \$ 325,000.00 ). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on MAY 01, 2021. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in DOUGLAS County, Nevada:

BEING ALL OF LOT 198, AS SHOWN ON THE MAP ENTITLED "CAVE ROCK ESTATES, UNIT NO.1", FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON JANUARY 3, 1962, AS DOCUMENT NO. 19323.

PARCEL #: 03-130-07

which has the address of 315 GULL COURT (Street)  
ZEPHYR COVE, Nevada 89448 ("Property Address");  
(City) (Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

**2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall 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 shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall 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 Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall 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 Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 should be applied: first to amounts payable under paragraph 2; second to interest; and last to principal.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulation.), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**8. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be 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 for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**12. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**13. Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall 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 default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

17. Lender invokes the power of sale, Lender shall 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 shall cause such notice to be recorded in each county in which any part of the Property is located. Lender shall mail copies of the notice as prescribed by applicable law to Borrower and to the persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall 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 any order Trustee determines. 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 its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. Substitute Trustee. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

24. Assumption Fee. If there is an assumption of this loan, Lender may charge an assumption fee of U.S. \$

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify] OWNER OCCUPANCY RIDER [x] ADDENDUM TO ADJUSTABLE RATE RIDER

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

*Thane McCall*  
 \_\_\_\_\_  
 THANE MCCALL (OWNER) Borrower Borrower  
 \_\_\_\_\_  
 Borrower Borrower

[Space Below This Line Reserved For Acknowledgement]

State of Nevada, DOUGLAS County ss: DOUGLAS  
 On this 26th day of APRIL, 1990, personally appeared before me, the under-  
 signed, a notary public in and for the County and State aforesaid,

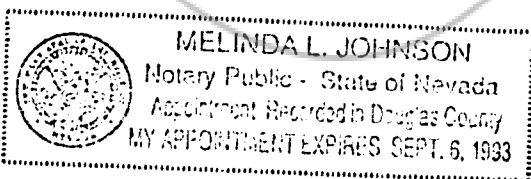
known to me to be the person(s) described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

In WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said county of DOUGLAS, the day and year in this Certificate first above written.

My commission expires: SEPT. 6, 1993

*Melinda L. Johnson*  
 \_\_\_\_\_  
 MELINDA L. JOHNSON Notary Public

County of DOUGLAS, State of Nevada



REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: \_\_\_\_\_

WHEN RECORDED, MAIL TO:

BANK OF AMERICA NATIONAL  
TRUST AND SAVINGS ASSOCIATION  
7034 SUNRISE BLVD.  
CITRUS HEIGHTS, CA. 95610

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OWNER OCCUPANCY  
RIDER TO DEED OF TRUST AND NOTE

Loan No. 4369114

Date: APRIL 23, 1990

FOR VALUE RECEIVED, the undersigned (the "Borrower") agrees that the following provisions shall be incorporated into the Deed of Trust of even date to which this Rider is attached (the "Deed of Trust") as well as the note which the Deed of Trust secures (the "Note"). So long as this Rider remains in effect, to the extent that its provisions are inconsistent with the provisions of the Deed of Trust or Note, the provisions of this Rider shall prevail and shall supersede any such inconsistent provisions. If the Note or any part of the indebtedness evidenced by the Note is held by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, or their successors, or any assignee of Bank of America NT&SA (the "Bank") the provisions of this Rider shall be of no further force or effect while the Note or any part of the indebtedness evidenced by the Note is so held, and the provisions of the Deed of Trust, as well as the Note, shall during such time be unaffected by the provisions of this Rider.

1. The Borrower acknowledges that the Bank is making the above-numbered loan on the condition that the Borrower shall occupy the property encumbered by the Deed of Trust as the Borrower's primary residence, and that occupancy of the property by the Borrower shall commence not later than 30 days after the recordation of the Deed of Trust, and the occupancy by the Borrower shall continue for a period of at least 18 months, except in the following cases: (a) death of the Borrower, (b) loss of employment by the Borrower, or (c) change of place of employment of the Borrower to beyond reasonable commuting distance from the property in this paragraph 1, reference to the Borrower are to any one of them, if there is more than one.

2. Failure of the Borrower to occupy the property as the Borrower's primary residence pursuant to the terms of the preceding paragraph shall constitute a default under the terms of the Deed of Trust. In the event of such default, the Bank, at its sole option, may on giving written notice to the Borrower declare all sums secured by the Deed of Trust immediately due and payable, and exercise all other remedies provided by law and the terms of the Deed of Trust because of the Borrower's default thereunder.

3. The Borrower agrees from time to time upon request by the Bank to provide proof to it of the Borrower's occupancy of the property as the Borrower's primary residence.

A waiver by the Bank of any breach by the Borrower of this agreement shall not constitute a waiver of any subsequent breaches.

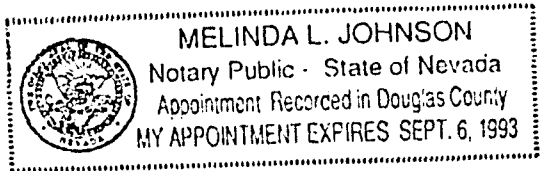
BY SIGNING BELOW, the Borrower accepts and agrees to the terms and covenants contained in this Owner Occupancy Rider.

*Thane McCall*  
Borrower

\_\_\_\_\_  
Borrower

THANE MCCALL  
INDIVIDUAL

STATE OF ~~CALIFORNIA~~ NEVADA }  
COUNTY OF DOUGLAS } SS  
On APRIL 26, 1990 before me, the  
undersigned, a Notary Public in and for said County and State, personally appeared  
THANE MC CALL



\_\_\_\_\_, personally  
known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)  
whose name is \_\_\_\_\_  
subscribed to the within instrument and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal  
Signature *Melinda L. Johnson*  
MELINDA L. JOHNSON

224998

BOOK 490 PAGE 4240

**ADJUSTABLE RATE RIDER**

(1 Year Treasury Index - Rate Caps)

LOAN NO. 4369114

THIS ADJUSTABLE RATE RIDER is made this **23RD** day of **APRIL**, 1990, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed with applicable riders (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to **BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION,**  
A NATIONAL BANKING ASSOCIATION

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

**315 GULL COURT, ZEPHYR COVE, NEVADA, 89448**

[ Property Address ]

**THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.**

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

**A. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of **9.75** %. The Note provides for changes in the interest rate and the monthly payments, as follows:

**4. INTEREST RATE AND MONTHLY PAYMENT CHANGES****(A) Change Dates**

The interest rate I will pay may change on the first day of **MAY 1, 1991**, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Rate Change Date."

**(B) The Index**

Beginning with the first Rate Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Rate Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder (as defined in the Note) will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Rate Change Date, the Note Holder will calculate my new interest rate by adding **2.75** percentage points (**2.75** %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Rate Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Rate Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Rate Change Date will not be greater than **11.75** % or less than **7.75** %. Thereafter, my interest rate will never be increased or decreased on any single Rate Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than **13.875** % (the "Maximum Rate").

**(E) Effective Date of Changes**

My new interest rate will become effective on each Rate Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Rate Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender, that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument, and which may, increase the interest rate limit provided in Section 4(D) above. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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

*Thane McCall*  
THANE MCCALL

(Seal)  
Borrower

*[Signature]*  
(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

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**MULTISTATE ADJUSTABLE RATE RIDER - Single Family**

**ADDENDUM TO ADJUSTABLE RATE RIDER  
(Construction Loan Only — Fixed Rate Conversion  
Option — During Part of Construction Phase)**

**THIS ADDENDUM TO ADJUSTABLE RATE RIDER** is made this 23RD day of APRIL 23, 19 90 and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider (the "Rider") to the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), each dated the same date as this Addendum and given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Bank of America National Trust and Savings Association (the "Lender") and dated the same date as this Addendum, and covering the property described in the Security Instrument.

This Addendum permits a conversion to a fixed interest rate. The loan period during which the conversion may be elected is during part of the construction phase, and the loan period to which the conversion applies is to the post-construction (permanent loan) phase of the loan.

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

**A. FIXED INTEREST RATE OPTION.** The Borrower has an option, for a limited period of time, to convert from an adjustable interest rate to a fixed interest rate, as provided at B, C, and D below.

**B. ELIGIBILITY TO CONVERT.** The Borrower may convert the loan to a fixed interest rate on the following conditions:

- 1. **Conversion eligibility.** At the time of conversion the Lender must be offering the general public fixed-rate loans for the term indicated on the Note.
- 2. **Loan eligibility.** The Borrower's loan must meet the Lender's fixed-rate loan requirements concerning loan amount, loan-to-value ratio, and other loan criteria. These will be the same as the Lender is requiring, at the time of conversion, for fixed-rate loans to the general public.
- 3. **Borrower eligibility.** The Borrower's credit, according to the Lender's standard criteria of creditworthiness, must support a loan at the applicable interest rate for the fixed-rate loan. The Lender may require additional credit documentation.

**C. PROCEDURE FOR ELECTING TO CONVERT**

1. **Time limit.** The Borrower may notify the Lender of its intention to convert the loan to a fixed interest rate loan at any time prior to 45 days before the due date of the first principal and interest payment for the loan. The due date of the first principal and interest payment is the first of the two dates filled in at Section 3(A) of the Note, except as amended by any revision agreement after this Addendum.

2. **Notice of election.** To elect the conversion, the Borrower must send written notice to the Lender at the following address:

SACRAMENTO RPC #1401  
7034 SUNRISE BLVD.  
CITRUS HEIGHTS, CA. 95610  
ATTENTION: CONSTRUCTION LOANS

The notice must be received by the Lender within the time limit.

3. **Applicable fixed interest rate.** If the loan is converted, the interest rate will be determined as of 45 days before the due date of the first principal and interest payment for the loan. The applicable rate will be the rate at which the Lender is then offering the general public fixed rate loans for the term indicated on the Note.

4. **Notification to Borrower.** The Lender will promptly notify the Borrower of the applicable fixed interest rate, and of the Borrower's eligibility, or ineligibility, to qualify at that rate. If the applicable fixed interest rate has increased since the Borrower notified the Lender of the Borrower's intention to convert, the Borrower may retract the election.

5. **Conversion fee and Revision Agreement.** To effect the conversion, the Borrower must pay a conversion fee and execute a Revision Agreement prior to 30 days before the due date of the first principal and interest payment for the loan. The conversion fee will be equal to 1 % of the loan amount. If these requirements are not met, the Lender may treat the election as being ineffective.

**D. Effect of Conversion to Fixed Rate.** The following provisions apply if the Borrower elects to convert to a fixed interest rate.

1. **Rider inapplicable.** The Rider, to which this document is an addendum, will have no effect. Sections 3(C) and 4 of the Note will also have no effect.

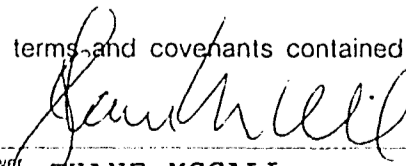
2. **Payment amount.** The Lender will determine the amount of the monthly payment that would be sufficient to pay off the loan at the applicable fixed interest rate. To determine the payment the Lender will calculate substantially equal payments through the maturity date.

3. **Due-on-sale.** Uniform Covenant 17 of the Security Instrument will be as set out in the Security Instrument and below. It will not be as set out in the Rider. Uniform Covenant 17 will be as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**BY SIGNING BELOW,** the Borrower accepts and agrees to the terms and covenants contained in this Addendum To Adjustable Rate Rider.

X   
Borrower THANE MCCALL

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X  
Borrower

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