

#2191

APN 21-170-50

WHEN RECORDED, PLEASE RETURN TO:

Everest National Financial
2180 South 1300 East
Suite 260
Salt Lake City, Utah 84106

Space above this line for recording data

EVEREST NATIONAL FINANCIAL
DEED OF TRUST

Date: June 16, 1993 Loan No.: 55-300011-16 Credit Limit: \$10,000.00
Borrower(s): John V. Hefner and Rosemarie Hefner
Borrower(s) Address: 2755 Clapham Lane Minden, Nevada 89423
Lender: Everest National Financial, a Utah industrial loan corporation
Lender Address: 2180 South 1300 East, Suite 260, Salt Lake City, Utah 84106
Trustee: PACIFIC TITLE, INC.
Trustee Address: McFaul Building Round Hill, P.O. Box 645 Zephyr Cove, NV 89448

1. **Definitions; Purpose and Security.** In this Deed of Trust, the words "you" and "your" mean the person or persons, jointly and severally, who have signed below as borrower(s), and the words "we", "us", and "our" mean the Lender identified above. The Trustee is as identified above. Except where and as otherwise specified, terms used in this Deed of Trust shall be as defined in your Home Equity Line of Credit Agreement and Disclosure Statement, dated the same date as this Deed of Trust (the "Agreement").

This Deed of Trust is given to the Lender as security for the Borrower's indebtedness evidenced by this Agreement. The maximum amount of loan indebtedness that you will have outstanding at any time, which amount is secured by this Deed of Trust, shall not exceed the Credit Limit, specified above, exclusive of interest thereon. The Agreement provides for monthly payments, with the full debt, if not paid earlier, due and payable as provided in the Agreement.

This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Agreement, with interest, and all renewals, extensions, and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced under this Deed of Trust or the Agreement to protect the security of this Deed of Trust; (c) the performance of Borrower's covenants and agreements under this Deed of Trust and the Agreement; and (d) the unpaid balances of loan advances made after this Deed of Trust is delivered to the recorder for record. For this purpose, Borrower does hereby irrevocably grant and convey to Trustee, in trust, with power of sale, the real property commonly known as 2755 Clapham Lane Minden, Nevada (the "Property Address") and more particularly described on attached Exhibit A, TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust, collectively, as the "Property".

2. **Payment of Principal and Interest; Other Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Agreement and any other charges due under the Agreement. The Agreement provides for changes in the interest rate and the monthly payments, which rate or payments or both may vary according to the terms of the Agreement.

3. **Funds for Taxes and Insurance.** At the request of Lender, Borrower shall begin making monthly payments into an escrow account for the payment of yearly taxes, insurance, and other yearly charges imposed upon the Property.

4. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under this Deed of Trust or the Agreement shall be applied: first, to any credit life insurance premiums, next to any outstanding advances in excess of your credit limit, then against any fees or charges due under the Agreement or this Deed of Trust, then to any Finance Charges; and last, to advances.

5. **Charges; Superior Deed of Trusts; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust; all premiums for hazard or property insurance covering the Property; and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly to the person owed payment. Upon Lender's request, Borrower shall promptly furnish to Lender receipts evidencing such payments.

Borrower shall keep all covenants and agreements made by Borrower in any deed of trust, mortgage or other security agreement having a lien priority superior to the lien priority of this Deed of Trust (in

any case, a "Superior Deed of Trust"), including any agreements to make payments when due. Upon Lender's request, Borrower shall promptly furnish to Lender receipts evidencing payments under any Superior Deed of Trust.

Except for a "Permitted Lien" (as defined below), Borrower shall promptly discharge any lien which has priority over this Deed of Trust 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 (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Deed of Trust. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, other than a Permitted Lien, 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 ten (10) days of the giving of notice.

As used in this Paragraph, "Permitted Lien" means (a) any existing mortgage or deed of trust on the Property as of the date of this Deed of Trust that has been disclosed in writing to Lender, to the extent that the amount secured by such mortgage or deed of trust does not exceed the amount so disclosed, and (b) any liens, claims, and restrictions of record, other than mortgage liens or deeds of trust that do not individually or collectively have a material adverse impact upon Lender's security, the value of the Property, or the Property's current use.

6. **Insurance Coverage.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards, included within the term "fire and extended coverage," and any other hazards, including floods or flooding, 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. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's right in the Property in accordance with this Deed of Trust.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Subject to the terms of any Superior Deed of Trust, 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, and subject to the terms of any Superior Deed of Trust, 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, then, subject to the terms of any Superior Deed of Trust, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. Subject to the terms of any Superior Deed of Trust, if any proceeds remain after the restoration or repair of the Property is completed, such proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then, subject to the terms of any Superior Deed of Trust, Lender may collect the insurance proceeds. Subject to the terms of any Superior Deed of Trust, Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether or not then due. The thirty (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 this Deed of Trust, or change the amount of the payments. If, under this Deed of Trust, the Property is acquired by Lender, then, subject to the terms of any Superior Deed of Trust, 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 Deed of Trust immediately prior to the acquisition.

7. **Preservation, Maintenance, and Protection of the Property; Leaseholds; Borrower's Loan Application.** Borrower shall not: destroy, damage, or impair the Property; allow the property to deteriorate; or commit waste on the Property. If this Deed of Trust 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. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Lender's security interest. Borrower may cure such a default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of Borrower's interest in the Property or other material impairment of the lien created by this Deed of Trust or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gives materially false or

inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by this Agreement.

8. Protection of Lender's Right in the Property. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, any Superior Deed of Trust, or the Agreement, or there is a legal proceeding that may significantly affect Lender's right in the Property, such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations, 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: appearing in court, paying taxes, assessments, charges, fines, impositions, reasonable attorney's fees in accordance with the law and premiums for insurance; curing any defaults and performing any or all of Borrower's obligations under any Superior Deed of Trust; and entering on the Property to make repairs. Although Lender may take action under this Deed of Trust, Lender does not have to do so.

Borrower agrees to reimburse Lender, upon demand, for any amounts Lender disburses or advances in taking any action allowed by this Deed of Trust. If Borrower fails to pay the full sum upon demand, Borrower authorizes Lender to advance the amount necessary to reimburse Lender for any amounts disbursed or any costs Lender incurs, which advance(s) will be charged against Borrower's credit line under the Agreement as if Borrower had written a credit line check for such amount.

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

10. Condemnation. Subject to the terms of any Superior Deed of Trust, 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. Borrower shall give notice to Lender of any threatened condemnation and sign all documents required to carry out this Deed of Trust. No condemnation settlement may be made without Lender's prior approval, which approval shall not be unreasonably withheld.

In the event of such taking or conveyance of the Property, subject to the terms of any Superior Deed of Trust, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess 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 thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, but subject to the terms of any Superior Deed of Trust, either to restoration or repair of the Property or the sums secured by this Deed of Trust, 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 otherwise referred to in this Deed of Trust or change the amount of such payments.

11. Borrower Not Released. Extension of the time for payment or modification of the sums secured by this Deed of Trust 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 Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest.

12. Transfer of or Failure to Occupy the Property. If without Lender's prior written consent, all or any part of the Property or any interest in it is sold or transferred or Borrower fails to occupy the Property, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust or when the transfer or sale is (a) to Borrower's spouse as a result of Borrower's death and Borrower's spouse is also obligated under the Agreement and Deed of Trust; (b) to Borrower's spouse where Borrower's spouse becomes a co-owner of the Property; (c) to Borrower's spouse as a result of a decree of dissolution of marriage, a legal separation agreement or from an incidental property settlement agreement which requires Borrower to continue to make loan payments; (d) into an inter vivos trust in which Borrower is a beneficiary; or (e) such that the property is made subject to a junior encumbrance or lien.

13. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on, in or about the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any "Environmental Law" (as defined below). The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

As used in this Paragraph, "Hazardous Substance" are those substances defined as Hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substances or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all remedial actions in accordance with Environmental Law.

14. **Warranty of Title; Nature of the Property.** You represent, warrant and covenant that you are lawfully seized of the estate hereby conveyed and have the right to grant and convey the Property, that the Property is unencumbered, except for encumbrances of record, and that you will defend generally the title to the Property against all claims and demands, subject to any encumbrances of records. Borrower represents that the Property is improved by a structure or structures containing in the aggregate no more than one or two residential units with separate cooking facilities.

15. **Security Agreement and Fixture Filing.** This Deed of Trust constitutes a security agreement as that term is used in the Uniform Commercial Code of the State wherein the Property is located, and you hereby grant to the Lender a security interest in all of the Property, which consists of fixtures subject to the Uniform Commercial Code, as security for the indebtedness evidenced by the Agreement and this Deed of Trust (collectively, the "Obligations"). Pursuant to applicable law, this Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its recording.

16. **Assignment of Leases, Rents and Income.** Subject to the terms of any Superior Deed of Trust and as additional security for the Obligations, you hereby assign to us, during the term of this Deed of Trust, any and all rents, issues, royalties, income, and profits of and from the Property. The collection of rents, issues, royalties, income, profits, proceeds of fire and other insurance policies, or compensation or awards for any taking or damaging of the Property or the application or release thereof as aforesaid or pursuant to any other or additional assignment of such rents and leases given to further secure the Obligations shall not cure or waive any default or notice of default hereunder, shall not invalidate any act done pursuant to such notice of default, and shall not operate to postpone or suspend any of the Obligations.

17. **Further Encumbrance Prohibited.** Except as a matter of public record on the date hereof, you will not, without our prior written consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any mortgage, pledge, lien (statutory or contractual), security interest, encumbrance or charge, or conditional sale or other title retention agreement, regardless of whether same are expressly subordinate to the lien of this Deed of Trust, with respect to the Property, the leases or the rents. If consent should be given, any such further encumbrance shall be conditioned upon receipt by us of a fee equal to one percent (1%) of the Agreement then outstanding.

18. **Events of Default.** Any of the following events shall be deemed an event of default hereunder:

a. Default shall be made in the payment of any part of the principal sum or any installment of interest or any other sum secured hereby as and when the same become due under the Agreement; or

b. You shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file a petition or answer seeking or acquiescing in any arrangement, composition, readjustment, liquidation, or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of all or any part of the Property, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing your inability to pay your debts generally as they become due; or

c. A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against you seeking any relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the first date of entry thereof, or any trustee, receiver or liquidator of all or any part of the Property, or of any or all of the

royalties, revenues, rents, issues, or profits thereof, shall be appointed or withheld without the consent of acquiescence of you, and such appointment or withholding shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

d. There has occurred any material breach of or material default under any term, covenant, condition, provision, representation, or warranty contained in any Superior Deed of Trust or in any other mortgage, deed of trust or other lien or encumbrance which is prior to this Deed of Trust, whether by subordination or otherwise, which has not been cured within any applicable grace period thereunder; or

e. You shall become insolvent, be found to have made any misrepresentation to us, whether or not any such misrepresentation directly or indirectly resulted in the making of the Agreement, or shall fail to comply with any other agreement related to or contemplated in connection with the execution of this Deed of Trust; or

f. There has occurred any other breach of or default under any term, covenant, condition, provision, representation or warranty contained in this Deed of Trust, the Agreement secured hereby, or any other of the instruments given to further evidence or secure the Obligations secured hereby or any part thereof.

19. Acceleration Upon Default, Additional Remedies. Upon the occurrence of any event of default hereunder, all of the Obligations shall, at our option and without notice, presentment, protest or demand, immediately become due and payable and we may:

a. Charge and collect interest on all indebtedness owing under the Agreement and this Deed of Trust, at the rate per annum provided in the Agreement (including without limitation the additional interest specified therein) both before and after judgment.

b. Take possession and hold, occupy, operate and use the Property, together with any personal property thereon used in the operation of said Property and any business conducted thereon without liability or obligation on its part, and do all such acts affecting said Property as we may deem necessary to keep the Property in good condition and repair and to conserve the value thereof, including (without limitation) make, cancel, enforce, modify or terminate leases and, in furtherance thereof, eject and obtain tenants, set or modify rents, collect all or any part of the rents, issues, profits, royalties or other income and revenues thereon, and after payments of maintenance and operational expenses, apply the same as in the discretion of Lender or Trustee seems necessary or proper.

c. To the extent permitted by law, bring an action to collect any installment which is due or past due and payable without affecting or losing the security of this Deed of Trust or waiving any other right or remedy allowed by law.

d. Foreclose this Deed of Trust in the manner provided by law for the foreclosures of mortgages on real property, bring an action for damages, or exercise such other remedies or combinations of remedies as Lender or Trustee may have under law and equity.

e. Cause the Trustee to exercise the Power of Sale as provided in this Deed of Trust.

f. Appoint a receiver to take charge of the Property, collect the rents, issues and profits therefrom, care for and repair the same, improve the same when necessary or desirable, lease and rent the Property or portions thereof (including leases existing beyond the term of the receivership), and otherwise use and utilize the Property, and have such other powers as may be fixed by the Court. Trustor specifically agrees that the Court may appoint a receiver without reference to the adequacy or inadequacy of the security, or the solvency or insolvency of you, and without reference to other matters normally taken into account by Courts in the discretionary appointment of a receiver, it being your intention to hereby authorize the appointment of a receiver when you are in default and Lender has requested the appointment of a receiver.

g. Exercise all of the rights and remedies of a secured party under the Uniform Commercial Code. If there is a judgment for Lender in a lawsuit for foreclosure and sale or a sale under Lender's Power of Sale, Borrower shall pay to Lender reasonable rent from the date the judgment is entered or the nonjudicial sale occurs for so long as Borrower occupies the Property. However, this does not give Borrower the right to occupy the Property. All rental payments collected by Lender or by any receiver, other than the rent paid by Borrower under this Deed of Trust, shall be used first to pay the costs of collecting rental payments and

of managing the Property. If any part of the rental payments remains after those costs have been paid in full, the remaining part shall be used to reduce the sums owed to Lender under the Agreement and this Deed of Trust. The costs of managing the Property may include receiver's fees, reasonable attorneys' fees as permitted by applicable law, and the costs of any necessary bonds.

h. No remedy herein provided shall be exclusive of any other remedy which now exists or which may hereafter exist by law. Every power or remedy hereby given to Trustee or to Lender or to which either of them may be otherwise entitled, may be exercised from time to time and as often as may be deemed expedient by them, and either of them may pursue inconsistent remedies. If we hold any additional security for any obligation hereby, we may enforce the sale thereof at our option, either before, contemporaneously with, or after the sale is made hereunder, and on any default with, or after the sale is made hereunder, and on any default by you, we may, at our option, offset against any indebtedness owing by you, the whole or any part of the indebtedness secured hereby, and we are hereby authorized and empowered at our option, without any obligation so to do, and without affecting the obligation hereof, to apply toward the payment of any of your obligations to us, any and all sums of money of yours which we may have in our possession or under our control, including but without limiting the generality of the foregoing, any savings account, deposit, investment certificate, escrow or trust funds. You hereby waive any defense based on or related to the doctrine of marshaling of assets. We may waive or delay enforcing any or all of our rights under the Agreement or this Deed of Trust or other documents at any time without limiting, restricting or precluding the exercise of any or all of our rights in the future. No waiver of any right Lender has under the Agreement or this Deed of Trust shall affect the lien or priority of this Deed of Trust.

20. **Law Governing Exercise of Power of Sale.** All procedural matters relating to exercise of the Power of Sale available under this Deed of Trust (such as the manner of giving notice of sale, the contents of such notice, the persons to receive notice, the time which must elapse between various stages of the proceeding, the method for establishing that proper notice has been given, and the manner in which the sale is conducted) shall be governed by the statutory law which is in effect at the time said power is exercised. In the event some or all of such procedural matters are not covered by then-effective legislation, the matters not covered shall be governed by the law which is in effect at the time this Deed of Trust is executed.

21. **Trustee's Sale.** At the Trustee's Sale, the Property may be sold in its entirety or in separate parts in such order as Trustee may determine, subject to any statutory right of yours to direct the order in which the Property, if consisting of several known lots or parcels, shall be sold. Any person, including you and us, may bid and purchase at the sale. Upon receipt of payment Trustee shall execute and deliver its deed to the purchaser. The Trustee's Deed may contain recitals of compliance with any requirements of applicable law relating to exercise of the Power of Sale or to the sale. Such recitals shall constitute conclusive evidence of such compliance in favor of bona fide purchasers and encumbrancers for value and prima facie evidence thereof in favor of all other persons. The Trustee's Deed shall operate to convey to the grantee, not subject to any right of redemption, the Trustee's title and all right, title, interest and claim of you, or your successors in interest, and of all persons claiming by, through or under you, in and to that part of the Property sold, including any and all rights, title, interest or claim in and to such part which may have been acquired by you or your successors in interest subsequent to the execution of this Deed of Trust. Trustee shall apply the proceeds of sale toward payment of the following, and in the order indicated: (a) All costs and expenses (regardless of the particular nature thereof) incurred in connection with exercise of the Power of Sale or with the sale, including Trustee's and attorneys' fees and the cost of any evidence of title procured in connection with the sale; (b) Each sum the payment of which is secured by this Deed of Trust, together with accrued interest thereon at the applicable rate; and (c) The balance, if any, to those entitled thereto or, at Trustee's discretion, such remainder may be deposited with the County Clerk of the County in which the sale took place. You hereby authorize Trustee, upon its being presented with an affidavit signed by us setting forth facts showing a default under this Deed of Trust, to accept as true and conclusive all facts and statements contained therein and to rely and act thereon.

22. **Foreclosure as Mortgage.** In any judicial proceeding brought to foreclose this Deed of Trust as a mortgage, we shall be entitled to recover all costs and expenses (regardless of the particular nature thereof and whether incurred prior to or during such proceeding) incident to the realization of its rights hereunder, including court costs and reasonable attorneys' fees. If a deficiency remains after proper application of the proceeds from the sale had pursuant to judicial decree, you shall pay the same immediately after determination of the amount thereof. Such deficiency shall, both before and after judgment therefor is entered, bear interest at the rate of eighteen percent (18%) per annum.

23. **Trustee's and Attorneys' Costs, Expenses and Fees.** You shall pay all costs, expenses, and fees whatsoever which are in any way related to, or which are in any way incurred in connection with, this Deed of Trust, the Obligations, or the enforcement or protection of our or Trustee's rights and interests hereunder, including reasonable Trustee's and attorneys' fees.

24. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the amounts secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceedings begun by the Lender to enforce this Deed of Trust discontinued at any time prior to five (5) business days before the date of sale, as disclosed in the notice of sale, of the Property pursuant to the 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 amounts which would then be due under this Deed of Trust and the Agreement had no acceleration occurred, (b) Borrower cures all breaches of any other covenants or agreements of Borrower set forth in this Deed of Trust; and (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 this Deed of Trust and the Agreement, above, including, but not limited to reasonable attorneys' fees as permitted by applicable law. Upon such payment and cure by the Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

25. **Reconveyance.** When the Agreement is terminated, either at the time the loan matures or earlier if Lender or Borrower terminates the Agreement before the end of the "Draw Period" (as defined in the Agreement), and provided that Lender has been paid all amounts due under the Agreement and this Deed of Trust, the Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and the Agreement evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. The Trustee or Lender may charge a fee for services rendered in connection with the preparation, execution or recordation of a reconveyance, or request for a reconveyance, to the extent allowed by law.

26. **Subordination of this Deed of Trust.** The lien of this Deed of Trust shall be subject and subordinate only to the lien of the Superior Deed of Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, this Deed of Trust shall not be subordinate to any increase or extensions of any indebtedness due under the Superior Deed of Trust that are made without the prior written consent of the Lender.

Borrower promises to promptly deliver to Lender a copy of each notice of default and all other notices received by the Borrower in connection with the Superior Deed of Trust and provide Lender with any additional information that Lender may reasonably require concerning Borrower's observance of the provisions of the Superior Deed of Trust.

Borrower appoints Lender as its attorney-in-fact to perform any or all of Borrower's obligations under any Superior Deed of Trust which Lender deems necessary to prevent or cure any default by Borrower under any Superior Deed of Trust. Borrower shall, within five (5) days after written request is made by Lender (or any person designated by Lender), send to Lender any documents which are necessary to complete this interest or as may be reasonably required by Lender.

Lender may rely on any notice of default by the holder of the Superior Deed of Trust ("Superior Lender") to Borrower under the Superior Deed of Trust, and may take any reasonably action necessary even though Borrower denies that a default under Superior Deed of Trust exists.

If Borrower does not comply with this Paragraph or becomes in default under the Superior Deed of Trust, then in addition to any other available remedies, Lender may cure such defaults and Lender shall be subrogated to the rights to the lender under the Superior Deed of Trust (the "Superior Lender") against Borrower and the Property. This means that if Lender performs for Borrower any of Borrower's obligations under the Superior Deed of Trust, then Lender will have the same rights against Borrower regarding such default as the Superior Lender would have against Borrower regarding such default. However, this will be in addition to all other rights and remedies that Lender will have under the Agreement and this Deed of Trust regarding such default. Although Lender may take action under the conditions described in this Paragraph, Lender does not have to do so.

Borrower agrees to deliver to Lender at the address and in the manner stated in this Deed of Trust copies of notices of default and/or sale and foreclosure that are received by Borrower in connection with the Superior Deed of Trust.

27. **Trustee's Powers.** At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the Property, Trustee may (i) consent in writing to the making or recording of any map or plat of said Property or any part thereof; (ii) join in granting any easement and/or recording or creating any restriction thereon; or (iii) join in any extension or modification agreement affecting this Deed of Trust or any agreement subordinating the lien or charge hereof.

28. **Lender's Powers.** Without affecting the liability of any other person liable for the payment of any Obligations herein mentioned, and without affecting the lien or charge of this Deed of Trust

upon any portion of the Property not then or theretofore released as security for the full amount of all unpaid Obligations, we may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such Obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at our option any parcel, portion or all of the Property, (v) take or release any other or additional security for any Obligations herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

29. **Acceptance by Trustee.** Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

30. **Miscellaneous.** The parties further agree as follows:

a. **Time is of essence in this Deed of Trust.**

b. **For purposes of the Agreement and this Deed of Trust, Lender shall not be deemed to have actual knowledge of any fact until it actually receives notice as set forth in this Deed of Trust. The date of receipt shall be determined by reference to the "received" date stamped on such written notice by Lender or its agent.**

c. **The headings in this Deed of Trust are not to be used to interpret or define its provisions. In this Deed of Trust, the masculine gender includes the feminine and/or neuter, singular numbers include the plurals, and plurals include the singular.**

d. **To the extent permitted by law, for Borrower's successors and assigns, Borrower hereby waives the benefit of all homestead, dower, curtesy, appraisalment valuation, redemption, reinstatement, stay, extension, exemption, and moratorium laws now existing or hereafter enacted and any right to have the Property marshalled upon foreclosure.**

e. **This Deed of Trust may not be changed except by an instrument in writing signed by Borrower and Lender.**

f. **This Deed of Trust shall be governed by the law of the State where the Property is located and, where applicable, federal law. In the event that any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Agreement are declared to be severable. The invalidity or unenforceability of any portion or provision of this Deed of Trust shall in no way affect the validity or enforceability of the remainder hereof. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Obligations, or if the lien is invalid or unenforceable as to any part of the Property, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations which is not secured or fully secured by the lien of this Deed of Trust.**

g. **Borrower shall be given one conformed copy of the Agreement and this Deed of Trust.**

h. **Lender, at its option, may from time to time, appoint a successor to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Deed of Trust is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure of substitution shall govern to the exclusion of all other provisions for substitution.**

i. **Borrower request that copies of the notice of default and notice of sale under this Deed of Trust be sent to Borrower's Address which is the Property address. Lender requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Lender's address, as set forth on page one of this Deed of Trust, as provided by applicable law.**

j. **Unless applicable law requires a different method, any notice that must be given to you under this Deed of Trust will be given by delivering it or by mailing it by first-class, registered or certified mail to you at the Property Address above or at a different address if you give us notice of your different address. You have the right to request that a**

copy of any notice of default and any notice of sale be mailed to you at the Property Address or at a different address provided to us.

k. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of this Deed of Trust. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Deed of Trust but does not execute the Agreement: (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under terms of this Deed of Trust and to release all homestead, dower, curtesy, appraisement, valuation, redemption, reinstatement, stay, extension, exemption, and moratorium laws now existing or hereafter enacted and to waive any right to have the Property marshalled upon foreclosure; (b) is not personally obligated to pay the sums secured by this Deed of Trust; 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 Deed of Trust or the Agreement without that Borrower's consent.

31. Incorporation of Exhibits. Any exhibits attached to this Deed of Trust hereby are incorporated into and shall be deemed a part of this Deed of Trust by this reference.

32. Riders to this Deed of Trust. If one or more riders are executed by Borrowers and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust [Check applicable blank spaces.]

_____ Condominium Rider _____ 2-6 Family Rider
_____ Planned Unit Rider Others (specify) Introductory Rate Rider
_____ Development Rider

DATED as of the date first written above.

BORROWER(S)

John V. Heiner
John V. Heiner
Rosemarie Heiner
Rosemarie Heiner

STATE OF NEVADA)
 : ss.
COUNTY OF DOUGLAS)

On the 16th day of June, 1993, personally appeared before me, R.L. McEwing _____, the signer(s) of the above instrument, who duly acknowledged to me that they executed the same.

R L McEwing
NOTARY PUBLIC
Residing at: Lyon County, Nevada



My Commission Expires:
4-26-97

310299

BK0693PG4338

REQUEST FOR FULL RECONVEYANCE

(To be used only when indebtedness secured hereby has been paid in full)

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Trust Deed. Said note, together with all other indebtedness secured by said Trust Deed has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Trust Deed, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Trust Deed delivered to you herewith, together with the said Trust Deed, and to reconvey, without warranty, to the parties designated by the terms of said Trust Deed, all of the estate now held by you thereunder.

DATED _____, 19__.

Mail reconveyance to _____

COOPER

310299

EXHIBIT "A"

**ALL THAT REAL PROPERTY SITUATE IN THE COUNTY OF DOUGLAS,
STATE OF NEVADA, AND DESCRIBED AS FOLLOWS:**

**Situate in the Southwest 1/4 of the Northwest 1/4 of
Section 34, Township 14 North, Range 20 East, N.D.B. & M.,
described as follows:**

**Parcel No. 1 as set forth on Parcel Map for Dennis Pinley,
et al, recorded March 26, 1986 in Book 386, Document No.
132685 of Official Records and Certificate of Amendment,
recorded April 30, 1986 in Book 486, Page 2839, as
Document No. 134158 of Official Records, of Douglas
County, State of Nevada.**

COPY

**REQUESTED BY
PACIFIC TITLE, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA**

93 JUN 21 11:02

310299

BK 0693PG4340

**SUZANNE BEAUDREAU
RECORDER**

PAID 15.00 K0 DEPUTY