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RETURN TO:	OFFICE Loan Documentation Control	P.O. BOX 98588
CITY Las Vegas	STATE NEVADA	ZIP CODE 89193-8588

Revolving Credit
Deed of Trust
with Assignment of Rents

THIS DEED OF TRUST (the "Deed") is made on JANUARY 3, 19 94, by and between CHARLES W. SCHARER & SUSAN M. SCHARER, husband and wife as community property with right of survivorship, as TRUSTOR, whose address is P.O. Box 4735 (Number and Street) Stateline (City), NV (State) and FIRST NEVADA TITLE COMPANY, INC (Title Company), a corporation duly organized and existing under and by virtue of the laws of the State of Nevada, as TRUSTEE, and First Interstate Bank of Nevada, N.A., which is organized and existing under the laws of the United States of America, as BENEFICIARY, whose address is P.O. Box 11007 Reno, NV 89520.

WITNESSETH:

THAT Trustor irrevocably GRANTS, TRANSFERS and ASSIGNS to TRUSTEE, IN TRUST (the "Trust"), WITH POWER OF SALE, for the benefit of the Beneficiary, the following real property (the "Property") located in Douglas County, of the State of Nevada.

Legal Description:

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

Lot 7, in Block C, as said lot and block are shown on the map for GRANITE SPRINGS SUBDIVISION UNIT NO. TWO, filed for record July 8, 1980, in Book 780, at Page 409, as Document No. 46019, Official Records, Douglas County, Nevada.
A.P.N. 07-491-02

TOGETHER WITH: (a) all buildings, structures and all other improvements and fixtures that are, or that may be hereafter, erected or placed on or in the Property, (b) all water rights and rights to the use of water that are now or that may be hereafter used in connection with the Property or any part thereof and any improvements or appurtenances to the Property thereto, (c) any and all other rights pertaining or appurtenant to the Property, including, without limitation, all easements and rights-of-way now owned or hereafter acquired which are used in connection with any portion of the Property or as a means of ingress to or egress from Property, and the interest of Trustor therein, and (d) subject to the present assignment of rents which is hereinafter made to Beneficiary: (i) the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and the rents, issues and profits thereof, (ii) Trustor's interest as Lessor in and to all leases of the Property, or any part thereof, now existing or hereafter made, including all modifications, extensions and renewals thereof, provided that any purchaser at foreclosure of the Property shall be entitled, at this election, to terminate or enforce any lease of the Property, or any part thereof, which is hereinafter entered into, modified, extended or renewed, (iii) all the estate, right, title, property, possession, interest or other claim or demand, in law or in equity, which Trustor now has or may hereafter acquire, in or to the Property, or any part thereof, with appurtenances, (iv) all oil and gas or other mineral rights in or pertaining to the Property, and all royalty, leasehold and other rights of Trustor pertaining thereto, (v) all claims or demands relating to insurance or condemnation awards which Trustor now has or may hereafter acquire with respect to the Property and/or to the rents, issues and profits including, without limitation, all advance payments of insurance premiums made by Trustor with respect thereto, (vi) any and all other rights pertaining to or appertaining to the Property, and the interest of Trustor therein. The Property together with all the rights and interest of Trustor described hereinabove shall hereinafter collectively be referred to as the "Property".

FOR THE PURPOSE OF SECURING: (i) payment of a revolving line of credit indebtedness in the maximum principal amount outstanding of \$ *100,000.00 (or so much of that sum as may be advanced and outstanding), together with interest thereon, evidenced by a Revolving Agreement (the "Agreement") and the Note and Disclosure Statement executed by Trustor in connection therewith, entered into by Trustor and Beneficiary on the date first appearing above, as well as any extensions, renewals, amendments, substitutions and/or modifications of that indebtedness; (ii) performance of Trustor's agreements in this Deed of Trust; (iv) all expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder; and (v) payment of additional sums and interest thereon which may hereafter be loaned to Trustor when evidenced by a promissory note or other agreement which recites that the same is secured by this Deed of Trust.

The indebtedness secured by this Deed of Trust is a revolving line of credit. Under the terms of the Agreement, Note and Disclosure Statement, funds may be advanced by Beneficiary, repaid by Trustor and subsequently readvanced by Beneficiary. This Deed of Trust secures the total amount of all principal advances made to Trustor under said Agreement, Note and Disclosure Statement.

Subject to the terms and conditions of this Deed of Trust, and said Agreement, Note and Disclosure Statement, all advances made under this Deed of Trust by Beneficiary to Trustor, whether initially made at the time of filing this Deed of Trust or made subsequent to the time of filing this Deed of Trust, are obligatory advances secured by this Deed of Trust. All such obligatory advances will have the same lien priority as the funds initially advanced under the Agreement, Note and Disclosure Statement.

All amounts secured by this Deed of Trust are subject to a variable rate of interest, which may change from time to time as recited in the Agreement, Note and Disclosure Statement and which is not subject to any ceiling. According to the Agreement, Note and Disclosure Statement, any Amendment to it, including a change in interest rate, may, at Beneficiary's option, affect the outstanding principal balance on the effective date of any such Amendment. The Agreement, Note and Disclosure Statement is incorporated in its entirety into this Deed of Trust by this reference.

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TO PROTECT THE PROPERTY AND SECURITY GRANTED BY THIS DEED OF TRUST, TRUSTOR AGREES:

1. (a) To properly care for and keep the Property in good condition and repair;
 - (b) Not to remove, demolish or materially alter any building or any improvement on the Property; nor to change or alter: (i) the terms and/or conditions of any existing lease with respect to all or part of the Property; nor (ii) the present character or use of the Property;
 - (c) To complete or restore promptly, and in good and workmanlike fashion, any building or improvement which may be in process, constructed, damaged or destroyed on the Property and to pay in full all costs and expenses incurred in connection with such completion or restoration;
 - (d) Not to commit nor permit waste of or on, or abandon any part of, or cause or permit to be sold, leased, transferred, encumbered or otherwise disposed (whether voluntary, by operation of law or otherwise) of any part of, the Property;
 - (e) To comply with all laws, ordinances, regulations, covenants, conditions, judgments, injunctions, permits, licenses, or authorizations affecting the Property;
 - (f) To provide and maintain fire insurance (and if required by Beneficiary, earthquake, flood hazard, mortgage guarantee and other insurance) –which provides for at least 30-day advance written notice to Beneficiary prior to effective cancellation – satisfactory to (both as to amount and policy terms and conditions, among other considerations), and with loss payable to Beneficiary, and to deliver all policies to Beneficiary, with such delivery constituting assignment to Beneficiary of all returned premiums;
 - (g) To appear in and defend (without cost or expense to Beneficiary or Trustee) any action or proceeding purporting to affect the security given under this Deed of Trust or the right or powers of Beneficiary or Trustee, and, when required by Trustee or Beneficiary, to commence and maintain any action or proceeding necessary to protect such security and such rights or powers. (If Trustee or Beneficiary elects to appear in, defend or commence and maintain any such action or proceeding, including any proceedings under any law relating to insolvency or bankruptcy, Trustor shall pay all their costs and expenses, including, but not limited to, a reasonable attorneys' fee);
 - (h) To pay at least 15 days before delinquency all taxes, assessments, and charges affecting the Property;
 - (i) To pay when due all encumbrances, charges and liens on the Property which appear to be, or are, prior or superior to the lien of this Deed of Trust,
 - (j) To pay all costs, fees and expenses of this Trust including without limitation reconveyance and foreclosure fees, cost and expenses of Beneficiary or Trustee or any receiver of appointed under this Deed of Trust, advances made by Beneficiary to complete or partially construct all or any part of any construction which may be commenced on the Property or otherwise to protect the security of this Deed of Trust, and reasonable fees and disbursements of Trustee's and Beneficiary's legal counsel and other out-of-pocket expenses; together with interest on all such amounts at the maximum rate provided for under the Agreement, Note and Disclosure Statement in the case of any such interest payable to Beneficiary, and at the rate provided by law in the case of any such interest payable to Trustee.
2. Trustor shall pay when due the principal and interest on the indebtedness evidenced by the Agreement.
 3. Should Trustor fail to make any payment or do any act provided for in this Deed of Trust, Beneficiary or Trustee (but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation under this Deed of Trust) may: (i) make any such payment or do any such act in whatever manner and to whatever extent either may deem necessary to protect the security of this Deed of Trust (Beneficiary or Trustee are authorized to enter the Property for such purposes); (ii) commence, appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee; (iii) pay, purchase, contest or compromise an encumbrance, charge or lien which, in the judgment of either, appears to be prior or superior to the lien or charge of this Deed of Trust; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in the Beneficiary's or Trustee's absolute discretion may be deemed necessary, including, without limitation, costs of evidence of title and employment of counsel and payment of counsel's reasonable attorneys' fees. All sums so incurred or expended by Beneficiary or Trustee shall be secured by this Deed of Trust and, without demand, shall be immediately due and payable by Trustor and shall bear interest at the rate of interest then applicable to the principal balance under the Agreement; provided, however, that at Beneficiary's or Trustee's option, such sums may be added to the principal balance then due under the Agreement and be payable under the terms of the Agreement.

IT IS MUTUALLY AGREED THAT:

4. Should the Property, or any part of it, be taken or damaged because of any public improvement or condemnation proceeding, or damaged by fire, earthquake or in any other manner, Trustor absolutely and irrevocably assigns to Beneficiary all compensation, awards and other payment or relief for such taking or damage, and Beneficiary shall be entitled, at Beneficiary's option, to commence, appear and prosecute in Beneficiary's own name, any action or proceedings, or to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including without limitation, the proceeds of any policies of fire and other insurance affecting the Property shall be delivered immediately to Beneficiary, and after deduction of Beneficiary's expenses (including without limitation, attorneys' fees) are to be applied on any indebtedness secured by this Deed of Trust, in whatever order of priority Beneficiary, in its sole and absolute discretion, might direct. So long as no Event of Default (as provided for in this Deed of Trust) has occurred and is continuing, Trustor may settle, compromise, or adjust any insurance or other claim with the prior written consent of Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary shall have the sole right to settle, compromise or adjust any insurance or other claim in such manner as Beneficiary may determine, and for this purpose, Beneficiary may in its own name or in the name of Trustor take such action as Beneficiary deems appropriate.
5. By accepting payment of any sum secured by this Deed of Trust after its due date, or after the filing of a notice of default and of election to sell, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured, or to declare default for failure to so pay, or to proceed with the sale under any such notice of default and of election to sell for any unpaid balance of the indebtedness.
6. Without affecting the liability of any person (including, but not limited to, Trustor) for the payment of any indebtedness secured by this Deed of Trust, or the lien of this Deed of Trust on the remainder of the Property for the full amount of any indebtedness owing, (a) Beneficiary may, from time to time and without notice; (i) release any person liable for the payment of the indebtedness; (ii) extend the time or otherwise alter the terms of payment of any of the indebtedness; (iii) accept additional security of any kind, including deeds of trust or mortgages; (iv) alter, substitute or release any property securing the indebtedness; and (b) Trustee may, at any time and from time to time, upon payment of Beneficiary's then-current fees and upon Beneficiary's written request: (i) consent to the making of any map or plat of the Property; (ii) join in granting any easement or creating any restriction on the Property; (iii) join in any subordination or other agreement affecting this Deed of Trust or its lien and/or (iv) reconvey all or any part of the Property, without any warranty.
7. Upon payment in full of all sums secured by this Deed of Trust, cancellation of the Agreement and performance of all obligations of Trustor, Trustee shall reconvey, without warranty, the estate vested in it by this Deed of Trust. The grantee in any reconveyance made because of this Deed of Trust may be described as "the person or persons legally entitled thereto," or similar language, and the recitals in any such reconveyance of any matters of fact shall be conclusive proof of their truthfulness.
8. Trustor absolutely and irrevocably assigns to Beneficiary the income, rents, issues, royalties, profits, earnings, products and proceeds from any and all of the Property or any business activity conducted thereon, including all present and future leases and rental agreements ("Rents") upon the terms and conditions herein set forth. This Assignment of Rents is absolute and is not intended to be a pledge of said Rents as additional security for performance of Trustor's obligations under the terms of the Note and this Deed of Trust. The foregoing assignment shall not impose upon Beneficiary any duty to cause the Property to produce Rents nor shall Beneficiary be deemed to be a "mortgagee in possession" by reason thereof for any purpose. Beneficiary confers upon Trustor the authority to collect and retain the Rents as they become due and payable; provided, however, that Beneficiary at any time during the existence of a default under this Deed of Trust and following the notice period described in this Deed of Trust, in Beneficiary's sole discretion, and without notice to Trustor, may revoke said authority and may collect and retain the Rents without taking possession of all or any part of the Property. The right to collect Rents as herein provided shall not be deemed to grant to

- Beneficiary the right to possession of the Property, except as expressly herein provided, or impose upon Beneficiary the duty to produce Rents or maintain the Property in whole or in part. Any Rents collected by Beneficiary shall be applied by Beneficiary, less costs and expenses of operation and collection, including attorneys' fees, against any obligation secured hereby, whether existing on the date hereof or hereafter arising. Collection or any Rents by Beneficiary shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any acts done pursuant to such notice or affect any foreclosure or other proceeding commenced with respect to the Property. Nothing in this Deed of Trust, nor the exercise of any right by Beneficiary to collect shall be, or be construed to be, Beneficiary's affirmation of any tenancy, lease or option, nor an assumption of liability, nor a subordination of any lien or charge of this Deed of Trust to any such tenancy, lease or option.
9. Upon any default by Trustor, Beneficiary may, at any time and without notice, and either in person or by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness secured by this Deed of Trust: (i) enter on and take possession of the Property or any part of it; (ii) in its own name, sue for or otherwise collect the rents, issues and profits, including those past due and unpaid; and (iii) apply them, less cost and expenses of operation and collection (including, without limitation, reasonable attorneys' fees) to any indebtedness secured by this Deed of Trust, in such order as Beneficiary may determine, and/or release any one or more of them.
 10. The entering on and taking possession of the Property, the collection of rents, issues and profits or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property and the application or release of any of them as set out above, shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done according to such notice.
 11. In addition to the event of default caused by sale or transfer of all or any part of the Property, or any interest in it, which event is specifically covered in Paragraph 12 below, the following shall also constitute Events of Default under this Deed of Trust: (i) Trustor's failure to pay in a timely manner any amounts due under the Agreement; (ii) Trustor's breach of any covenant contained in the Agreement after the passage of any applicable time periods or the giving of any required notices set forth in the Agreement; (iii) Trustor's breach of any covenant in this Deed of Trust; (iv) Trustor's omission of material information, or making of any materially false or materially misleading statement, on Trustor's credit statement relied on by Beneficiary in entering into the Agreement; (v) Trustor's death; (vi) the filing of a petition in bankruptcy by or on behalf of Trustor under any provision of any state or federal bankruptcy law in effect at the time of such filing; (vii) Trustor's further encumbering the Property or allowing to be subjected to a lien or encumbrance junior to this Deed of Trust.
 12. If Trustor or any successor in interest to Trustor in the Property sells, conveys, alienates, assigns or transfers the Property, or any part of it, or any interest in it, or becomes divested of Trustor's title or any interest in it in any manner or way, whether voluntary or involuntary, Beneficiary shall have the right, at its sole option, to declare any indebtedness or obligation secured by this Deed of Trust, irrespective of the maturity date otherwise specified with respect to such indebtedness or obligation, immediately due and payable, without notice or demand, and no waiver of this right shall be effective unless in writing and signed by Beneficiary.
 13. If Trustor defaults under this Deed of Trust and/or should the building(s) or improvements on the Property remain unoccupied for six successive months, then notwithstanding any other provisions of this Deed of Trust and without notice to Trustor, Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale and a written notice of default and election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record.
 14. The lapse of any time as may then be required by law following recordation of the notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property, at any time and place fixed by the Trustee in the notice of sale, either as a whole or in separate parcels and in such order as the Trustee may determine (but subject to any statutory right of Trustor to direct the order in which the Property, if it consists of several known lots or parcels, shall be sold), at public auction to the highest bidder, for cash, in lawful money of the United States, payable at time of sale. With respect to any of the Property which is personal property, Beneficiary shall have, in the jurisdiction in which enforcement of this Deed of Trust is sought, or in any other applicable jurisdiction, all remedies of a secured party under the Uniform Commercial Code and may require Trustor, on demand, to assemble all such personal property and make the same available to Beneficiary at such places as Beneficiary may select that are reasonably convenient for both parties, whether at the premises of Trustor or elsewhere. The rights and remedies of Beneficiary hereunder may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently or consecutively in any order. The exercise by Beneficiary, or Trustee at the direction of Beneficiary, of any one or more of any of such rights or remedies shall not be construed to be an election of remedies nor a waiver of any other rights or remedies. Unless, and to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee, by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment, when due, of other sums so secured or to declare a default, as provided herein, for failure to so pay.
 15. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Any person, including without limitation, Trustor, Trustee or Beneficiary, may purchase at the sale. Trustee shall deliver to the purchaser a (Trustee's) Deed conveying the Property, or that portion of it so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any manners or facts shall be conclusive proof of their truthfulness.
 16. Beneficiary, from time to time and at any time, may substitute a successor or successors to any trustee named in this Deed of Trust or acting under it to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee named in this Deed of Trust or acting under it. Each such appointment and substitution shall be made by a written instrument executed by Beneficiary and referring to this Deed of Trust and its place of record. When recorded in the office of the County Recorder of the County in which the Property is situated, any such written instrument shall be conclusive proof of proper appointment of the successor trustee.
 17. Trustor hereby waives, to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust.
 18. This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties to this Deed of Trust. All of Trustor's obligations are joint and several. The term "Beneficiary" shall mean the owner and holder (including, without limitation, pledgees) of the Agreement, whether or not named as Beneficiary in this Deed of Trust. Any Trustor who is a married person expressly agrees that recourse may be had against his or her separate property for any deficiency after the sale of the Property.
 19. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party to this Deed of Trust of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee, or any one or more of them, shall be a party, unless such sale is brought by Trustee.
 20. This Deed of Trust shall be construed according to the laws of the State of Nevada.
 21. For any statement regarding the obligation secured by this Deed of Trust, Beneficiary may charge the maximum amount permitted by law at the time of the request for such statement.
 22. The rights and remedies granted under this Deed of Trust, or by law, shall not be exclusive, but shall be concurrent and cumulative.
 23. This Deed of Trust covers goods which are or are to become fixtures related to the Property and constitutes a "Fixture Filing" with respect thereto, executed by Trustor as "Debtor" and Beneficiary as "Secured Party".
 24. (a) As used herein, the term "Hazardous Substances" shall mean any or all of the following: (i) any and all hazardous substances, hazardous material, toxic substances or solid waste as defined in the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Act of 1976, as amended, and the Hazardous Materials Transportation Act and the regulations promulgated thereunder, (ii) any substance or materials listed as hazardous or toxic in the United States Department of Transportation Table, by the Environmental Protection Agency or any successor agency or under any Federal, state or local laws or regulations, (iii) any asbestos, poly-chlorinated biphenyls, urea formaldehyde foam, explosives or radioactive waste, or (iv) any other chemical, material or substance which is not classified as hazardous or toxic but exposure to which is prohibited, limited or regulated by any Federal, state, local or other governmental authority having jurisdiction over the Property.
(b) Trustor shall comply with any and all Legal Requirements regarding the presence or removal of Hazardous Substances on the Property, shall pay immediately, when due, the costs of removal from the Property of any such Hazardous Substances which are required to be removed pursuant to any Legal Requirements and shall keep the Property free of any lien which may arise pursuant to such Legal Requirements. The Trustor shall not, and shall not permit any person or entity to release, discharge, or dispose of any Hazardous Substances on the Property except in compliance with all Legal Requirements and, if the same shall exist, Trustor shall immediately remove or cause to be removed from the Property such Hazardous Substances to the extent required to be removed pursuant to any Legal Requirement.

If a mailing address is set forth opposite any Trustor's signature below, but not otherwise, that Trustor shall be deemed to have requested that a copy of any Notice of Default and of any Notice of Sale be mailed to that Trustor at that address.

MAILING ADDRESS FOR NOTICES: Street, City, State and Zip Code

Signature of Trustor

148 Granite Springs Drive, Stateline, Nevada 89449

IN WITNESS WHEREOF, TRUSTOR has executed this Deed of Trust.

Charles W. Scharer

Trustor Charles W. Scharer

Susan H. Scharer 1-28-94

Trustor Susan H. Scharer

STATE OF NEVADA

COUNTY OF Douglas } ss.

This instrument was acknowledged before me on 1/28/94

by Bonnie M. Friedman

(Seal, if any)



Bonnie M. Friedman

Signature of Notarial Officer

Title and Rank

My Commission Expires: 10/1/95

(Space below this line reserved for Recorder)

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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SUZANNE BEAUDREAU
RECORDER

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10⁰⁰ PAID KD DEPUTY