

SUBMITTED FOR RECORDATION BY AND
RETURN TO:

BANK OF AMERICA, NT & SA
Northern California Consumer Loan Center
P.O. Box 2290
Rancho Cordova, CA 95741

Account #

561473 50

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
EQUITY MAXIMIZER® ACCOUNT - NEVADA**

NOTICE: THIS DOCUMENT CONTAINS A VARIABLE INTEREST RATE PROVISION

THIS DEED OF TRUST is made this 26th day of January among the trustor, Donald L. Edwards and Katherine A. Edwards ("TRUSTOR"), Western Title Company ("TRUSTEE"), and the Beneficiary, Bank of America National Trust and Savings Association, a national banking association ("LENDER").

THIS INSTRUMENT SECURES FUTURE ADVANCES UP TO A MAXIMUM AMOUNT OF \$200,000.00, WHICH ADVANCES ARE AT THE OPTION OF LENDER, AND IS TO BE GOVERNED BY THE PROVISIONS OF NEVADA REVISED STATUTES 106.300 TO 106.400, INCLUSIVE.

TRUSTOR, in consideration of the indebtedness recited in and the trust created in this Deed of Trust, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of Douglas, State of Nevada:

Lot 15, in Block A, as set forth on map of LINCOLN PARK, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on September 7, 1921, as Document No. 305, Douglas County Nevada Records.

which has the address of 1289 Lincoln Park Circle, Zephyr Cove, Nevada 89448 (Property Address"); Parcel No. 03-161-0803-161-08

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities of the Lender to collect and apply such rents), all of which is a part of the property covered by this Deed of Trust; "The Property" includes all of the foregoing:

THIS DEED OF TRUST SECURES: 1. All of the obligations of Donald L. Edwards and Katherine A. Edwards (BORROWER) under an agreement entitled Equity Maximizer Agreement and Disclosure Statement between Borrower and Lender and dated 1/26/96 ("Agreement"), as the Agreement may be modified or the obligations secured may be extended, renewed or replaced by other evidences of indebtedness from time to time. The Agreement provides, among other things, for (a) repeated line of credit advances, (b) a variable interest rate ties to an index, and (c) other charges. The maximum amount to be secured at any one time, as of the date of this Deed of Trust, \$200,000.00 ("Maximum Amount"). The Maximum Amount may be increased by the Lender upon Borrower's consent ("Increased Maximum Amount"), and the priority of this instrument for any advances exceeding the Maximum Amount shall be governed by Nevada Revised Statutes 106.300 to 106.400, inclusive, if an amendment to this instrument is recorded in the office of the county recorder of the county in which the Property is located; 2. Any amounts in excess of the Maximum Amount or the Increased Maximum Amount, as applicable, to the extent that the excess is attributable to (a) unpaid interest or (b) expenditures incurred by Lender because of Borrower's failure to fulfill all of his or her obligations under the Agreement; 3. Performance of each agreement of Borrower contained in this Deed of Trust; and 4. Payment of all sums to be paid by Borrower pursuant to the terms of this Deed of Trust.

[Applicable if another deed of trust is recorded at the same time: this Deed of Trust is subordinate to the Deed of Trust from Borrower to Trustee in favor of Lender in the amount of \$ _____ recorded at the same time with this Deed of Trust.
(amount secured by first Deed of Trust)]

Borrower and Lender also agree to the following:

1. **Statutory Covenants.** Where not inconsistent with any covenant or agreement contained herein, the following covenants Nos. 5, 6, 7 (reasonable counsel fees) and 8 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

2. **Payment.** Borrower shall pay when due all amounts borrowed, interest accrued and other charges imposed under the Agreement.

3. **Hazard Insurance.** Borrower shall keep any improvements on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards as lender may require, in amounts and for periods Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by lender; approval shall not be unreasonably withheld. All insurance policies and renewals shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of Lender. Lender shall have the right to hold the policies and renewals.

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.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the amounts secured by this Deed of Trust.

4. Preservation and maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of the Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and related documents.

5. Prior Mortgages and Deed of Trust; Taxes, Assessments, and Charges. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including making payments when due. Borrower shall pay all taxes, assessments, and charges which may result in a lien having priority over this Deed of Trust, and any leasehold payments or ground rents.

6 Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by lender under this paragraph 6, and interest at the Agreement rate, shall become additional indebtedness secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, these amounts shall be payable upon notice from Lender to Borrower requesting payment. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, if Lender first gives Borrower notice before the inspection indicating a reason related to Lender's interest in the Property.

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

9. 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 Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of the future exercise of any such right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. This Deed of Trust shall bind and benefit the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraphs 12 and 17. All covenants and agreements of Borrower shall be joint and several. Any Borrower who signs this Deed of Trust, but does not execute the Agreement, (a) is signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Agreement, and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any other any other accommodations with regard to the terms of this Deed of Trust or the Agreement, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

11. Governing Law; Severability. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. This shall not limit the applicability of Federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Agreement 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.

12. Transfer of the Property or a Beneficial Interest in Borrower--"Due on Sale" Clause. If all or any part of the Property or an interest in the Property is sold or otherwise transferred by Borrower (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity) without Lender's prior written consent, Lender may, at Lender's option, declare all sums secured by this Deed of Trust to be immediately due and payable. Lender shall give its written consent if all of the following conditions are met: (a) the transferee applies to Lender for an assumption of the obligations secured hereunder; (b) the transferee pays all fees applicable to the assumption transaction, as provided in the Agreement; (c) the transferee meets the credit standards then generally being applied to new applicants for similar credit to be extended by Lender; (d) Lender is satisfied that the transferee intends to use the Property as his or her primary residence; and (e) at the time of the assumption application, Lender is still accepting applications for new Equity Maximizer accounts.

13. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender may, at Lender's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 13, including, but not limited to, reasonable attorney's fees and allocated costs of the bank's salaried attorneys.

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14. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** Borrower unconditionally assigns to Lender the rents of the Property, except that, prior to acceleration under paragraph 13 or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

15. **Substitute Trustee.** At Lender's option, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county where the Property is located. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

16. **Statement of Obligation.** In the event Borrower requests a statement of obligation, Lender may collect a fee not higher than the maximum amount permitted by law. Lender may, at its option, temporarily suspend Borrower's borrowing privileges under this Agreement upon receipt of a request for a statement of obligation. This temporary suspension will become permanent if the Property is sold or otherwise transferred and the transferee does not apply to Lender for, and receive Lender's consent to, an assumption of the Agreement obligations. The temporary suspension will be lifted if (a) Borrower advises Lender that the pending loan, sale, or other transfer or other pending transaction in connection with which the statement of obligation was requested has been cancelled, rescinded or otherwise will not be consummated, after Lender has an opportunity to so advise the party requesting the statement of obligation, or (b) the transferee applies to Lender and Lender approves an assumption of the secured obligations, in either case provided that Borrower would then be entitled to borrow under this agreement but for the suspension.

17. **Credit Secured upon Transfer of Property.** If Borrower or any successor in interest to Borrower sells, conveys, alienates, assigns or otherwise transfers the property: (a) the transferor and the transferee shall each immediately give written notice of the transfer to the Lender, at its branch indicated on the first page of this Deed of Trust; (b) all credit extended to Borrower under the Agreement, whether before or after the Property is transferred, shall be secured under this Deed of Trust as if no transfer had occurred. This paragraph 17 shall not restrict Lender's rights to enforce the provisions of paragraphs 12 and 13 regardless of whether Lender receives the notices required by this paragraph 17.

18. **Advances to Perform Borrower's Duties.** Advances by Lender to perform any of Borrower's duties under this Deed of Trust (payment of taxes, preservation of Property, etc.) are secured by this Deed of Trust.

19. **Notices.** If a mailing address appears below opposite a Borrower's signature, notices to that Borrower shall be sent to the address indicated. Otherwise, notices shall be sent to Borrower(s) at the Property Address on page 1 of this Deed of Trust.

MAILING ADDRESS FOR NOTICES

Street	City and State	Signature
<u>1289 Lincoln Park</u> <u>(P.O. Box 10774)</u>	<u>Zephyr Cove, Nv. 89448</u>	<u><i>Donald L. Edwards</i></u> DONALD L. EDWARDS
_____	_____	<u><i>Katherine A. Edwards</i></u> KATHERINE A. EDWARDS
_____	_____	_____
_____	_____	_____

INDIVIDUAL ACKNOWLEDGEMENT

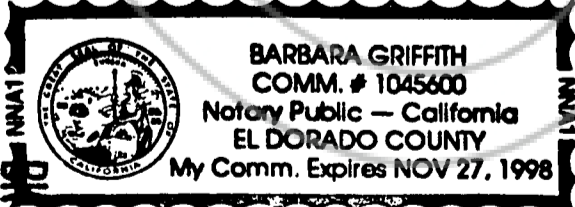
CALIF. \$
State of Nevada
County of EL DORADO

On this 26TH day of JAN., 1996, before me, a Notary Public in and for EL DORADO County, personally appeared DONALD L. EDWARDS AND KATHERINE A. EDWARDS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

(SEAL)

WITNESS my hand and official seal.

Signature *Barbara Griffith*



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

'96 JAN 26 P3:44

LINDA SLATER
RECORDER

\$ 9.00 PAID *A* DEPUTY

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