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DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on February 8, 1996.

The trustor is **Philip D. O'Brien and Karen R. O'Brien , husband and wife,** ("Borrower").
as joint tenants with right of survivorship

The trustee is **Princeton Escrow, A California Corporation** ("Trustee").

The beneficiary is **TMS Mortgage Inc., DBA The Money Store,**
which is organized and existing under the laws of New Jersey, and whose address is
5250 S. Virginia St., Suite 311 ("Lender").
Reno, Nevada 89502

Borrower owes Lender the principal sum of **Twenty Three Thousand Eight Hundred Dollars & No/100.**

(U.S. \$23,800.00), together with interest. 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 **February 15, 2011.** 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 6 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 the
, Douglas County, STATE OF NEVADA

Being the same premises conveyed to the Borrower by deed of dated the
recorded on the in Book of Deeds, page , in the County
Office, and which has the address of
1976 Palomino Lane
Gardnerville, Nevada 89410

being the same property commonly known as:
1976 Palomino Lane ("Property Address").
Gardnerville, Nevada 89410

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Security Instrument. All of the foregoing, together with such property (or the leasehold estate if this Security Instrument is on a leasehold) are called the "Property".

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and covenants that Borrower will defend generally the title to the Property against all claims and demands, subject to encumbrances of record. Borrower further warrants, represents and covenants as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness and all other charges evidenced by the Note.

2. Application of Payments. All payments of principal and interest received by Lender shall be applied as provided in the Note.

If Borrower owes Lender any late charges, or other fees or charges ("other charges"), they will be payable upon demand of Lender. Unless prohibited by law, the application of payments may be affected by the imposition of other charges. Therefore, payments of other charges, whether paid to Lender in addition to the monthly payment or separately, will be applied in a manner at the absolute discretion of the Lender.

3. Prior Mortgages and Deeds of Trust; Charges; Liens. 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 Security Instrument, if any, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any.

4. 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", flood and any other hazards as Lender may require and in such amount and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

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 sums secured by this Security Instrument.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit nor permit waste, impairment or deterioration of the Property and shall comply with the provisions of any lease if this Security Instrument is on a leasehold. If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower shall perform all of 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 constituent documents.

6. 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 of 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 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 or abate nuisances. Although Lender may take action under this Paragraph 6, Lender does not have to do so.

Any amounts disbursed by Lender under this Paragraph 6 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 demand of Lender.

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.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore 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, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

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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 Security Instrument granted by Lender to Borrower or any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and 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 Security Instrument by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender on one or more occasions in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise of that or any other right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 14 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who signs this Security Instrument, but does not execute the Note, (a) is signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Security Instrument, (b) is not personally liable on the Note or under 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.

11. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing such notice by first class mail addressed to Borrower at the mailing address shown in the signed loan application or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

12. Governing Law; Severability. The state and local laws applicable to this Security Instrument shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Security Instrument. 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, and to this end the provisions of this Security Instrument and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Security Instrument at the time of execution or after recordation hereof.

14. 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 default and election to sell as provided in section 15 of this Security Instrument.

15. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Security Instrument, including the covenants to pay when due any sums secured by this Security Instrument, Lender prior to acceleration shall serve, or cause to be served, on Borrower, and any other person entitled to receive such notice of default and election to sell (the "Notice"). Lender will serve and record the Notice as required by law. The Notice shall specify (1) the deficiency in performance on payments; (2) the action required to cure such breach; (3) a date, not less than 35 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) notice of Lender's intent to declare the entire unpaid balance secured by this Security Instrument due if such breach is not cured on or before the date specified in the Notice, and (5) failure to cure breach on or before the date specified in the Notice may result in foreclosure by judicial proceeding or advertisement and sale of the property.

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If the breach is not cured on or before the date specified in the Notice, Lender, at Lender's option may declare all of the sums secured by this Security Instrument to be immediately due and payable without further demand and may foreclose this Security Instrument by judicial proceeding or invoke the power of sale hereby granted and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstract and title reports. If Lender invokes the power of sale, Lender will cause the Trustee to give notice of the time and place of the sale in such matter and for such period of time as required by applicable law. The Trustee, without demand on Borrower, shall sell the property in accordance with applicable law in one or more parcels and in any order Trustee determines. Trustee may postpone the 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.

16. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Security Instrument due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Security Instrument discontinued at any time prior to sale of the Property or entry of a judgment enforcing this Security Instrument if: (a) Borrower pays Lender all sums which would then be due under this Security Instrument and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Security Instrument; (c) Borrower pays all reasonable attorneys' fees and court costs; and (d) Borrower takes such action Lender may reasonably require to assure that the lien of this Security Instrument, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unimpaired. Upon such payment and cure by Borrower, this Security Instrument and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 15 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 15 hereof 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. All 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. Lender and the receiver shall be liable to account only for those rents actually received.

18. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. 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 for normal residential uses and for maintenance of the Property.

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 Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by

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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 necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 18, "Hazardous Substances" are those substances defined as toxic or 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 18, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

19. 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 to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and Trustee reconveyance fee.

20. Substitute Trustee. Lender, at its option, 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 in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, and the book and page where this Security Instrument 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.

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.

[Signature] (Seal)
Philip D. O'Brien -Borrower

[Signature] (Seal)
Karen R. O'Brien -Borrower

(Print Name)

(Seal)
-Borrower

(Print Name)

(Seal)
-Borrower

(Print Name)

(Print Name)

ACKNOWLEDGMENT

STATE OF NEVADA
COUNTY OF Washoe

On this 8th day of February, 1996, personally appeared before me, the undersigned, a notary public in and for the County and State aforesaid, Philip D O'Brien, Karen R. O'Brien known to me to be the person(s) described in and who executed the within and foregoing instrument, and who acknowledged to me that (s)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 5250 S. Virginia Street #311, Reno NV in said county of Washoe, the day and year in this Certification first above written.

My Commission Expires: 2/23/98

[Signature]
Notary Public
County of Washoe, State of Nevada



SCHEDULE A TO DEED OF TRUST

Dated: February 8, 1996

Mortgagor: Philip D. O'Brien and Karen R. O'Brien , husband and wife

Mortgagee: TMS Mortgage Inc., DBA The Money Store

The land referred to herein is situated in the State of Nevada,
County of Douglas,, described as follows:

Being a portion of the Southeast 1/4 Section 24, Township 12
North, Range 20 East, M.D.B.&M., and further being a portion of
Lot 1, as shown on the AMENDED PLAT OF RUHENSTROTH RANCHOS
SUBDIVISION, filed for record in the office of the County
Recorder of Douglas County, Nevada, on March 11, 1976, as
Document No. 88873, more particularly described as follows, to
wit:

Parcel C as set forth upon that Parcel Map for F.J. McCann
recorded March 14, 1977, in Book 377 of Official Records at Page
552, Douglas County, Nevada, as Document No. 07529.

Assessors Parcel No. 29-512-09

Said Premises Known as: 1976 Palomino Lane
Gardnerville, Nevada 89410

BEING the same premises conveyed to the mortgagor by deed dated
, filed , in the Office of the
of the County of in Book , page .

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BK0296PG2154

COPY

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 FEB 13 P3:08

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BK0296PG2155

LINDA SLATER
RECORDER
\$ 13.00 PAID *k* DEPUTY