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**DEED OF TRUST
AVONDALE PRIME LOAN
(Nevada)**

This Deed of Trust ("*Deed of Trust*") is given this 17TH day of April, 1997, by the Grantor, EDWARD W DOWNER and MARIANNE K DOWNER, HUSBAND AND WIFE AS JOINT TENANTS

(herein "*Borrower*"), to WESTERN TITLE

, as Trustee, in trust with power of sale in favor of the Beneficiary (herein "*Lender*"), Avondale Federal Savings Bank, its successors and/or assigns, a federally chartered savings bank, whose address is 800 Roosevelt Road, Building E, Suite 300, Glen Ellyn, Illinois 60137.

WHEREAS, Borrower and Lender have entered into an Avondale Prime Loan Agreement and Disclosure Statement (the "*Agreement*") dated the same date as this Deed of Trust, pursuant to which Borrower may from time to time borrow from Lender sums which shall not in the aggregate outstanding principal balance exceed \$ 50,000.00 (the "*Maximum Credit Line*") plus interest (finance charges) on the sums borrowed pursuant to the Agreement, payable at the rates and at the times provided for in the Agreement. As provided in the Agreement on or after April 1, 2007 (the "*Expiration Date*") all sums outstanding under the Agreement may be declared due and payable, together with interest thereon, unless Lender agrees to extend such Expiration Date. In any event, all amounts borrowed under the Agreement plus interest thereon must be repaid by April 1, 2007 (the "*Final Maturity Date*").

TO SECURE to Lender the repayment of the indebtedness incurred pursuant to the Agreement, (including, without limitation, such future advances as are described in paragraph 16 hereof) with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust, and the performance of the covenants and agreements of Borrower contained herein and in the Agreement, Borrower does hereby grant and convey to the Trustee, in trust with power of sale, the following described property located in the County of DOUGLAS, State of Nevada:

Legal Description: See Exhibit "A" Attached

Which has the address of 1267 BRIDAL WAY, MINDEN, NV 89423
(herein "*Property Address*");

Bridle
E.D.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing,

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Initials:

E.D. [Signature]

together with said property (or leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property."

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered with the exception of those items, if any, listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property or of record on the date hereof, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any mortgages, encumbrances, declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property or of record on the date hereof.

COVENANTS

Borrower and Lender covenant and agree as follows:

1. *Payment of Principal and Interest.* Borrower shall promptly pay when due without setoff, recoupment or deduction, the principal of and interest on the indebtedness incurred pursuant to the Agreement (including future advances), together with any fees and charges as provided in the Agreement.

2. *Application of Payments.* Unless applicable law provides otherwise, all payments received by Lender under the Agreement and paragraph 1 hereof shall be applied by Lender first in payment of any advance made by Lender pursuant to this Deed of Trust, then to fees and charges and interest payable pursuant to the Agreement, then to the principal amounts outstanding under the Agreement.

3. *Charges; Liens.* Borrower shall promptly 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 Deed of Trust, and leasehold payments or ground rents, if any, including all payments due under any mortgage disclosed by any title insurance policy insuring Lender's interest in the Property or of record on the date hereof. Borrower shall, promptly furnish to Lender all notices of amounts due under this paragraph and receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust, except for the lien of any mortgage disclosed by any title insurance policy insuring Lender's interest in the Property; or of record on the date hereof; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

4. *Hazard Insurance.* Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust and any other mortgage on the Property.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval of Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in a timely manner when due.

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

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to 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

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and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payments due under the Agreement, or change the amount of such payment. If under paragraph 17 hereof the Property is acquired by Lender, all rights, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

5. *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 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. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

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 proceedings is commenced which materially affects Lender's interest in the Property, including, but not limited to, any proceeding brought by or on behalf of a prior mortgagee, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Agreement. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. *Inspection.* Lender or its agents 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 therefor 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. In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower.

If the Property is abandoned by Borrower, or if after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date of such notice mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment due under the Agreement or this Deed of Trust or change the amount of such payment.

9. *Borrower Not Released.* Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust or any other term of the Agreement or 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 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 any term of the Agreement or this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. *Forbearance by Lender not a Waiver.* Any forbearance by Lender in exercising any right or remedy under the Agreement or hereunder, or otherwise afforded by applicable law, shall not be a waiver of or

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preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

11. *Remedies Cumulative.* All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. *Successors and Assigns Bound; Joint and Several Liability; Captions.* The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

13. *Notice.* Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by regular, first class mail, addressed to Borrower at the Property Address 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 certified mail, return receipt requested 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 Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. *Governing Law; Severability.* This Deed of Trust shall be governed by applicable federal law and the law of the State of Nevada. 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 provisions, and to this end the provisions of the Deed of Trust and the Agreement are declared to be severable.

15. *Borrower's Copy.* Borrower shall be furnished a conformed copy of the Agreement and of this Deed of Trust at the time of execution or after recordation hereof.

16. *Revolving Credit Loan.* This Deed of Trust is given to secure a revolving credit loan, and shall secure not only presently existing indebtedness under the Agreement but also future advances, whether such advances are obligatory or made at the option of the Lender, or otherwise, to the Expiration Date or as may be extended by Lender provided that in no event shall the Expiration Date be extended beyond 20 years from the date hereof, (and nothing herein obligates Lender to grant any such extension) and any amounts (including by extension) shall apply to the same extent as if such future advances were made on the date of the execution of this Deed of Trust, although there may be no advance made at the time of execution of this Deed of Trust and although there may be no indebtedness secured hereby outstanding at the time any advance is made. The lien of this Deed of Trust shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby (including disbursements which the Lender may make under this Deed of Trust, the Agreement, or any other document with respect thereto) at any one time outstanding shall not exceed one hundred fifty percent of the Maximum Credit Line, plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Deed of Trust shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property, to the extent of the maximum amount secured hereby.

17. *Termination and Acceleration.* Lender at its option may terminate the availability of loans under the Agreement, declare all amounts owed by Borrower to Lender under the Agreement to be immediately due and payable, and enforce its rights under this Deed of Trust if (a) Borrower fails to make any payment due under the Agreement secured by this Deed of Trust, (b) Borrower acts or fails to act in a way that adversely affects any of the Lender's security for the indebtedness secured by this Deed of Trust, or any right of the Lender in the Property or other security for the indebtedness secured by this Deed of Trust, or (c) any application, signature, information or statement furnished by Borrower to the Lender or to others in connection with the transactions contemplated by the Agreement is found to be materially false. The Lender's security shall be presumed to be adversely affected if (a) all or any part of the Property or an interest therein is sold, transferred, encumbered, or conveyed by Borrower without Lender's prior written consent, excluding the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) Borrower fails to comply with any covenant or agreement in this Deed of

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Trust or the Agreement. If it becomes necessary to enforce or foreclose this Deed of Trust including by judicial proceeding, Lender shall be entitled to collect all expenses of collection, enforcement and foreclosure, including but not limited to reasonable attorneys' fees, court costs and costs of documentary evidence abstracts and title reports.

18. *Assignment of Rents; Appointment of Receiver; Lender in Possession.* As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 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 17 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, 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 Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

19. *Release.* Upon payment of all sums secured by this Deed of Trust and termination of the Agreement, Lender shall release this Deed of Trust without charge to Borrower. Lender shall pay all costs of recordation, if any. To the full extent allowed by the provisions of applicable law, Borrower hereby waives any and all rights of redemption from sale under any order of foreclosure of this Deed of Trust on behalf of the Borrower, the Borrower's estate and all persons beneficially interested therein.

20. *Waiver of Homestead.* Borrower hereby waives all rights of homestead exemption in the Property.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust

Edward W. Downer
EDWARD W DOWNER

Marianne K. Downer
MARIANNE K DOWNER

STATE OF Nevada)
COUNTY OF Douglas) SS

I, JANICE K. CONDON, a Notary Public in and for said County, personally certify that the above named persons, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 17th day of April 1997.

Janice K. Condon
Notary Public

My Commission Expires: 2-2-2001

This Instrument Prepared by and should be returned to:
Avondale Federal Savings Bank
800 Roosevelt Road, Building E, Suite 300
Glen Ellyn, IL 60137



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PLANNED UNIT DEVELOPMENT RIDER

17TH

April

1997

THIS PLANNED UNIT DEVELOPMENT RIDER is made this _____ day of _____, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the AVONDALE FEDERAL SAVINGS BANK Borrower's Note to

_____ (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 1267 BRIDAL WAY, MINDEN, NV 89423

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration"). The Property is a part of a planned unit development known as:

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the Homeowners Association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

- (i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and
- (ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

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C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

- (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;
- (iii) termination of professional management and assumption of self-management of the Owners Association; or
- (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of this Planned Unit Development Rider.

EDWARD W DOWNER

Edward W. Downer

(Seal)
-Borrower

MARIANNE K DOWNER

Marianne K Downer

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]

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

Form 3150 9/90

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ITEM 1622L2 (9612)

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GREATLAND ■
To Order Call: 1-800-530-9393 □ Fax 616-791-1131

LINDA SLATER
RECORDER
\$13⁰⁰ PAID: *K2* DEPUTY

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