



and any amounts advanced by you under the terms of the section of this Deed of Trust entitled "Our Authority To You." Loans under the Note may be made, repaid and remade from time to time in accordance with the terms of the Note and subject to the Credit Limit set forth in the Note.

**OWNERSHIP:** We are the sole owner(s) of the Premises. We have the legal right to mortgage, grant and convey the Premises to the Trustee.

**BORROWER'S IMPORTANT OBLIGATIONS:**

(a) **TAXES:** We will pay all real estate taxes, assessments, water charges and sewer rents relating to the Premises when they become due. We will not claim any credit on, or make deduction from, the loan under the Note because we pay these taxes and charges. We will provide you with proof of payment upon request.

(b) **MAINTENANCE:** We will maintain the building(s) on the Premises in good condition. We will not make major changes in the building(s) except for normal repairs. We will not tear down any of the building(s) on the Premises without first getting your consent. We will not use the Premises illegally. If this Deed of Trust is on a unit in a condominium or a planned unit development, we shall perform all of our 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.

(c) **INSURANCE:** We will keep the building(s) on the Premises insured at all times against loss by fire, flood and any other hazards you may specify. We may choose the insurance company, but our choice is subject to your reasonable approval. The policies must be for at least the amounts and the time periods that you specify. We will deliver to you upon your request the policies or other proof of the insurance. The policies must name you as "mortgagee" and "loss-payee" so that you will receive payment on all insurance claims, to the extent of your interest under this Deed of Trust, before we do. The insurance policies must also provide that you be given not less than 10 days prior written notice of any cancellation or reduction in coverage, for any reason. Upon request, we shall deliver the policies, certificates or other evidence of insurance to you. In the event of loss or damage to the Premises, we will immediately notify you in writing and file a proof of loss with the insurer. You may file a proof of loss on our behalf if we fail or refuse to do so. You may also sign our name to any check, draft or other order for the payment of insurance proceeds in the event of loss or damage to the Premises. If you receive payment of a claim, you will have the right to choose to use the money either to repair the Premises or to reduce the amount owing on the Note.

(d) **CONDEMNATION:** We assign to you the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or part thereof, or for conveyance in lieu of condemnation, all of which shall be paid to you, subject to the terms of any Prior Deed of Trust.

(e) **SECURITY INTEREST:** We will join with you in signing and filing documents and, at our expense, in doing whatever you believe is necessary to perfect and continue the perfection of your lien and security interest in the Premises.

(f) **OUR AUTHORITY TO YOU:** If we fail to perform our obligations under this Deed of Trust, you may, if you choose, perform our obligations and pay such costs and expenses. You will add the amounts you advance to the sums owing on the Note, on which you will charge interest at the interest rate set forth in the Note. If, for example, we fail to honor our promises to maintain insurance in effect, or to pay filing fees, taxes or the costs necessary to keep the Premises in good condition and repair or to perform any of our other agreements with you, you may, if you choose, advance any sums to satisfy any of our agreements with you and charge us interest on such advances at the interest rate set forth in the Note. This Deed of Trust secures all such advances. Your payments on our behalf will not cure our failure to perform our promises in this Deed of Trust. Any replacement insurance that you obtain to cover loss or damages to the Premises may be limited to the amount owing on the Note plus the amount of any Prior Deeds of Trust.

(g) **PRIOR DEED OF TRUST:** If the provisions of this paragraph are completed, this Deed of Trust is subject and subordinate to a prior deed of trust dated 04/30/94 and given by us for the benefit of CAPSTEAD MORTGAGE as beneficiary, in the original amount of \$ 140,600.00 (the "Prior Deed of Trust"). We shall not increase, amend or modify the Prior Deed of Trust without your prior written consent and shall upon receipt of any written notice from the holder of the Prior Deed of Trust promptly deliver a copy of such notice to you. We shall pay and perform all of our obligations under the Prior Deed of Trust as and when required under the Prior Deed of Trust.

(h) **HAZARDOUS SUBSTANCES:** We shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Premises. We shall not do, nor allow anyone else to do, anything affecting the Premises that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Premises of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Premises. As used in this paragraph, "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, "Environmental Law" means federal laws and laws of the jurisdiction where the Premises are located that relate to health, safety or environmental protection.

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(i) **SALE OF PREMISES:** We will not sell, transfer ownership of, mortgage or otherwise dispose of our interest in the Premises, in whole or in part, or permit any other lien or claim against the Premises without your prior written consent.

(j) **DUE-ON-SALE:** In the event that we, or any successor to our interest in the Premises, sells or contracts to sell or transfers any interest in the Premises, either voluntarily or involuntarily, at your option, you may declare the full amount owed under the Note and secured by this Deed of Trust immediately due and payable even though the time for maturity as expressed in the Note may not have arrived.

(k) **INSPECTION:** We will permit you to inspect the Premises at any reasonable time.

**NO LOSS OF RIGHTS:** The Note and this Deed of Trust may be negotiated or assigned by you without releasing us or the Premises. You may add or release any person or property obligated under the Note and this Deed of Trust without losing your rights in the Premises.

**DEFAULT; ACCELERATION:** Except as may be prohibited by applicable law, and subject to any advance notice and cure period if required by applicable law, if any event or condition described in Paragraph 12.A of the Note occurs, you may declare all amounts secured by this Deed of Trust immediately due and payable and the Trustee may foreclose upon this Deed of Trust or sell the Premises at a public sale. This means that you or the Trustee may arrange for the Premises to be sold, as provided by law, in order to pay off what we owe on the Note and under this Deed of Trust. If the money you receive from the sale is not enough to pay off what we owe you, we will still owe you the difference which you may seek to collect from us in accordance with applicable law. In addition, you or the Trustee may, in accordance with applicable law, (i) enter on and take possession of the Premises; (ii) collect the rental payments, including over-due rental payments, directly from tenants; (iii) manage the Premises; and (iv) sign, cancel and change leases. We agree that the interest rate set forth in the Note will continue before and after a default, entry of a judgment and foreclosure or public sale. In addition, you shall be entitled to collect all reasonable fees and costs actually incurred by you in proceeding to foreclosure or to public sale, including, but not limited to, trustee's fees, reasonable attorneys fees and costs of documentary evidence, abstracts and title reports.

**ABSOLUTE ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER:** We hereby unconditionally assign to you the rents of the Premises. Nevertheless, you will allow us to use the rents, if any, until such time as any event or condition of default as described in Paragraph 12.A of the Note occurs. You or a receiver appointed by the courts shall be entitled to enter upon, take possession of and manage the Premises and collect the rents of the Premises including those past due.

**WAIVERS:** To the extent permitted by applicable law, we waive and release any error or defects in proceedings to enforce this Deed of Trust and hereby waive the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale and homestead exemption.

**BINDING EFFECT:** Each of us shall be fully responsible for all of the promises and agreements in this Deed of Trust. Until the Note has been paid in full and your obligation to make further advances under the Note has been terminated, the provisions of this Deed of Trust will be binding on us, our legal representatives, our heirs and all future owners of the Premises. This Deed of Trust is for your benefit and for the benefit of anyone to whom you may assign it. Upon payment in full of all amounts owing to you under the Note and this Deed of Trust, and provided any obligation to make further advances under the Note has terminated, this Deed of Trust and your rights in the Premises shall end.

**NOTICE:** Except for any notice required under applicable law to be given in another manner, (a) any notice to us provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by regular first class mail addressed to us at the last address appearing in your records or at such other address as we may designate by notice to you as provided herein, and (b) any notice to you shall be given by certified mail, return receipt requested, to your address at

COUNTRYWIDE HOME LOANS, INC.  
155 N. LAKE AVENUE, PASADENA, CA 91109

or to such other address as you may designate by notice to us. Any notice provided for in this Deed of Trust shall be deemed to have been given to us or you when given in the manner designated herein.

**RELEASE:** Upon payment of all sums secured by this Deed of Trust and provided your obligation to make further advances under the Note has terminated, the Trustee shall discharge this Deed of Trust without charge to us, except that we shall pay any fees for recording of a satisfaction of this Deed of Trust.

**GENERAL:** You or the Trustee can waive or delay enforcing any of your rights under this Deed of Trust without losing them. Any waiver by you of any provisions of this Deed of Trust will not be a waiver of that or any other provision on any other occasion.

**TRUSTEE:** Trustee accepts the trusts herein created when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee, by its acceptance hereof, agrees to perform and fulfill the trusts herein created, and shall be liable only for its negligence or misconduct. The Trustee waives any statutory fee and agrees to accept reasonable compensation from Grantor for any services rendered by it in accordance with the terms of this Deed of Trust. Upon receipt by Trustee of instructions from Beneficiary at any time or from time to time, Trustee shall (a) give any notice or direction or exercise any right, remedy or power hereunder or in respect of the Premises as shall be specified in such instructions, and (b) approve as satisfactory all matters required by the terms hereof to be satisfactory to Trustee or Beneficiary. Trustee may, but need not, take any of such actions in the absence of such instructions. Trustee may resign at any time upon giving of not less than 30 days' prior notice to Beneficiary, but will continue to act as trustee until its successor shall have been chosen and qualified. In the event of the death,

removal, resignation, or refusal or inability to act of Trustee, Beneficiary shall have the irrevocable power, with or without cause, without notice of any kind, without specifying any reason therefor, and without applying to any court, to select and appoint a successor trustee by filing a deed or other instrument of appointment for record in each office in which this Deed of Trust is recorded, and upon such recordation the successor trustee shall become vested with the same powers, rights, duties and authority of the Trustee with the same effect as if originally made Trustee hereunder. Such successor shall not be required to give bond for the faithful performance of its duties unless required by Beneficiary.

THIS DEED OF TRUST has been signed by each of us under seal on the date first above written.

WITNESS:

\_\_\_\_\_  
Grantor: Robert Kenneth Crystando (SEAL)  
Grantor: ROBERT KENNETH CRISTANDO

\_\_\_\_\_  
Grantor: Stana Crystando (SEAL)  
Grantor: STANA CRISTANDO

\_\_\_\_\_  
Grantor: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
Grantor: \_\_\_\_\_ (SEAL)

STATE OF NEVADA *California*  
COUNTY OF *El Dorado*

This instrument was acknowledged before me on 5-23-97 by

Robert Kenneth Crystando + Stana Crystando



[Signature]  
My Commission Expires: 5/3/99

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**WHEN RECORDED MAIL TO:**  
COUNTRYWIDE HOME LOANS, I  
MSN SV-79 / DOCUMENT  
CONTROL DEPT.  
P.O. BOX 10266  
VAN NUYS, CA 91410-0266

SPACE ABOVE FOR RECORDERS USE

PARCEL ID #:  
07-324-03  
Prepared by:  
K. MILLER  
COUNTRYWIDE HOME LOANS, INC.  
5087 S. MCCARRAN BLVD.  
RENO NV  
89502-

LOAN #: 5552719

ESCROW/CLOSING #:  
S61894D0

## FIXED RATE CONVERSION RIDER HOME EQUITY LINE OF CREDIT

THIS FIXED RATE CONVERSION RIDER is made this 20th day of May, 1997, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed or comparable security instrument (the "Security Instrument") bearing the same date as this Rider and given by the undersigned (the "Borrower") to secure Borrower's Home Equity Credit Line ("Account") extended to Borrower by

COUNTRYWIDE HOME LOANS, INC. ("Lender") pursuant to the Home Equity Credit Line and Disclosure Agreement (the "Credit Agreement" or "Note") of the same date and covering the Property described in the Security

CONV  
● HELOC - Conversion Option/Fixed Rate Rider  
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Initials: 


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Instrument and located at:  
 429 EDGEWOOD DRIVE  
 STATELINE NV, 89449

1. The Credit Agreement has been modified by means of an Addendum to provide the Borrower with the option to convert the interest rate on Borrower's variable-rate revolving line of credit to a fixed rate of interest provided that the conditions stated in the Addendum to the Credit Agreement have been met. If the Borrower exercises the Conversion Option, effective as of the Conversion Date, the Borrower will no longer be able to take additional advances, the fifteen-year period during which the Borrower is required to repay the outstanding balance of the Account (the "repayment period") will begin, the interest rate will be converted from a variable rate based on the prime rate to a fixed rate, and the Borrower's monthly payments during the repayment period will be equal to substantially equal amounts necessary to pay off the balance, together with any accrued interest, in full within fifteen years on a self-amortizing basis.

2. If the Borrower exercises the Conversion Option, the Daily Periodic Rate applicable to the account as of the Conversion Date will be equal to the corresponding ANNUAL PERCENTAGE RATE divided by 365 (or 366 in a leap year). The corresponding ANNUAL PERCENTAGE RATE will be equal to THE YIELD ON THE THREE YEAR TREASURY NOTE, AS PUBLISHED BY THE RESERVE BOARD IN H.15. (the "fixed rate index") plus FOUR & SEVEN-EIGHTHS percentage points ( 4.875 %) rounded to the nearest one-eighth of one percentage point (0.125%). If the interest rate that results from this calculation is less than 11.375 %, the ANNUAL PERCENTAGE RATE will be 11.375 % if the Borrower elects to exercise the Conversion Option. If the fixed-rate index is not available, the Lender will choose, in its discretion, a substitute index that is comparable, and notify Borrower of the substitute index which will thereafter be the fixed-rate index. The ANNUAL PERCENTAGE RATE will never be less than 11.375 % or exceed the maximum ANNUAL PERCENTAGE RATE stated in the Credit Agreement or the maximum permitted by state law, whichever is less or be less than 11.375 %.

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3. In order to exercise the Conversion Option, Borrower must give Lender written notice between 30 and 60 days prior to the intended Conversion Date. The Conversion Option permits Borrower to select the effective Conversion Date as the first day of any month during the period from the first through the tenth annual anniversary dates of the execution of the Credit Agreement. The outstanding principal balance as of the Conversion Date cannot be less than \$15,000 or greater than the credit limit specified in the Credit Agreement. On the Conversion Date, Borrower must not be in default under the Credit Agreement or the Security Agreement or the Account be subject to non-renewal of the draw period, or suspension, termination or acceleration under the terms of the Credit Agreement.

6. The Security Instrument is hereby amended to provide that to the extent it gives the Lender the option to require immediate payment in full of all sums secured by the Security Instrument 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, such option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of the Security Instrument.

Initials: ek (Signature)

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LOAN #: 5552719

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed Rate Conversion Rider.

Robert Kenneth Cristando (Seal)  
ROBERT KENNETH CRISTANDO -Borrower

Stana Cristando (Seal)  
STANA CRISTANDO -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

CONV  
● HELOC - Conversion Option/Fixed Rate Rider  
1C9844US (11/96)

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

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LINDA SLATER  
RECORDER  
\$1400 PAID k2 DEPUTY