

L.P.N. 1420-33-610-008
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
WORLD SAVINGS
ASSUMPTION DEPARTMENT
4101 WISEMAN BLVD BLDG 106
SAN ANTONIO, TX 78251-4201

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 MAR -8 AM 10: 54

WERNER CHRISTEN
RECORDER

\$31⁵⁰ PAID Kg DEPUTY

LOAN NUMBER: 0020118287

ASSESSOR'S PARCEL NUMBER:

030203711

RECORDER'S USE ONLY

ASSUMPTION AGREEMENT, RELEASE OF SELLER AND
MODIFICATION OF NOTE AND DEED OF TRUST

THIS LOAN HAS AN ADJUSTABLE RATE AND PAYMENT FEATURE
WITH NEGATIVE AMORTIZATION (DEFERRED INTEREST).

This Assumption Agreement, Release of Seller and Modification of Note and
DEED OF TRUST * * * * * (the "Agreement") is made and entered into as of this
13TH day of FEBRUARY, 2004 * by and among JANICE CASEY, AN
UNMARRIED WOMAN, AND SCOTT KERKOVE, AN UNMARRIED MAN, AND
LINDSAY DUGAS, AN UNMARRIED WOMAN

("Seller"), SCOTT KERKOVE, AN UNMARRIED MAN, AND LINDSAY DUGAS, AN
UNMARRIED WOMAN, AND LEE DUGAS AND KAREN DUGAS, HUSBAND AND
WIFE

("Buyer") and WORLD SAVINGS BANK, FSB, * * * * *
* * * * *
* * * * * ITS SUCCESSORS AND/OR
ASSIGNEES ("Lender"), with reference to the following facts:



* 1 0 9 *

LENDER'S USE ONLY

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A. There is presently owing to Lender an indebtedness evidenced by that certain promissory note dated JUNE 27, 2003 * * * * *, executed by Seller in favor of Lender, in the original principal sum of U.S. \$223,200.00 * * * * *, together with any riders attached thereto or modifications thereof (hereinafter called the "Note").

B. The Note is secured by that certain Deed of Trust dated JUNE 27, 2003 * * * * * executed by Seller as t r u s t o r , in which the beneficiary is Lender, and the trustee is GOLDEN WEST SAVINGS ASSOCIATION SERVICE CO., A CALIFORNIA CORPORATION * * * * * ("Trustee"), together with any riders attached thereto or modifications thereof (hereinafter called the "Security Instrument"). The Security Instrument was recorded on JULY 01, 2003 * * * * * in the State of NEVADA * * * * * , County of DOUGLAS , as Instrument No.: 0582224 , Book No.: 0703 , Page No.: 00252 .

C. Seller has sold, transferred or conveyed (or is about to sell, transfer or convey) to Buyer all of Seller's right, title and interest in and to the property described in the Security Instrument (the "Property"). In connection therewith, Buyer desires to assume the obligations evidenced by the Note and Security Instrument, both as modified by this Agreement, and both Seller and Buyer have requested that Lender release Seller from any and all further liability on the Note and Security Instrument.

NOW, THEREFORE, the parties hereto agree as follows:

1. As of the date hereof, the parties agree that all MONTHLY installments payable under the Note and all other amounts payable under the Note and Security Instrument on and after MARCH 15, 2004 * * * are unpaid; that the unpaid principal balance on the Note is U.S. \$221,184.88 * * * ; that interest on the unpaid principal balance is paid to FEBRUARY 15, 2004 * * * ; and that the total amount owing on the Note and the Security Instrument (including the unpaid principal balance, accrued but unpaid interest and any other outstanding amounts such as late charges or escrow arrearages) is U.S. \$225,705.88 .

2. Notwithstanding anything to the contrary in the Note, the Security Instrument or the Related Loan Instruments (as hereafter defined), Buyer agrees to the following:

(a) Upon the delivery of this Agreement to Lender, signed by Seller and Buyer, Buyer shall pay to Lender the sum of U.S. \$ 0.00 * * * * * , as an Assumption and Modification Fee, plus such other amount that may be required to bring current, at the time of assumption, the obligations under the Note and Security Instrument.

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(b) As of the date of this Agreement, interest on the unpaid principal balance of the Note shall be due and payable at the rate of **4.551 %** per year. This rate represents the interest rate in effect under the terms of the Note as of the date of this Agreement shown above, and is subject to change according to the terms of the Note.

(c) Buyer's payments of principal and interest shall be due and payable in accordance with the terms of the Note. Buyer's first **MONTHLY** * payment of principal and interest shall be due and payable on **MARCH 15, 2004** * * * in the amount of U.S. **\$819.43** * * * *. Buyer's payment amount is subject to change according to the terms of the Note.

(d) The maximum interest rate payable at any time during the remaining life of the loan (the "Lifetime Rate Cap") is **11.950 %** per year.

3. Buyer acknowledges receipt of a copy of the Note, the Security Instrument and all other agreements and instruments related to them (the "Related Loan Instruments") which evidence the obligations being assumed by Buyer through this Agreement; and Buyer expressly agrees to assume the obligations of, and be bound by all the terms and conditions in, the Note, the Security Instrument and the Related Loan Instruments, as modified by this Agreement.

4. The parties hereto, and each of them, expressly warrant and represent that they have read, analyzed and had the opportunity to consult with advisors that they deem appropriate, such as legal counsel, regarding the effect and import of the terms and conditions of the Note, the Security Instrument, the Related Loan Instruments and this Agreement, and understand the content and effect of such instruments.

5. This Agreement will not become effective unless and until this Agreement is signed by Buyer, Seller and Lender, and Buyer has paid the sum required by Section 2(a). Upon this Agreement becoming effective, Lender hereby:

(a) Releases Seller from any and all further liability under the Note and Security Instrument;

(b) Waives its right to accelerate the entire unpaid balance of the Note by reason of the transfer to Buyer of the Property, but such waiver shall not be deemed to be a waiver with regard to future sales, transfers, conveyances or other transactions.

6. In consideration of Lender's release and waiver, Buyer agrees:

(a) To assume and pay the indebtedness evidenced by the Note at the times, in the manner, and in all respects provided in the Note, as modified by this Agreement;

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(b) To perform each and all the obligations provided in the Security Instrument at the times, in the manner, and in all respects provided in the Security Instrument, as modified by this Agreement; and

(c) To be bound by each and every provision of the Note, the Security Instrument, and the Related Loan Instruments, all as modified by this Agreement, as though each of them were originally made, executed and delivered by Buyer.

7. The Property shall remain subject to the lien, charge or encumbrance of the Security Instrument, and nothing herein contained or done pursuant hereto shall affect or be construed to affect the lien, charge or encumbrance of the Security Instrument, or the priority thereof over other liens, charges or encumbrances, or, except as herein otherwise expressly provided, to release or affect the liability of any party or parties who may now or hereafter be liable under or on account of the Note, the Security Instrument, and/or any Related Loan Instruments.

8. Buyer agrees that a default under the Security Instrument, as herein modified and amended, shall occur in any of the following events: (i) Buyer fails to pay when due any amount due under the Note, as modified by this Agreement, or otherwise fails to perform any obligation or agreement of Buyer set forth or incorporated in the Note or this Agreement; or (ii) Buyer fails to perform any obligation or agreement set forth or incorporated in or secured by the Security Instrument, as modified by this Agreement. In the event the Security Instrument that is being assumed pursuant to this Agreement is a Deed of Trust, the Trustee under the Security Instrument, upon presentation to it by the beneficiary of a written declaration of default under the terms of this paragraph, shall accept as true and conclusive all facts and statements in the declaration, and the existence of a default under the Security Instrument, and is authorized to act thereon.

9. The provisions of the Note, the Security Instrument and Related Loan Instruments shall remain in full force and effect, and shall remain unchanged except as herein expressly modified.

10. This Agreement, upon execution and satisfaction of the conditions contained herein, shall constitute the evidence of a loan from Lender to Buyer, which is made pursuant to, and shall be construed and governed by, the laws of the United States, including the federal laws, rules and regulations for federal savings institutions. If any paragraph, clause or provision of this Agreement is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so construed or interpreted and shall not affect the remaining paragraphs, clauses, and provisions of this Agreement.

11. Subject to Section 5(b) of this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective assigns, successors in interest, personal representatives, and heirs.

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12. In this Agreement, whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular. If this Agreement is executed by more than one individual, corporation, or other entity, the obligations of each such individual, corporation, or other entity hereunder shall be joint and several.

13. This Agreement contains the entire agreement of the parties hereto with respect to, and supersedes any prior written or oral agreements between them concerning, the assumption of the loan evidenced by the Note, the Security Instrument, and the Related Loan Instruments. There are no representations, agreements, arrangements or understandings, oral or written, between and among the parties hereto, relating to the subject matter hereof, which are not fully described herein.

IMPORTANT NOTICE:

THIS LOAN HAS AN ADJUSTABLE RATE AND PAYMENT FEATURE WITH POTENTIAL NEGATIVE AMORTIZATION (DEFERRED INTEREST). THE INTEREST RATE, PAYMENT AMOUNT AND PRINCIPAL BALANCE WILL ADJUST IN ACCORDANCE WITH THE TERMS OF THE NOTE.

THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS.

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LOAN NUMBER: 0020118287

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year, month and day first above written.

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BUYER(S):

Scott Kerkove (Seal)
SCOTT KERKOVE

Lindsay Dugas (Seal)
LINDSAY DUGAS

Lee Dugas (Seal)
LEE DUGAS

MAILING ADDRESS: 1329 SANDEN PLACE
MINDEN, NV 89423

Karen Dugas
Karen DUGAS
see attached notary acknowledgement certificates.

LOAN NUMBER: 0020118287

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year, month and day first above written.

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

BUYER(S):

Karen Dugas
KAREN DUGAS (Seal)

Lee DUGAS (Seal)

_____ (Seal)

MAILING ADDRESS: 1329 SANDEN PLACE
MINDEN, NV 89423

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LOAN NUMBER: 0020118287

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

SELLER(S):

Janice Casey (Seal)
JANICE CASEY

SCOTT KERKOVE (Seal)

LINDSAY DUGAS (Seal)

MAILING ADDRESS:

ATTACH INDIVIDUAL NOTARY ACKNOWLEDGEMENT

LENDER: WORLD SAVINGS

BY: _____ (Seal) ITS: _____

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ACKNOWLEDGMENT

STATE OF California
COUNTY OF Contra Costa

On Feb. 25, 2004, before me, the undersigned, a Notary Public in
and for said State personally appeared Karen Dugas and Lee Dugas

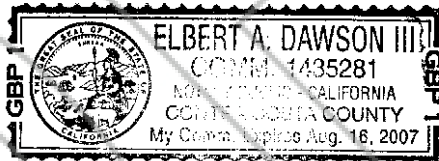
Personally known to me OR proved to me on the
basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorize
capacity (ies), and that by his/her/their signature(s), or
the entity upon behalf of which the person(s) acted,
executed the instrument.

Capacity Claimed by Signer:

Individual (s)
 Corporate Officer (s)

Witness my hand and official seal:

Elbert A. Dawson III
Signature of Notary



Elbert A. Dawson III
Name (Typed or Printed)

SEAL

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ACKNOWLEDGMENT

STATE OF Nevada
COUNTY OF Douglas

On 2-27-04, before me, the undersigned, a Notary Public in
and for said State personally appeared Scott Kerkove & Lindsay Dugas.

 Personally known to me OR proved to me on the
basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorize
capacity (ies), and that by his/her/their signature(s), or
the entity upon behalf of which the person(s) acted,
executed the instrument.

Capacity Claimed by Signer:

Individual (s)
 Corporate Officer (s)

Witness my hand and official seal:

Mary H. Kelsh
Signature of Notary

MARY H. KELSH
Name (Typed or Printed)



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ACKNOWLEDGMENT

STATE OF Nevada
COUNTY OF Carson City

On March 1, 2004, before me, the undersigned, a Notary Public in
and for said State personally appeared Janice Casey

 Personally known to me OR proved to me on the
basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorize
capacity (ies), and that by his/her/their signature(s), or
the entity upon behalf of which the person(s) acted,
executed the instrument.

Capacity Claimed by Signer:

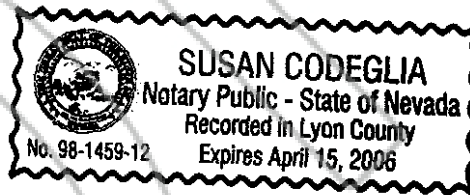
 X Individual (s)

 Corporate Officer (s)

Witness my hand and official seal:

Susan Codeglia
Signature of Notary

Susan Codeglia
Name (Typed or Printed)



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**EXHIBIT "A"
LEGAL DESCRIPTION**

Order No.: 030203711

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

Lot 8, Block 3, as shown on the Plat of Mountain View
Estates No. 2 recorded October 24, 1979, in Book 1079 of
Official Records, at Page 1962, Douglas County, Nevada, as
Document No. 38123.

Assessor's Parcel No. 1420-33-610-008.

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LOAN NUMBER: 0020118287

(PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS BELOW)

SELLER(S):

JANICE CASEY

(Seal)

SCOTT KERKOVE

(Seal)

LINDSAY DUGAS

(Seal)

MAILING ADDRESS:

ATTACH INDIVIDUAL NOTARY ACKNOWLEDGEMENT

LENDER: WORLD SAVINGS

BY:

Frankie Ortiz
FRANKIE ORTIZ

(Seal)

ITS:

Assistant Secretary

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ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF BEXAR

On 3-4-04, before me, the undersigned, a Notary Public in and for said State, personally appeared Frankie Ortiz.

Personally known to me OR proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is /are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorize capacity(ies), and that by his/her /their signature(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Capacity Claimed by signer

Individual(s)

Corporate Officer(s)

Witness my hand and official seal:

Natalie A. Jonkhout
Signature of Notary

Natalie A. Jonkhout
Name (typed or printed)



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LOAN NUMBER: 0020118287

FOR RECORDER'S USE ONLY

COPY

MAIL TAX STATEMENT TO: SCOTT KERKOVE
1329 SANDEN PLACE
MINDEN, NV 89423

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