

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Merrill Lynch Credit Corporation
2001 Bishops Gate Blvd.
Mt. Laurel, NJ 08054
Mailstop: SV60

Acct. No.: 6840243

PARCEL IDENTIFIER 1319-63-410-006
2121246GB

REQUESTED BY
FIRST AMERICAN TITLE CO.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 MAR 17 PM 12:47

WERNER CHRISTEN
RECORDER

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DEED OF TRUST AND ASSIGNMENT OF RENTS

THE PROVISIONS OF NRS 106.300 TO 106.400 SHALL GOVERN THIS DEED OF TRUST

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS, as the same may be renewed or extended ("*Deed of Trust*"), is dated as of March 12, 2004, and is an agreement AMONG TIMOTHY D. SMITH AND CHRISTINE SMITH, HUSBAND AND WIFE AS JOINT TENANTS as the grantors; Stewart Title of Nevada, whose street address is 3800 Howard Hughes Parkway, Suite 500, Las Vegas, Nevada 89109-0913, as the trustee; and Merrill Lynch Credit Corporation, a Delaware corporation, whose street address is 4802 Deer Lake Drive East, Jacksonville, Florida 32246-6484, as the beneficiary.

Throughout this Deed of Trust, the following words have the following meanings: "we", "us" and "our" refer to the person or any or all of the persons who sign this Deed of Trust; "Merrill Lynch" refers to Merrill Lynch Credit Corporation, the beneficiary, or anyone to whom this Deed of Trust is assigned; and "Trustee" refers to the trustee identified above, or any substitute trustee.

DESCRIPTION OF SECURITY

By signing this Deed of Trust, and in consideration of the indebtedness herein recited and the trust herein created, we irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the following described property:

Legal description attached hereto and made a part hereof.

This property has the address of 2433 Genoa Highlands Dr Genoa, Nevada 89411 and, together with the interests described below relating to this property, is called the "Property" in this Deed of Trust.

THIS INSTRUMENT IS BEING RECORDED AS AN
INDICATION ONLY. NO LIABILITY EXPRESS
OR IMPLIED, IS ASSUMED AS TO THE REGULARITY
OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY,
UPON TITLE TO ANY REAL PROPERTY DESCRIBED
THEREIN.

FIRST AMERICAN TITLE CO.

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In addition to granting and conveying to Trustee, in trust, with power of sale, the Property described above, we also grant and convey to Trustee, in trust, with power of sale, the following interests relating to that Property: (a) all buildings and other structures located on the Property; (b) all rights we may have in any roads and alleys next to the Property or in any minerals, oil and gas rights and profits, water, water rights, and water stock which are a part of the Property; (c) all rents and royalties from the Property and any proceeds from the condemnation of, or insurance payments concerning losses to, the Property; and (d) all fixtures now on the Property or later placed on the Property, including replacements of, and additions to, those fixtures. Our grant and conveyance to Trustee of the rights and interests described above includes all rights and interests which we now have or which we may acquire in the future. For example, if the security granted and conveyed to Trustee under this Deed of Trust is a leasehold estate, and we subsequently acquire fee title to the Property subject to the leasehold estate, the rights and interests granted and conveyed to Trustee by this Deed of Trust will include the fee title to the Property that we acquire.

OBLIGATIONS BEING SECURED

We have signed this Deed of Trust to secure (a) the payment to Merrill Lynch of a revolving line of credit debt in the amount of U.S. \$250,000.00, or so much of that debt as may be outstanding, plus all accrued interest, fees and other charges owed under the Merrill Lynch Equity Access® Agreement, as the same may be renewed or extended (*the "Agreement"*), relating to this Deed of Trust; (b) the payment of any amounts advanced by Merrill Lynch to protect the security of this Deed of Trust, with interest on those amounts; (c) the performance by the persons who signed the Agreement of their obligations under the Agreement; and (d) our performance of our obligations under this Deed of Trust. The Agreement and this Deed of Trust, taken together, are called the "Credit Documents." The term Agreement shall include all modifications, extensions, and renewals thereof. All sums owed under the Agreement become due and payable in full on March 12, 2014.

REPRESENTATIONS AND OBLIGATIONS CONCERNING THE PROPERTY

We promise that except for the "Exceptions" listed in any title insurance policy which insures Merrill Lynch's rights in the Property: (a) we lawfully own the Property; (b) we have the right to grant and convey the Property to Trustee; and (c) there are no outstanding claims or charges against the Property.

We give a general warranty of title to Merrill Lynch. This means that we will be fully responsible for any losses which Merrill Lynch suffers because someone other than us has some of the rights in the Property which we promise that we have. We promise that we will defend our ownership of the Property against any claims of such rights.

We further promise that we will neither take nor permit any action to partition or subdivide all or part of the Property, or change in any way the condition of title to all or part of the Property.

PROVISIONS OF THE AGREEMENT

We understand that the Agreement calls for a variable interest rate, and that Merrill Lynch may, prior to the end of the term of the Agreement and under certain circumstances specified in the Agreement, cancel its obligation to make future advances, and/or require accelerated repayment of the outstanding balance, under the Agreement. The Agreement provisions below relate to the variable interest rate.

The paragraph in the Agreement, entitled "Interest," provides, in part, as follows:

(a) **ANNUAL INTEREST RATE.** The annual interest rate applied to our Outstanding Principal Balance is calculated daily and equals the Prime Rate plus (0%).

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(b) **PRIME RATE.** The Prime Rate for any date is the "prime rate" published by The Wall Street Journal for that date. If a "prime rate" range is published by The Wall Street Journal, then the highest rate of that range will be used. If The Wall Street Journal does not publish a prime rate or a prime rate range for any date, then the prime rate or the highest rate of the prime rate range published by The Wall Street Journal for the most recent day within four (4) days prior to that date, for which The Wall Street Journal does publish a prime rate or a prime rate range, will be used.

If The Wall Street Journal fails to publish a prime rate or a prime rate range for any date or for any day within four (4) days prior to that date, Merrill Lynch will use a substitute index, to be determined at that time, that has an historical movement substantially similar to that of the prime rate published in The Wall Street Journal, and that would result in an annual percentage rate substantially similar to the rate in effect at the time the prime rate published in The Wall Street Journal becomes unavailable.

(c) **VARIABLE INTEREST RATE.** This Agreement provides that the annual interest rate will change when the Prime Rate changes, which means that an increase or decrease in the annual interest rate will take effect on the day the Prime Rate changes.

The maximum corresponding (nominal) ANNUAL PERCENTAGE RATE will not exceed 12.00 percent.

Decreases in the annual interest rate are mandatory as the Prime Rate decreases. We understand that we will not be provided with any advance notice of changes in the annual interest rate or the prime rate.

PROMISES AND AGREEMENTS

We agree with Merrill Lynch as follows:

1. Payment of Principal and Interest. Except as limited by paragraph 10 of this Deed of Trust, we shall promptly pay when required by the Agreement, the principal and interest due under the Agreement, together with any late charges and other charges imposed under the Agreement.

2. Application of Payments. Unless prohibited by law, all payments received by Merrill Lynch under the Agreement and this Deed of Trust shall be applied by Merrill Lynch first to reduce any sums outstanding under the line of credit secured by this Deed of Trust (*the "Account"*) which are in excess of the credit available under the Account, then in payment of the amounts payable to Merrill Lynch by us under paragraphs 6 and 25 of this Deed of Trust, then to charges payable under the Agreement (other than those specifically identified in this paragraph 2), then to interest, and then to the principal payable under the Agreement.

3. Prior Mortgages and Deeds of Trust; Charges; Liens. We shall fully and timely perform all of our obligations under any mortgage, deed of trust or other security agreement which is prior to this Deed of Trust, including our obligations to make any payments when due.

We shall pay or cause to be paid, at least ten (10) calendar days before delinquency, all taxes, assessments and other charges, fines and impositions relating to the Property and all encumbrances, charges, loans, and liens (other than any prior mortgage or deed of trust) on the Property which may become prior to this Deed of Trust, and leasehold payments or ground rents, if any. We shall deliver to Merrill Lynch, upon its request, receipts evidencing such payment. If, at the time Merrill Lynch elects to terminate the Account as provided in paragraph 15 below, there is an assessment which is payable in installments at our election or at the election of the lessee of the Property, that assessment will nevertheless be considered entirely due and payable on the day the first installment becomes due or payable or a lien.

4. Hazard Insurance. We shall, at our cost, keep the improvements now existing or later erected on the Property insured against loss by fire, by hazards included within the term "extended coverage," and by such other hazards (*collectively referred to as "Hazards"*) as Merrill Lynch may require. We shall maintain Hazard insurance for the entire term of the Agreement, or as long as Merrill Lynch may require, in an amount equal to the lesser of (a) the maximum insurable value of the Property or (b) the maximum amount of the Account plus the outstanding amount of any obligation prior to this Deed of Trust, but in no event shall such amounts be less than the amount necessary to satisfy the coinsurance requirement contained in the insurance policy.

We may choose the insurance company subject to approval by Merrill Lynch, provided that such approval may not be unreasonably withheld. All insurance policies, including renewals, must be in a form acceptable to Merrill Lynch and must include a standard mortgagee clause in favor of and in a form acceptable to Merrill Lynch. Merrill Lynch shall have the right to hold the policies and renewals, subject to the terms of any mortgage, deed of trust or other security agreement which is prior to this Deed of Trust. If we pay the premiums directly, we shall promptly furnish to Merrill Lynch all renewal notices and, if requested by Merrill Lynch, all receipts of paid premiums. If policies and renewals are held by any other person, we shall supply copies of them to Merrill Lynch within ten (10) calendar days after they are issued.

In the event of loss, we shall give prompt notice to the insurance company and Merrill Lynch. Merrill Lynch may make proof of loss if not made promptly by us.

Subject to the rights and terms of any mortgage, deed of trust or other security agreement which is prior to this Deed of Trust, the amounts collected by us or Merrill Lynch under any Hazard insurance policy may, at Merrill Lynch's sole discretion, either be applied to the sums secured by this Deed of Trust (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Merrill Lynch and us in this connection) and in whatever order Merrill Lynch may determine or be released to us for use in repairing or reconstructing the Property. Merrill Lynch has the authority to do any of the above. Regardless of any application or release by Merrill Lynch, as described above, this shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

If the Property is abandoned by us, or if we fail to respond to Merrill Lynch in writing within thirty (30) calendar days from the date notice is given to us by Merrill Lynch that the insurance company offers to settle a claim for insurance benefits, Merrill Lynch shall have the authority to settle the claim and to collect and apply the insurance proceeds at Merrill Lynch's sole option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

If the Property is acquired by Merrill Lynch, all of our right, title and interest in and to any insurance proceeds resulting from damage to the Property prior to such acquisition shall become the property of Merrill Lynch to the extent of the sums secured by this Deed of Trust immediately prior to such acquisition.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. We shall: (a) use, improve and maintain the Property in compliance with applicable laws, statutes, ordinances, orders, requirements, decrees or regulations; (b) keep the Property in good condition and repair, including the repair or restoration of any improvements on the Property which may be damaged or destroyed, and shall pay when due all claims for labor performed and materials furnished therefore; (c) not commit or permit waste or permit impairment or deterioration of the Property; and (d) fully and promptly 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 project or a planned unit development, we shall promptly perform all of our obligations under the declaration or covenants creating or governing the condominium project or planned unit development, and the by-laws, regulations and other documents of the condominium project or planned unit development, including any amendments. If a condominium or planned unit development rider is executed by us and recorded together with this Deed of Trust, the covenants and agreements of that rider shall become a part of this Deed of Trust as if the rider were included in this document itself.

6. Protection of Merrill Lynch's Security. We shall appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Merrill Lynch or Trustee under this Deed or Trust.

If we fail to do what is required of us in this Deed of Trust or the persons who sign the Agreement fail to do what is required of them under the Agreement, or if any action or proceeding is commenced naming Merrill Lynch as a party or affecting Merrill Lynch's interest in the Property or the rights or powers of Merrill Lynch or Trustee, then Merrill Lynch or Trustee without demand upon us but upon notice to us as provided in paragraph 11 below, may, without releasing us from any obligation under this Deed of Trust, do whatever Merrill Lynch or Trustee believes is necessary, including any disbursement of funds, to protect the security of this Deed of Trust.

If Merrill Lynch has required mortgage insurance as a condition of opening the Account, we shall pay the premiums required to maintain that insurance in effect until it is no longer required by Merrill Lynch or applicable law.

Any amounts disbursed by Merrill Lynch or Trustee pursuant to this paragraph 6, with interest at the variable interest rate in effect under the Agreement from time to time, shall be paid by us and are secured by this Deed of Trust. Unless we agree, in writing, with Merrill Lynch to other terms of payment, such amounts shall be payable upon request of Merrill Lynch. Neither Merrill Lynch nor Trustee are ever required to incur any expense or take any action under this Deed of Trust and any action taken shall not release us from any obligation in this Deed of Trust.

7. Inspection. Merrill Lynch may make or cause to be made reasonable entries upon and inspections of the Property. Unless it is an emergency, Merrill Lynch shall give us notice (*see paragraph 11 below*) prior to an inspection specifying reasonable cause for the inspection.

8. Condemnation. A taking of property by any governmental authority by eminent domain is known as a "condemnation." The proceeds of any award or claim for damages, direct or consequential, relating to any condemnation, conveyance or other taking of all or part of the Property, are hereby assigned and shall be paid to Merrill Lynch, subject to the terms of any mortgage, deed of trust or other security agreement which is prior to this Deed of Trust. We agree to execute whatever documents are required by the condemning authority to carry out this paragraph. Merrill Lynch shall have the authority to apply or release the condemnation proceeds or settle for those proceeds in the same ways as provided in this Deed of Trust for disposition or settlement of proceeds of Hazard insurance. No settlement for condemnation damages may be made without Merrill Lynch's prior written approval.

9. Continuation of our Obligations and Merrill Lynch's Rights. Extension of the time for payment, acceptance by Merrill Lynch of payments other than according to the terms of the Agreement, modification in payment terms of the sums secured by this Deed of Trust granted by Merrill Lynch to any of our successors or the waiver or failure to exercise any right granted in this Deed of Trust or under the Agreement shall not release, in any manner, our liability, or that of our successors in interest, or any guarantor or surety of our liability. Merrill Lynch shall not be required to start proceedings against such successor or refuse to extend time for payment or otherwise modify payment terms of the sums secured by this Deed of Trust by reason of any demand made by us or our successors.

No act or failure to act of Merrill Lynch shall waive any of Merrill Lynch's rights or remedies under this Deed of Trust unless the waiver is in writing and signed by Merrill Lynch. Any waiver shall apply only to the extent specifically set forth in writing. A waiver as to one event shall not be a waiver as to any other event. Obtaining insurance or paying taxes, other liens or charges shall not be a waiver of Merrill Lynch's rights under this Deed of Trust to accelerate the maturity of the sums secured by this Deed of Trust in the event of a default under this Deed of Trust or the Agreement.

10. Successors and Assigns Bound; Joint and Several Liability; Waivers; Co-Signers; Captions. The agreements contained in this Deed of Trust shall bind, and the rights under this Deed of Trust shall extend to, the respective successors, heirs, legatees, devisees, administrators, executors and assigns of Merrill Lynch and us. All of the agreements made by us (or our successors, heirs, legatees, devisees, administrators, executors and assigns) shall be joint and several. This means that any one of us may be required to individually fulfill the agreements.

We hereby expressly waive any rights or benefits of homestead, redemption, dower and/or curtesy which we may have under applicable law.

Any person who co-signs this Deed of Trust, but does not execute the Agreement, (a) is co-signing this Deed of Trust only to grant and convey that person's interest in the Property to the Trustee under the lien and terms of this Deed of Trust and to release homestead, redemption, curtesy and/or dower rights, if any, (b) is not personally liable under the Agreement or under this Deed of Trust, and (c) agrees that Merrill Lynch and any of us may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Agreement, without the consent of the rest of us and without releasing the rest of us or modifying this Deed of Trust as to the interest of the rest of us in the Property.

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 its provisions. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, the singular number includes the plural, and the plural number includes the singular.

11. Notices. Except where applicable law requires otherwise:

(a) To give us any notice under this Deed of Trust, Merrill Lynch will hand deliver the notice to us, or mail the notice to us, by first class mail, or by registered or certified mail. Merrill Lynch will deliver or mail the notice to us at the address of the Property, or at any other address of which we have given Merrill Lynch written notice as provided in this paragraph;

(b) To give the persons who sign the Agreement any notice under this Deed of Trust, Merrill Lynch will hand deliver the notice to such persons or mail the notice to such persons by first class mail, or by registered or certified mail. Merrill Lynch will deliver or mail the notice to such persons at the address indicated in the Agreement, or at any other address of which such persons have given Merrill Lynch such notice as provided in the Agreement; and

(c) To give Merrill Lynch any notice under this Deed of Trust, we will mail the notice to Merrill Lynch by first class mail, or by registered or certified mail, at the address specified on the Account's most recent monthly billing statement for the receipt of such notices. We may also give Merrill Lynch such notice at any other address of which Merrill Lynch has given us written notice as provided in this paragraph.

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Except as otherwise provided in this Deed of Trust, any notice provided for in this Deed of Trust must be in writing and is considered given on the day it is delivered by hand or deposited in the U.S. mail, as provided above.

12. Governing Law; Severability. Nevada law applies to this Deed of Trust. This does not limit, however, the applicability of federal law to this Deed of Trust. If any provision of this Deed of Trust is held to be invalid, illegal, or unenforceable by any court, that provision shall be deleted from this Deed of Trust and the balance of this Deed of Trust shall be interpreted as if the deleted provision never existed.

13. Our Copy. We shall receive a copy of this Deed of Trust at the time it is signed or after this Deed of Trust is recorded.

14. Exercising Remedies. Merrill Lynch may exercise all of the rights and remedies provided in this Deed of Trust and in the Agreement, or which may be available to Merrill Lynch by law, and any of these rights and remedies may be exercised individually, or they may be exercised together, at Merrill Lynch's sole discretion, and may be exercised as often as the right to do so occurs.

15. Possible Actions.

Merrill Lynch has the right under certain circumstances specified in the Credit Documents to (a) automatically terminate the Account and require repayment of any amounts outstanding under the Account, plus the entire accrued interest, late charges and other charges imposed on the Account, (b) prohibit additional extensions of credit without requiring accelerated payment of the amounts outstanding under the Account ("freeze" the Account) or (c) reduce the credit limit on the Account.

(a) **NOTICE.** Merrill Lynch will have the right to terminate, temporarily or permanently freeze, or reduce the credit limit in the Account immediately upon Merrill Lynch giving notice to us and to the persons who sign the Agreement (*see paragraph 11 above*) of one of the events listed in paragraph 15(b) below. Paragraph 15(c) specifies additional circumstances under which Merrill Lynch may temporarily freeze or reduce the credit limit in the Account. Actions under paragraph 15(c) need not be preceded by the notice specified in this subparagraph.

(b) **TERMINATION AND ACCELERATION.** Merrill Lynch can terminate the Account and demand repayment of the entire outstanding balance in advance of the original term if:

- (A) The persons who sign the Agreement fail to meet the repayment terms under the Credit Documents, except that, under this subparagraph only, there is a thirty (30) day grace period within which Merrill Lynch will not terminate the account and which begins to run on the day after the notice is given and expires at 11:59 p.m. Eastern time on the last day of the period; or
- (B) Merrill Lynch receives actual knowledge that the persons who sign the Agreement have intentionally (i) omitted material information from, or in connection with, their credit application, (ii) made any material statements that are false or misleading on, or in connection with, their credit application, (iii) committed any fraud or made any material misrepresentation in connection with the Account; or
- (C) Without the prior written consent of Merrill Lynch, (i) we, or any person who signs the Agreement, agree to sell, transfer or assign the Property or any interest in the Property; or (ii) the Property or any interest in the Property is sold, transferred or assigned; or

- (D) We or any person who signs the Agreement fails to maintain insurance on the dwelling as required under paragraphs 4 and 6 of the Mortgage; or
- (E) We or any person who signs the Agreement commits waste or permits impairment or deterioration of the Property, or otherwise destructively uses the Property, such that Merrill Lynch's security is adversely affected; or
- (F) We or any person who signs the Agreement fails to pay taxes on the Property or takes some other action that results in the filing of a lien senior to that of Merrill Lynch which adversely affects Merrill Lynch's security; or
- (G) A judgment against us is filed, if the amount of the judgment and the collateral subject to the judgment is such that Merrill Lynch's security in the Property is adversely affected; or
- (H) Any action or inaction by us or any person signing the Agreement is taken that adversely affects Merrill Lynch's security for the Account or any right of Merrill Lynch in such security.

As an alternative remedy, and only if Merrill Lynch expressly states in the notice given under this paragraph, Merrill Lynch may temporarily or permanently freeze the Account or reduce the credit limit for the Account. If Merrill Lynch does not immediately terminate the Account and accelerate payment or take other action provided for in the Credit Documents, it has the right to take any of the permitted actions at a later time providing the condition allowing for termination of the Account and acceleration of payment still exists at that time.

In addition, despite any other terms of the Credit Documents, Merrill Lynch may freeze the Account immediately upon the occurrence of any violation or other event specified in this paragraph. Merrill Lynch can take this action without giving us notice and without declaring that the violation or other event allows Merrill Lynch to terminate the Account and accelerate payment.

If Merrill Lynch terminates the Account, the amounts outstanding under the Account and any other amounts outstanding under the Credit Documents are immediately due and payable in full, and we will be required to immediately repay such amounts plus the entire accrued interest, late charges and other charges imposed on the Account. If we do not do so, Merrill Lynch will have the right to invoke any remedy given it by any of the Credit Documents, or any other remedy available to Merrill Lynch under applicable law. This includes, without limitation, instituting foreclosure proceedings under this Mortgage.

If Merrill Lynch terminates or permanently freezes the Account, pursuant to this paragraph, all credit card(s) and unused checks obtained in connection with the Account must be immediately mailed to Merrill Lynch at the address specified on our most recent billing statement. In any event, once Merrill Lynch freezes or terminates the Account under this paragraph, the persons who sign the Agreement will no longer have any right to obtain additional advances under the Account.

Merrill Lynch shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees and the entire accrued interest, late charges and other charges imposed on the Account. In the case of a foreclosure sale, the Property may be sold in one parcel.

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(c) TEMPORARY FREEZING OF THE ACCOUNT OR REDUCTION IN CREDIT LIMIT.

Merrill Lynch can (a) freeze the Account; or (b) reduce the credit limit available to persons signing the Agreement during any period in which:

(1) the value of the Property declines significantly below its appraised value for purposes of the Account; or

(2) Merrill Lynch reasonably believes that we or any person who signs the Agreement will be unable to fulfill the repayment obligations under the Account because of a material change in our financial circumstances or the financial circumstances of any person who signs the Agreement; or

(3) we or any person who signs the Agreement is in default of any material obligation under the Agreement; or

(4) government action prevents Merrill Lynch from imposing the annual percentage rate set forth in the Agreement; or

(5) government action impairs Merrill Lynch's security interest in the Property to the extent that the value of the security interest is less than 120 percent of the credit line; or

(6) a federal or state regulatory agency notifies Merrill Lynch that continued advances would constitute an unsafe and unsound practice; or

(7) the annual percentage rate reaches the maximum allowed under the Agreement.

Merrill Lynch need not reinstate credit privileges or increase the credit limit available unless we request such reinstatement and, after investigation, Merrill Lynch determines that the condition no longer exists.

If Merrill Lynch temporarily freezes the Account or reduces our credit limit, we will not be obligated to repay the amounts outstanding under the Account until the date such amounts are due, as specified in the Agreement.

If Merrill Lynch temporarily freezes the Account, pursuant to this paragraph, Merrill Lynch may, but is not required to, notify us that all credit card(s) and unused checks obtained in connection with the Account must be immediately mailed to Merrill Lynch at the address specified on our most recent billing statement. If Merrill Lynch exercises this option, and credit privileges are later reinstated, Merrill Lynch will issue checks and/or card(s) in accordance with the procedures described in paragraph 5. In any event, once Merrill Lynch temporarily freezes the Account under this paragraph, the persons who sign the Agreement will no longer have any right to obtain additional advances under the Account until credit privileges are reinstated.

IF MERRILL LYNCH INVOKES THE POWER OF SALE UNDER THIS DEED OF TRUST, MERRILL LYNCH SHALL EXECUTE OR CAUSE TRUSTEE TO EXECUTE A WRITTEN NOTICE SPECIFYING, WITHOUT LIMITATION, THE FOLLOWING: (a) THE OCCURRENCE AND NATURE OF AN EVENT OF DEFAULT; (b) MERRILL LYNCH'S ELECTION TO ACCELERATE THE DEBT EVIDENCED BY THE AGREEMENT AND TO CAUSE THE PROPERTY TO BE SOLD; AND (c) OUR RIGHT, IF ANY, UNDER APPLICABLE LAW, TO REINSTATE THE ACCOUNT AND AVOID SALE OF THE PROPERTY. MERRILL LYNCH SHALL CAUSE SUCH NOTICE TO BE RECORDED IN EACH COUNTY IN WHICH THE PROPERTY OR SOME PART THEREOF IS LOCATED, AND SHALL HAVE COPIES OF SUCH NOTICE MAILED TO THE PERSONS IN THE MANNER PRESCRIBED BY APPLICABLE LAW.

IF WE ARE PERMITTED, UNDER APPLICABLE LAW, BUT FAIL TO REINSTATE IN ACCORDANCE WITH THE TERMS OF THE NOTICE REQUIRED ABOVE IN THIS PARAGRAPH 16, OR IF WE ARE NOT PERMITTED TO SO REINSTATE, TRUSTEE SHALL GIVE PUBLIC NOTICE OF SALE OF THE PROPERTY TO THE PERSONS AND IN THE MANNER PRESCRIBED BY APPLICABLE LAW. AFTER THE LAPSE OF SUCH TIME AS MAY BE REQUIRED BY APPLICABLE LAW, AND OUR FAILURE TO REDEEM THE PROPERTY BY PAYING TO MERRILL LYNCH ALL SUMS SECURED BY THIS DEED OF TRUST TOGETHER WITH ALL COSTS AND EXPENSES INCURRED BY MERRILL LYNCH AND FOR WHICH IT IS ENTITLED TO REIMBURSEMENT, UNDER APPLICABLE LAW, TRUSTEE SHALL, WITHOUT FURTHER DEMAND ON OR NOTICE TO US, SELL THE PROPERTY AT PUBLIC AUCTION TO THE HIGHEST BIDDER AT THE TIME AND PLACE AND UNDER THE TERMS DESIGNATED IN THE PUBLIC NOTICE OF SALE IN ONE OR MORE PARCELS AND IN SUCH ORDER AS TRUSTEE MAY DETERMINE. TRUSTEE MAY POSTPONE SALE OF ALL OR ANY PARCEL OF THE PROPERTY BY PUBLIC ANNOUNCEMENT AT THE TIME AND PLACE OF ANY PREVIOUSLY SCHEDULED SALE AND FROM TIME TO TIME THEREAFTER MAY POSTPONE SUCH SALE BY PUBLIC ANNOUNCEMENT AT THE TIME FIXED BY THE PRECEDING POSTPONEMENT. MERRILL LYNCH OR MERRILL LYNCH'S DESIGNEE MAY PURCHASE THE PROPERTY AT ANY SALE.

TRUSTEE SHALL DELIVER TO THE PURCHASER A TRUSTEE'S DEED CONVEYING THE PROPERTY SO SOLD 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 REASONABLE COSTS AND EXPENSES OF THE SALE, INCLUDING, BUT NOT LIMITED TO, REASONABLE TRUSTEE'S AND ATTORNEYS' FEES AND COSTS OF TITLE EVIDENCE, ALL AS AND TO THE EXTENT PERMITTED BY APPLICABLE LAW; (B) TO ALL SUMS PAYABLE PURSUANT TO PARAGRAPH 6 AND 25 OF THIS DEED OF TRUST; (C) TO INTEREST PAYABLE UNDER THE AGREEMENT; (D) TO OTHER CHARGES PAYABLE UNDER THE AGREEMENT; (E) TO THE PRINCIPAL PAYABLE UNDER THE AGREEMENT; AND (F) THE EXCESS IF ANY, TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO.

TO THE EXTENT NOT INCONSISTENT WITH THE TERMS HEREOF, THE FOLLOWING COVENANTS NOS. 6, 7, (A REASONABLE PERCENTAGE) AND 8 OF NRS 107.030 ARE HEREBY ADOPTED AND MADE A PART HEREOF BY REFERENCE.

16. Assignment of Rents; Appointment of Receiver; Merrill Lynch in Possession. As additional security, we hereby assign to Merrill Lynch the rents of the Property, provided that prior to acceleration under paragraph 15 above or the occurrence of a default or abandonment of the Property, we shall have the right to collect and retain such rents as they become due and payable. In any action to invoke the power of sale under this Deed of Trust, Merrill Lynch shall be entitled to the appointment of a receiver.

Upon acceleration under paragraph 15 above, or abandonment of the Property, Merrill Lynch, at any time and without notice, in person, by agent or by judicially-appointed receiver, and without regard to or proof of either (a) depreciation of the value of the Property or (b) the insolvency of any person who signs the Agreement or (c) the value of the Property or (d) the adequacy of any security for the indebtedness secured by this Deed of Trust, shall be entitled to enter upon, take possession of, and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due.

All rents collected by Merrill Lynch or the receiver shall be applied first to payment of the costs of operation and 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. Merrill Lynch and the receiver shall be liable to account only for those rents actually received.

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The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any default or notice of a violation under this Deed of Trust or invalidate any act done pursuant to such notice.

We will not, without the written consent of Merrill Lynch, receive or collect rents from any tenant of all, or any part of, the Property for a period of more than one month in advance, and in the event of any default under this Deed of Trust will pay monthly in advance to Merrill Lynch, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Property or that part of the Property in our possession, and upon default in any such payment will vacate and surrender the possession of the Property to Merrill Lynch or to such receiver, and may be evicted by summary proceedings.

17. Trustee's Action. At any time, without liability and without notice, upon written request of Merrill Lynch and us, Trustee may consent to the making of any map or plat of the Property, join in granting any easement on the Property, join in any subordination or other agreement affecting this Deed of Trust, or reconvey, without warranty, all or any part of the Property.

18. Reconveyance. Upon payment of all sums secured by this Deed of Trust, the fulfillment of all obligations under the Agreement, and termination of the Account, Merrill Lynch shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and the Agreement to the Trustee. Trustee shall cancel the Agreement and reconvey the Property without warranty to the person or persons legally entitled thereto. If requested by Merrill Lynch, we shall pay Merrill Lynch a fee for the preparation of any reconveyance or satisfaction document and shall pay all costs associated with the reconveyance or satisfaction including the cost of recordation and/or all of Trustee's costs, if any.

19. Substitute Trustee. Merrill Lynch, at Merrill Lynch's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Merrill Lynch and recorded in the office of the register of deeds of county where the Property is located. The instrument shall contain our names and the name of Merrill Lynch and the original Trustee, the book and page where this Deed of Trust is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, estate, powers and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

20. Request for Notices. Merrill Lynch requests that copies of notices of default and sale from the holder of any lien which has priority over this Deed of Trust be sent to Merrill Lynch at P.O. Box 45152, Jacksonville, Florida 32232.

21. Incorporation of Terms. All of the terms, conditions and provisions of the Agreement are incorporated by this reference into this Deed of Trust as if included in this Deed of Trust itself.

22. Time of Essence. Time is of the essence in this Deed of Trust, and the Agreement.

23. Actual Knowledge. For purposes of this Deed of Trust and the Agreement, Merrill Lynch does not receive actual knowledge of information required to be conveyed to Merrill Lynch in writing by us until the date of actual receipt of such information at the address for notices specified in paragraph 11 above. Such date shall be conclusively determined by reference to the return receipt in our possession. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Merrill Lynch or Merrill Lynch's agent. With regard to other events or information not provided by us under the Credit Documents, Merrill Lynch will be deemed to have actual knowledge of such event or information as of the

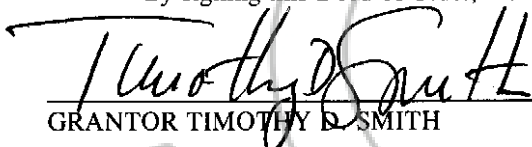
date Merrill Lynch receives a written notice of such event or information from a source Merrill Lynch reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Merrill Lynch or Merrill Lynch's agent.

24. Taxes. If the laws now in force for the taxation of deeds of trust, or the debts they secure, or the manner of operation of such taxes, change in any way after the date of this Deed of Trust so as to affect the interest of Merrill Lynch, then we shall pay the full amount of such taxes.

25. Expense of Litigation. In any suit to invoke the power of sale under this Deed of Trust or enforce any other remedy of Merrill Lynch under the Credit Documents there shall be allowed and included, to the extent permitted by law, as additional indebtedness in the judgment or decree, all court costs and out-of-pocket disbursements and all expenditures and expenses which may be paid or incurred by Merrill Lynch or on Merrill Lynch's behalf for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Merrill Lynch may consider reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Property. All such expenditures and expenses, and those that may be incurred in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the fees of any attorney employed by Merrill Lynch in any litigation or proceeding affecting this Deed of Trust, the Agreement or the Property or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by us, with interest at the interest rate payable under the Agreement.

26. Written Statements. Within five (5) calendar days upon request in person or within ten (10) calendar days upon request by mail, Merrill Lynch will furnish a written statement duly acknowledged of the amount due on this Deed of Trust and whether any offsets or defenses exist against the debt secured by this Deed of Trust.

By signing this Deed of Trust, we agree to all of the above.


GRANTOR TIMOTHY D. SMITH


GRANTOR CHRISTINE SMITH

GRANTOR

GRANTOR

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 12th day of March, 2004, and is incorporated into and shall be deemed to amend and supplement a Mortgage, Deed of Trust, Deed of Trust and Assignment of Rents or Deed to Secure Debt (*herein "security instrument"*) dated of even date herewith, as it may be renewed or extended, given by the undersigned (*herein referred to as "we", "us" and "our"*) to secure the obligations referred to in the security instrument, including, without limitation, our Equity Access[®] credit account with Merrill Lynch Credit Corporation (*herein referred to as "Merrill Lynch"*), and covering the Property described in the security instrument and located at 2433 Genoa Highlands Dr Genoa, Nevada 89411.

The Property comprises a parcel of land with a dwelling, which, together with other such parcels and certain common areas and facilities, all as described in those certain covenants and restrictions (and amendments thereto) recorded in the public/land records pertaining to the Property (*herein collectively the "Declaration"*), forms a planned unit development (*herein "PUD"*).

PLANNED UNIT DEVELOPMENT COVENANTS. In addition to the covenants and agreements made in the security instrument, we and Merrill Lynch further covenant and agree as follows:

A. PUD OBLIGATIONS. We shall perform all of our obligations under applicable law and the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document required to establish the homeowners association or equivalent entity managing the common areas and facilities of the PUD (*herein "Owners Association"*); and (iii) by-laws, if any, or other rules or regulations of the Owners Association. We shall, without limiting the generality of the foregoing, promptly pay, when due, all assessments imposed by the Owners Association.

B. HAZARD INSURANCE. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the common areas and facilities of the PUD, any such proceeds payable to us are hereby assigned and shall be paid to Merrill Lynch for application to the sums secured by the security instrument, with the excess, if any, paid to us.

C. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, payable to us in connection with any condemnation or other taking of all or any part of the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Merrill Lynch. Such proceeds shall be applied by Merrill Lynch to the sums secured by the security instrument in the manner provided under the security instrument.

D. MERRILL LYNCH'S PRIOR CONSENT. We shall not, except after notice to Merrill Lynch and with Merrill Lynch's prior written consent, consent to:

- (i) the abandonment or termination of the PUD;

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(ii) any amendment to the Declaration, trust instrument, articles of incorporation, by-laws of the Owners Association, or any equivalent constituent document of the PUD, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the common areas and facilities of the PUD;

(iii) the effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the PUD; or

(iv) the transfer, release, encumbrance, partition or subdivision of all or any part of the PUD's common areas and facilities, except as to the Owners Association's right to grant easements for utilities and similar or related purposes.

E. REMEDIES. IF WE BREACH OUR COVENANTS AND AGREEMENTS HEREUNDER, INCLUDING THE COVENANT TO PAY WHEN DUE PLANNED UNIT DEVELOPMENT ASSESSMENTS, THE BREACH WILL CONSTITUTE AN EVENT OF DEFAULT AND MERRILL LYNCH MAY INVOKE ANY REMEDIES PROVIDED UNDER THE SECURITY INSTRUMENT. WE GRANT AN IRREVOCABLE POWER OF ATTORNEY TO MERRILL LYNCH TO VOTE IN ITS DISCRETION ON ANY MATTER THAT MAY COME BEFORE THE MEMBERS OF THE OWNERS ASSOCIATION. MERRILL LYNCH SHALL HAVE THE RIGHT TO EXERCISE THIS POWER OF ATTORNEY ONLY AFTER DEFAULT BY US AND MAY CHOOSE TO EXERCISE THE POWER, AS MERRILL LYNCH MAY SEE FIT.

IN WITNESS WHEREOF, we have executed this PUD Rider.


TIMOTHY D. SMITH

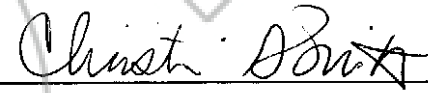

CHRISTINE SMITH

EXHIBIT "A"
LEGAL DESCRIPTION

LOT 82 IN BLOCK B AS SAID LOT AND BLOCK IS SET FORTH ON THE FINAL MAP OF GENOA LAKES PHASE 3, UNIT 1, A PLANNED UNIT DEVELOPMENT, RECORDED JANUARY 13, 1995 IN BOOK 195, PAGE 1900, AS DOCUMENT NO. 354349, OFFICIAL RECORDS OF DOUGLAS COUNTY, NEVADA.

