

APN 1220-17-614-019
Recording Requested By:

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

2004 DEC 17 PM 12: 28

When Recorded Mail To:

EL DORADO SAVINGS BANK
P.O. Box 1208
Placerville, CA 95667
Attention:

WERNER CHRISTEN
RECORDER

\$26⁵⁰ PAID *KX* DEPUTY

040303097

Space above this line for Recorder's use only.

**EL DORADO SAVINGS BANK
VARIABLE RATE HOME EQUITY LINE OF CREDIT
DEED OF TRUST**

THIS DEED OF TRUST is made this **7TH** day of **DECEMBER 2004**
Among the Trustor(s)
JEAN M. O'BRIEN, AN UNMARRIED WOMAN

(herein "Borrower"),

EL DORADO CHARTER CORPORATION (herein "Trustee"), and the Beneficiary, EL DORADO SAVINGS BANK, a Federally Chartered Savings Bank, whose address is 4040 El Dorado Road, Placerville, California 95667 (herein "Lender").

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender herewith request the holder on any mortgage, deed of trust or other encumbrance with a lien which has priority over this Deed of Trust to give notice to Lender, at Lender's address set forth above, of any default under the superior encumbrance and of any sale or other foreclosure action.

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in **DOUGLAS** County, State of **NEVADA**, as described in Exhibit A attached hereto and incorporated herein by this reference, which has the address of

1193 MANHATTAN WAY, GARDNERVILLE, NV 89460

(herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property".

For the purpose of securing (1) payment of the indebtedness evidenced by a Home Equity Line of Credit Variable Rate Agreement and Disclosure of even date herewith, in the aggregate principal sum of **\$5,000.00** , or so much thereof as may be advanced and outstanding from time to time, payable to the order of the Lender, and extensions or renewals thereof (the Home Equity Line of Credit Variable Rate Agreement and Disclosure shall be referred to herein as the "Agreement"); (2) performance of each promise of Borrower under the terms of the Agreement; and (3) performance of each promise of Borrower herein contained.

According to the terms of the Agreement, funds may, at the option of the Borrower thereunder, be advanced under a revolving line of credit. Under the Agreement, funds may be advanced by Lender, repaid by Borrower, and readvanced by Lender until such time as Borrower will commence to repay all sums advanced as provided in the Agreement. All advances under the Agreement by Lender are obligatory and are secured by this Deed of Trust. All advances will have the same priority as if advanced on the date of this Deed of Trust. According to the terms of the Agreement, the indebtedness may at certain times be zero. Notwithstanding this fact, Lender is obligated under the terms of the Agreement to advance to the Borrower up to the aggregate principal sum stated above. Therefore, the interest of Lender herein will remain in full force and effect notwithstanding a zero balance under the Agreement at any time.

The Agreement secured by this Deed of Trust provides for changes in the rate of interest. Reference is made to the Agreement for the terms of the variable rate of interest.

Borrower and Lender covenant and agree as follows:

1. Revolving Line of Credit. The Agreement which is secured by this Deed of Trust is a revolving line of credit which provides that Borrower may draw credit advances upon the available Credit Limit and repay the same from time to time as more fully described in the Agreement. This Deed of Trust secures the repayment of any and all advances as provided for in the Agreement and this Deed of Trust without regard to the date of any advance, including all charges provided for in the Agreement. The Credit Limit is the amount shown on the Deed of Trust as the aggregate principal sum. Notwithstanding the amount outstanding at any particular time, the Deed of Trust secures the total amount of principal indebtedness under the Agreement plus accrued and unpaid interest thereon up to the amount of the Credit Limit as provided in the Agreement. All advances will have the same priority as if advanced on the date of the Agreement. The unpaid balance of the revolving line of credit under the Agreement may at certain times be zero. Therefore, the interest of the Lender herein will remain in full force and effect notwithstanding a zero balance at any time. Any sums advanced or any charges incurred under the Agreement in excess of the Credit Limit will be unsecured.

2. Adjustable Rate Loan Provisions. The Agreement contains provisions, which allow for changes in the interest rate. Reference is made to the Agreement for a complete description of the variable rate terms of the indebtedness secured by this Deed of Trust.

3. Ownership and Occupancy by Borrower. Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record as of the date of this Deed of Trust. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. If Borrower has represented to Lender that Borrower occupies the Property as his primary residence, borrower agrees not to rent the Property to anyone else for more than 13 days in any calendar year without Lender's prior written consent. If Borrower does so rent the Property without first obtaining Lender's written consent to do so, Lender may, at its option, either terminate Borrower's right to receive additional loan advances under the Agreement, or, unless prohibited by applicable law, declare Borrower to be in default, as provided in paragraph 17 of this Deed of Trust.

4. Payment of Principal and Interest. Borrower shall promptly pay when due the payments as provided in the Agreement or this Deed of Trust. Payments may vary in conjunction with changes in the outstanding balance or the applicable interest rate or both.

5. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Agreement shall be applied by Lender first in payment of amounts advanced by Lender to protect its interest herein as described below, then to late and other charges as provided in the Agreement, then to interest payable on the Agreement, and then to the principal advanced under the Agreement.

6. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

7. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, flood, 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. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, which shall not be unreasonably withheld.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien, which has priority over this Deed of Trust. 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 damages, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or

to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is delivered or mailed.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in paragraph 4 or change the amount of payments. If under paragraph 17 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to acquisition.

8. Use, Preservation and Maintenance of Property. Borrower shall not use or permit the Property to be used for any purpose that is illegal or hazardous or that constitutes a nuisance. Borrower shall keep the Property in good repair and shall not commit or permit waste or impairment or deterioration of the Property. Borrower shall give notice in writing to Lender of, and unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Deed of Trust or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery, or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

9. 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 proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this paragraph 9, with interest thereon at the highest interest rate provided in the Agreement, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment in writing, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in the paragraph 9 shall require Lender to incur any expense or take any action hereunder.

10. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

11. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds in a manner to be determined by Lender in its sole discretion.

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 thirty (30) days after the date the notice is given, Lender is authorized to collect

and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in paragraph 4 nor change the amount of such payments.

12. Successors and Assigns of Lender. A successor in interest or assignee of Lender shall be entitled to benefits of this Deed of Trust and Borrower shall be bound to the terms and conditions of the Agreement and this Deed of Trust without regard to the person who is the successor, assignee or other holder of this Deed of Trust.

13. Joint and Several Liability. Borrower's covenants and agreements hereunder shall be joint and several.

14. Governing Law; Severability. This Deed of Trust is made pursuant to, and shall be construed and governed by, the laws of the State in which the property is located. If any paragraph, clause or provision of this Deed of Trust or the Agreement or any other obligations secured by this Deed of Trust 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 Deed of Trust or the Agreement or other obligations secured by this Deed of Trust.

15. Due-on-Sale Clause. If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

16. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued as provided by state law if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, and the Agreement which it secures including all advances, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

17. Acceleration; Remedies. If any payment required under the Agreement is not paid when due, or if Borrower should be in default under any provision of this Deed of Trust or if Borrower is in default under any other deed of trust or other instrument secured by the Property,

the entire principal amount outstanding under the Agreement and this Deed of Trust and accrued interest thereon shall at once become due and payable at the option of Lender without prior notice and regardless of any prior forbearance. In such event, Lender, at its option, may then or thereafter deliver to the Trustee a written declaration of default and demand for sale and shall cause to be filed of record a written notice of default and of election to cause the Property to be sold. Lender shall also deposit with the Trustee this Deed of Trust and any notes and all documents evidencing expenditures secured thereby. After the lapse of such time as then may be required by law following recordation of such notice of default, and notice of sale having been given as then required by law, the Trustee, without demand on Borrower, shall sell the Property at the time and place specified by such Trustee in such notice of sale, or at the time to which such noticed sale has been duly postponed, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, except that Lender may offset his bid to the extent of the total amount owing to him under the Agreement and this Deed of Trust, including the Trustee's fees and expenses. The Trustee may sell the Property as a whole or in separate parcels if there is more than one parcel, subject to such rights as Borrower may have by law to direct the manner or order of sale, which is authorized by law. The Trustee may postpone the time of sale of all or any portion of the Property by public declaration made by the Trustee at the time and place last appointed for sale. The Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, including Borrower, the Trustee or Lender may purchase at such sale. After deducting all costs, fees and expenses of the Trustee, and of this Deed of Trust, including costs of evidence of title in connection with such sale, the Trustee first shall apply the proceeds of sale to payment of all sums expended under the terms of this Deed of Trust, not then repaid, with accrued interest at the highest rate then payable under the Agreement, and then to payment of all other sums secured hereby and, if thereafter there be any proceeds remaining, shall distribute them to the person or persons legally entitled thereto.

18. Assignment of Rents; Appointment of Receiver; Lender in Possession. As part of the consideration for the indebtedness evidenced by the Agreement, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Deed of Trust, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 18 as the same become due and payable, including but not limited to, rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefore, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby covenants that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 18 and that at the time of execution of this Deed of Trust

there has been no anticipation or prepayment of any rents of the Property for more than two (2) months prior to the due dates of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower and any covenant or agreement of Borrower in this Deed of Trust shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorneys' fees, receivers' fees, premiums on receivers' bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 18.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Deed of Trust pursuant to paragraph 1 hereof. Unless Lender and Borrower agree in writing 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 highest rate stated in the Agreement unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Lender.

19. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Agreement or this Deed of Trust

unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Deed of Trust and may invoke any remedies permitted by paragraph 17.

20. Hazardous Materials. Borrower represents and warrants that neither Borrower nor, to the best of Borrower's knowledge after diligent inquiry, any previous owner or user of the Property, at present or any time in the past, used, generated, manufactured, stored, released, or disposed of above, in, on, under or around the Property any hazardous waste, toxic substances or related materials ("Hazardous Materials"). For purposes of this representation and warranty, Hazardous Materials shall mean (a) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to any Environmental Laws as defined therein as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitable, corrosive, reactivity, carcinogenicity, toxicity, reproductive toxicity, or "EP Toxicity" and (b) any petroleum, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced water, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. For the purposes of this representation and warranty, the term "Environmental Laws" shall mean any and all present and future, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements of permits issued with respect thereto, and other requirements of governmental authorities relating to the environment or to any Hazardous Materials (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as heretofore or hereafter amended from time to time and the applicable provisions of the California Health and Safety Code and the California Water Code). Further, Borrower agrees that neither Borrower nor any agent, contractor, tenant, or other authorized user of the Property will use, handle, collect, generate, treat, manufacture, store or dispose or release or permit the use, handling, collection, generation, treatment, manufacture, storage or disposal of any Hazardous Materials, above, in, on, under or around the Property now or any future time and will indemnify and save Lender harmless from any and all actions, proceedings, claims, costs, expenses and losses of any kind, including, but not limited to, those arising from injury to any person, including death, damage to or loss of use or value of real or personal property, and costs of investigation and clean-up or other environmental remedial work, which may result in connection with Hazardous Materials as they relate to the Property.

Borrower shall immediately notify Lender of any inquiry, test, investigation or enforcement proceeding by or against Borrower or the Property concerning a Hazardous Materials. If at any time it is determined that there are any Hazardous Materials located above, in, on, under or around the Property which are the subject of any Environmental Laws including Environmental Laws requiring special handling in use, handling, collection, generation, treatment, storage or disposal, Borrower shall commence with diligence within thirty (30) days after receipt of notice thereof and continue to diligently take all appropriate action, at Borrower's sole expense, to comply with all such Environmental Laws.

To the extent permitted by the Agreement and by applicable law, failure of Borrower to comply with all Environmental Laws shall constitute an event of default under this Deed of Trust and Lender may pursue any and all of its remedies as provided herein, or in any other loan documents, including, but not limited to, acceleration of the loan.

Notwithstanding anything to the contrary in this paragraph 20, in no event shall Borrower or holders of a substantial beneficial or ownership interest in Borrower have any liability pursuant to this paragraph 20 for violations which occurred in or stem from a period after such reconveyance of the lien of this Deed of Trust or the extinguishment of the lien by foreclosure or deed in lieu thereof.

21. Notice to Borrower. Any notice to Borrower provided for in this Deed of Trust shall be deemed given when it is deposited in the United States mail, postage prepaid, addressed to Borrower at the address of Borrower as it appears in Lender's records pertaining to the loan evidenced by the Agreement at the time the notice is given.

22. Statement of Obligation. Unless prohibited by law, Lender may collect a fee of forty five dollars (\$45.00), or such greater maximum amount as is allowed by law, for furnishing any statement of obligation, beneficiary's statement, beneficiary's demand or any other statement regarding the condition of or balance owing under the Agreement or secured by this Deed of Trust.

23. Reconveyance. The Trustee named in this Deed of Trust, or any successor trustee, may charge a reasonable reconveyance fee for each full or partial reconveyance of this Deed of Trust.

24. Fee for Services. Lender or Trustee may charge Borrower a reasonable fee for any services rendered to Borrower or on Borrower's behalf pursuant to this Deed of Trust or any Agreement secured hereby. Any such charge shall be secured by this Deed of Trust, and Borrower agrees to pay the same upon demand, together with interest thereon from the date of such charges at the highest rate payable on outstanding principal under the Agreement.

25. Injury to Property. All causes of action of Borrower, whether accrued before or after the date of this Deed of Trust, for damage or injury to the Property or any part thereof, or in connection with the transaction financed in whole or in part by the funds loaned to Borrower by Lender, or in connection with or affecting the Property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact are, at Lender's option, assigned to Lender, and the proceeds thereof shall be paid to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the sums secured by this Deed of Trust or to any deficiency under this Deed of Trust or may release any moneys so received by it or any part thereof, as Lender may elect. Lender may, at its option, appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. Borrower agrees to execute such further assignments and other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

26. Substitution of Trustee. Lender may, from time to time, by instrument in writing, substitute a successor or successors to any Trustee named in this Deed of Trust or acting thereunder, which instrument executed and acknowledged by Lender and recorded in the office of the recorder of the county or counties where the Property secured by this Deed of Trust is situated, shall be conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties. The procedure herein provided for substitution of Trustees shall not be exclusive of other provisions for substitution permitted by law.

27. Offsets. No indebtedness secured by this Deed of Trust shall be deemed to have been offset or to be offset or compensated by all or part of any claim, cause of action, or counterclaim, whether liquidated or unliquidated, which Borrower now or hereafter may have or may claim to have against Lender. Further, if the property is located in California, with respect to the indebtedness now or hereafter secured hereby, Borrower waives, to the fullest extent permitted by law, the benefits of California Code of Civil Procedure § 431.70 (and any successor laws), which section provides:

Where cross-demands for money have existed between persons at any point in time when neither demand was barred by the statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in the answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the person's claim would at the time of filing the answer be barred by the statute of limitations. If the cross-demand would otherwise be barred by the statute of limitations, the relief accorded under this section shall not exceed the value of the relief granted to the other party. The defense provided by this section is not available if the cross-demand is barred for failure to assert it in a prior action under Section 426.30. Neither person can be deprived of the benefits of this section the assignment or death of the other. For the purposes of this section, a money judgment is a "demand for money" and, as applied to a money judgment, the demand is barred by the statute of limitations when enforcement of the judgment is barred under *Chapter 3* (commencing with Section 683.010) of Division 1 of Title 9.

28. Borrower's Representations. Borrower has made certain representations and disclosures in order to induce Lender to make the Agreement that this Deed of Trust secures, and, in the event that Borrower has made any material misrepresentation or failed to disclose any material fact, Lender, at its option and without prior notice, shall have the right to declare the indebtedness secured by this Deed of Trust, irrespective of the maturity date specified in the Agreement, immediately due and payable. Trustee, upon presentation to it of an affidavit signed by the Lender setting forth facts showing a default by Borrower under this paragraph 28, is authorized to accept as true and conclusive all facts or statements therein, and to act thereon hereunder.

29. Consideration for Obligation. Any Borrower signing this Deed of Trust who is not obligated under any Agreement secured hereby acknowledges that his or her signature on this Deed of Trust is a material factor in inducing Lender to enter into the Agreement(s), and agrees that the entering into such Agreement(s) by Lender constitutes good, valuable, and sufficient consideration for his or her signature on and willingness to be bound by this Deed of Trust.

30. No Subordination. Borrower understands and agrees that Lender is not required to subordinate this Deed of Trust to the lien of any other lender under any circumstances.

31. Condominium or Planned Unit Development Property. In the event the Property includes a unit in, together with an undivided interest in the common elements of, a condominium project (or Planned Unit Development ("PUD")), Borrower further covenants and agrees as follows:

Borrower shall perform all of Borrower's obligations under the condominium project's or PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration or any other document which creates the Condominium Project or PUD; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project or PUD 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 Borrower's obligation under paragraph 7 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. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Deed of Trust, with any excess paid to Borrower.

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.

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, whether of the unit or of the common elements, 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 this Deed of Trust as provided in paragraph 5.

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 Condominium Project or 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 amended 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.

If Borrower does not pay condominium or PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender hereunder shall become additional debt of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the highest rate payable on outstanding principal under the Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

32. Manufactured Housing Property. In the event the Property (i) is a manufactured home that constitutes real property under applicable law (the "Manufactured Home"); (ii) is an undivided interest in the manufactured home park in which the Manufactured Home is located; (iii) includes the real property upon which the Manufactured Home is located; (iv) is any combination of (i), (ii), and (iii), Borrower further covenants and agrees as follows:

Borrower hereby agrees and covenants that said Manufactured Home is and will at all times remain real property under applicable law and that Borrower will take no steps to sever the Manufactured Home from any other real property that is the subject of this Deed of Trust or otherwise to transmute the Manufactured Home from real property to personal property, or otherwise to move the Manufactured Home from its current location. Violation of any provision of this paragraph 32 will constitute an event of default under this Deed of Trust.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by Borrower and recorded with it.

X Jean M. O'Brien (Seal)
JEAN M. O'BRIEN Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

-----[Space Below This Line Reserved For Acknowledgment]-----

STATE OF NEVADA

COUNTY OF DOUGLAS

This instrument was acknowledged before me on December 13, 2004, by JEAN M. O'BRIEN.

J. M. Cooley
Notary Public

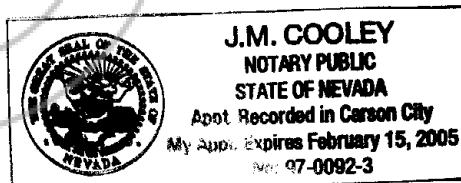
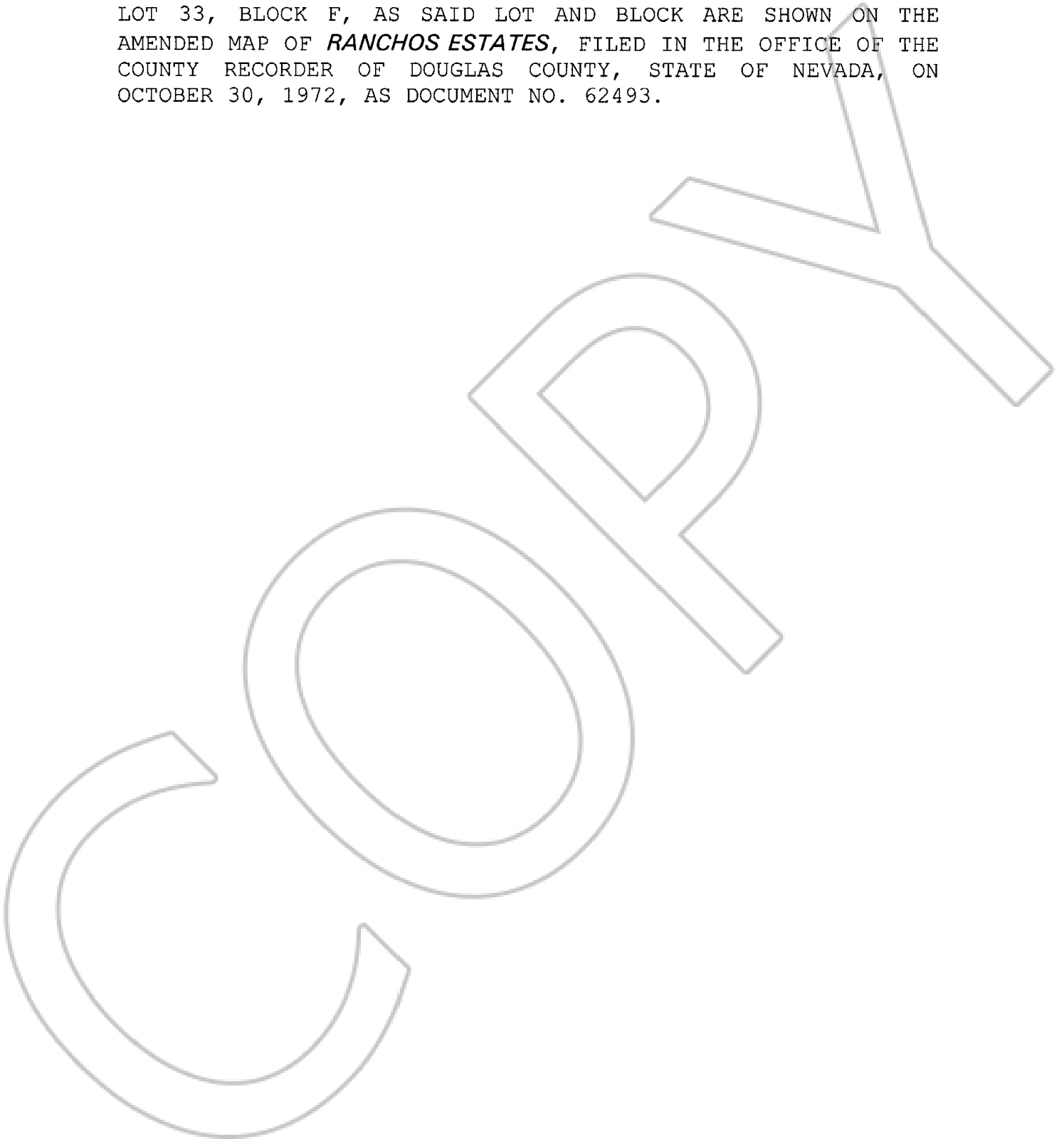


EXHIBIT "A"

LOT 33, BLOCK F, AS SAID LOT AND BLOCK ARE SHOWN ON THE AMENDED MAP OF *RANCHOS ESTATES*, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON OCTOBER 30, 1972, AS DOCUMENT NO. 62493.



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