

REQUESTED BY
MARQUIS TITLE & ESCROW
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 DEC 17 PM 4:47

WERNER CHRISTEN
RECORDER

\$55⁰⁰ PAID *KJ* DEPUTY

Parcel # 1220-16-210-094
11

Prepared
LISA M. GALLETTO

Record and Return Address:
JPMorgan Chase Bank, N.A.
c/o Chase Manhattan Mortgage Corporation
1500 N. 19th St.
Monroe, LA 71201
Attn: Document Control 6th FL. - HE

Reference # **043251923585**
Servicing # **9896935922**

Escrow # 247475-SL [This Space Reserved for Recording Data]

NEVADA
HOME EQUITY LINE OF CREDIT DEED OF TRUST
(Securing Future Advances)

THIS Deed of Trust is made on December 15, 2004. The grantor is
KERRY J MCLEAN and GARY H MCLEAN

The trustee is Marquis Title & Escrow ("Trustee").
The beneficiary is JPMorgan Chase Bank, N.A., a national banking association whose
address is

1111 Polaris Parkway, Columbus, OH 43240

or its successors or assignees. Any communication to the Lender should be sent to
c/o Chase Manhattan Mortgage Corporation, 250 West Huron Road, P. O. Box 93764, Cleveland, OH 44113.

In this Deed of Trust, the terms "you," "your" and "yours" refer to the grantor(s). The terms "we," "us" and
"our" refer to JPMorgan Chase Bank, N.A.

Pursuant to a Home Equity Line of Credit Agreement dated the same date as this Deed of Trust
("Agreement"), you may incur maximum unpaid loan indebtedness (exclusive of interest thereon) in
amounts fluctuating from time to time up to the maximum principal sum outstanding at any time of
Twenty-Five Thousand Eight Hundred Fifty and 00/100 Dollars
(U.S. \$ 25,850.00). The Agreement provides for a final scheduled installment due and payable not
later than on January 1, 2035. You agree that this Deed of Trust shall continue to secure all

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sums now or hereafter advanced under the terms of the Agreement including, without limitation, such sums that are advanced to you whether or not at the time the sums are advanced there is any principal sum outstanding under the Agreement. The parties hereto intend that this Deed of Trust shall secure unpaid balances, and all other amounts due to us hereunder and under the Agreement. Any future advances under the Agreement shall be governed by the provisions of Nevada law set forth in NRS Sections 106.300 through 106.400 (relating to encumbrances to secure future advances).

This Deed of Trust secures to us: (a) the repayment of the debt evidenced by the Agreement, with interest, and all refinancings, renewals, extensions and modifications of the Agreement; (b) the payment of all other sums, with interest, advanced under this Deed of Trust to protect the security of this Deed of Trust; and (c) the performance of your covenants and agreements under this Deed of Trust and the Agreement. For this purpose and in consideration of the debt, you irrevocably grant and convey to the Trustee, in trust, with power of sale, the property located in DOUGLAS County, Nevada and more fully described in EXHIBIT A, which is attached hereto and made a part hereof, which property is more commonly known as 1283 MANHATTAN WAY, GARDNERVILLE, NV 89460-8626 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

YOU COVENANT that you are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. You warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

YOU AND WE covenant and agree as follows:

1. Payment of Principal, Interest and Other Charges. You shall pay when due the principal and interest owing under the Agreement and all other charges due hereunder and due under the Agreement.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by us under the Agreement and Section 1 shall be applied by us as provided in the Agreement.

3. Prior Deeds of Trust; Charges; Liens. You shall perform all of your obligations under any mortgage, deed of trust or other security instruments with a lien which has priority over this Deed of Trust, including your covenants to make payments when due. You shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any. Upon our request, you shall promptly furnish to us all notices of amounts to be paid under this paragraph and receipts evidencing any such payments you make directly. You shall promptly discharge any lien (other than a lien disclosed to us in your application or in any title report we obtained) which has priority over this Deed of Trust.

We specifically reserve to ourself and our successors and assigns the unilateral right to require, upon notice, that you pay to us on the day monthly payments are due an amount equal to one-twelfth (1/12) of the yearly taxes, and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust and ground rents on the Property, if any, plus one-twelfth (1/12) of yearly premium installments for hazard and mortgage insurance, all as we reasonably estimate initially and from time to time, as allowed by and in accordance with applicable law.

4. Hazard Insurance. You shall keep the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which we require insurance. This insurance shall be maintained in the amounts and for the periods that we require. You may choose any insurer reasonably acceptable to us. Insurance policies and renewals shall be acceptable to us and shall include a standard mortgagee clause. If we require, you shall promptly give us all receipts of paid premiums and renewal notices. If you fail to maintain coverage as required in this section, you authorize us to obtain such coverage as we in our sole discretion determine appropriate to protect our interest in the Property in accordance with the provisions in Section 6. You understand and agree that any coverage we purchase may cover only our interest in the Property and may not cover your interest in the Property or any personal property therein. You also understand and agree that the premium for any such insurance may be higher than the premium you would pay for such insurance. You shall promptly notify the insurer and us of any loss. We may make proof of loss if you do not promptly do so. Insurance proceeds shall be applied to restore or repair the Property damaged, if restoration or repair is economically feasible and our security would not be lessened. Otherwise, insurance proceeds shall be applied to sums secured by this Deed of Trust, whether or not then due, with any excess paid to you. If you abandon the Property, or do not answer within 30 days our notice to you that the insurer has offered to settle a claim, then we may collect and 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 notice is given. Any application of proceeds to principal shall not require us to extend or postpone the due date of monthly payments or change the amount of monthly payments. If we acquire the Property at a forced sale following your default, your right to any insurance proceeds resulting from damage to the Property prior to the acquisition shall pass to us to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

You shall not permit any condition to exist on the Property which would, in any way, invalidate the insurance coverage on the Property.

5. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. You shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. You shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in our good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or our security interest. You may cure such a default, as provided in Section 17, by causing the action or proceeding to be dismissed with a ruling that, in our good faith determination, precludes forfeiture of your interest in the Property or other material impairment of the lien created by this Deed of Trust or our security interest. You shall also be in default if you, during the loan application process, gave materially false or inaccurate information or statements to us (or failed to provide us with any material information) in connection with the loan evidenced by the Agreement, including, but not limited to, representations concerning your occupancy of the Property as a principal residence. If this Deed of Trust is on a leasehold, you shall comply with the lease. If you acquire fee title to the Property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

6. Protection of Our Rights in the Property; Mortgage Insurance. If you fail to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect our rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then we may do, and pay for, anything necessary to protect the Property's value and our rights in the Property. Our actions may include paying any sums secured by a lien which has priority over this Deed of Trust or any advance under the Agreement or this Deed of Trust, appearing in court, paying reasonable attorneys' fees, paying any sums which you are required to pay under this Deed of Trust and entering on the Property to make repairs. We do not have to take any action we are permitted to take under this paragraph. Any amounts we pay under this paragraph shall become additional debts you owe us and shall be secured by this Deed of Trust.

These amounts shall bear interest from the disbursement date at the rate established under the Agreement and shall be payable, with interest, upon our request. If we require mortgage insurance as a condition of making the loan secured by this Deed of Trust, you shall pay the premiums for such insurance until such time as the requirement for the insurance terminates.

7. Inspection. We may enter and inspect the Property at any reasonable time and upon reasonable notice.

8. Condemnation. To the extent permitted by law, the proceeds of any award 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 us. If the Property is abandoned, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within 30 days after the date the notice is given, we are authorized to collect and apply the proceeds, at our 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 we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments payable under the Agreement and Section 1 or change the amount of such payments.

9. You Are Not Released; Forbearance by Us Not a Waiver. Extension of time for payment or modification of amortization of the sums secured by this Deed of Trust granted by us to any of your successors in interest shall not operate to release your liability or the liability of your successors in interest. We shall not be required to commence proceedings against any successor in interest, refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by you or your successors in interest. Our forbearance in exercising any right or remedy shall not waive or preclude the exercise of any right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit your successors and permitted assigns. Your covenants and agreements shall be joint and several. Anyone who co-signs this Deed of Trust but does not execute the Agreement: (a) is co-signing this Deed of Trust only to mortgage, grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Agreement, but is obligated to pay all other sums secured by this Deed of Trust; and (c) agrees that we and anyone else who signs this Deed of Trust may agree to extend, modify, forbear or make any accommodations regarding the terms of this Deed of Trust or the Agreement without such person's consent.

11. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from you which exceed permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the Agreement or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Agreement.

12. Notices. Unless otherwise required by law, any notice to you provided for in this Deed of Trust shall be delivered or mailed by first class mail to the Property Address or any other address you designate by notice to us. Unless otherwise required by law, any notice to us shall be given by first class mail to our address stated above or any other address we designate by notice to you. Any notice provided for in this Deed of Trust shall be deemed to have been given to you or us when given as provided in this paragraph.

13. Governing Law; Severability. The extension of credit secured by this Deed of Trust is governed by federal law, which for the purposes of 12 USC § 85 incorporates Ohio law. However, the interpretation and enforcement of this Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located, except as preempted by federal law. In the event that any provision or clause of this Deed of Trust or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Agreement are declared to be severable.

14. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without our prior written consent, we may, at our option and to the extent permitted by law, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by us if exercise is prohibited by federal law as of the date of this Deed of Trust.

15. Sale of Agreement; Change of Loan Servicer. The Agreement or a partial interest in the Agreement (together with this Deed of Trust) may be sold one or more times without prior notice to you. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Agreement and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Agreement. If there is a change of the Loan Servicer, you will be given written notice of the change as required by applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any information required by applicable law.

16. Hazardous Substances. You shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. You shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of Hazardous Substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. You shall promptly give us written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which you have actual knowledge. If you learn or are notified by any government or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this Deed of Trust, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Deed of Trust, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

17. Acceleration; Remedies. You will be in default if (1) any payment required by the Agreement or this Deed of Trust is not made when it is due; (2) we discover that you have committed fraud or made a material misrepresentation in connection with the Agreement; or (3) you take any action or fail to take any action that adversely affects our security for the Agreement or any right we have in the Property. If a default occurs (other than under Section 14 hereof unless applicable law provides otherwise), we will give you notice specifying: (a) the default; (b) the action required to cure the default; (c) a date not less than 35 days from the date the notice is given to you and recorded in the appropriate county office, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform you of any right to reinstate after acceleration and the right to assert in the

foreclosure proceeding the non-existence of a default or any other defense you have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we at our option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. We shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 17, including, but not limited to, reasonable attorneys' fees as permitted by applicable law, but not to exceed 20% of the amount you owe for principal and interest and costs of title evidence.

If we invoke the power of sale, we shall mail or cause the Trustee to mail a notice of sale to you in the manner prescribed by applicable law. The Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. The Trustee, without demand on you, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order the Trustee determines. The 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. We or our designee may purchase the Property at any sale.

The Trustee shall deliver to the purchaser the Trustee's deed conveying the Property 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. The Trustee, in accordance with NRS Section 40.462(2), shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, Trustee's fees of 5% of the gross sale price and reasonable attorneys' fee (as set forth above); (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

Where not inconsistent with the above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (20% per annum); 5; 6; 7 (a reasonable percentage); 8 and 9 of NRS Section 107.030 are hereby adopted and made a part of this Deed of Trust.

18. Discontinuance of Enforcement. Notwithstanding our acceleration of the sums secured by this Deed of Trust under the provisions of Section 17, we may, in our sole discretion and upon such conditions as we in our sole discretion determine, discontinue any proceedings begun to enforce the terms of this Deed of Trust.

19. Reconveyance. Upon your request and payment of all sums secured by this Deed of Trust, we shall release this Deed of Trust. To the extent permitted by law, you will be responsible for all costs of recording such release.

20. Additional Charges. You agree to pay reasonable charges as allowed by law in connection with the servicing of this loan including, without limitation, the costs of obtaining tax searches and subordinations. Provided, however, that nothing contained in this section is intended to create and shall not be construed to create any duty or obligation by us to perform any such act, or to execute or consent to any such transaction or matter, except a release of the Deed of Trust upon full repayment of all sums secured thereby.

21. Waiver. No waiver by us at any time of any term, provision or covenant contained in this Deed of Trust or in the Agreement secured hereby shall be deemed to be or construed as a waiver of any other term, provision or covenant or of the same term, provision or covenant at any other time.

22. **Substitute Trustee.** We, at our option, may from time to time remove the Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the city or county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee in this Deed of Trust and by applicable law.

23. **Assumption Fee.** If we permit an assumption of the loan secured by this Deed of Trust, we may charge an assumption fee of **N/A** Dollars (\$ _____).

24. **Riders to this Deed of Trust.** If one or more riders are executed by you and recorded together with this Deed of Trust, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were part of this Deed of Trust.

- | | |
|---|---|
| <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) _____ |

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

Witnesses:

_____ *Kerry J McLean* (Seal)
KERRY J MCLEAN

_____ *Gary H. McLean* (Seal)
GARY H MCLEAN

_____ (Seal)

_____ (Seal)

_____ (Seal)

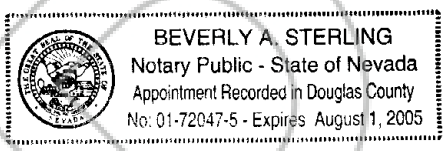
_____ (Seal)

STATE OF NEVADA)
COUNTY OF NEVADA) ss.

On December 16, 2004 before me, Beverly A. Sterling, a Notary Public, personally appeared Kerry J. McLean & Gary H. McLean, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person 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 authorized capacity, and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.
Beverly A. Sterling
Notary Public in and for Said County and State

[SEAL]



COOPER

LEGAL DESCRIPTION

Lot 9, in Block D, as shown on the Amended Map of RANCHO ESTATES, filed in the office of the County Recorder of Douglas County, State of Nevada, on October 30, 1972, as Document No. 62493.

Assessor's Parcel No.: 1220-16-210-094

COPY

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BK1204PG08782

JPMorgan Chase Bank, N.A. HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT

This is the Agreement (the "Agreement") governing your Home Equity Line of Credit ("Credit Account") with JPMorgan Chase Bank, N.A. . Read this Agreement carefully so that you know how your Credit Account works. As you read this Agreement remember that the terms "we," "us," and "our" refer to JPMorgan Chase Bank, N.A. and to any other creditor to whom this Agreement is assigned. "You," "your," and "yours" refer to each person who signs this Agreement or has authority to use it. "Mortgage" means the mortgage, deed of trust or deed to secure debt you are giving us on your house or condominium. Your account, any amount you owe, and our Mortgage on your home may be sold or transferred to another creditor at anytime. If this happens, this Agreement and the Mortgage will remain in effect.

1. WHAT IS YOUR HOME EQUITY LINE OF CREDIT? It is a credit arrangement in which we make loans to you by advancing funds ("Advances") from your Credit Account at your direction, allowing you to repay such Advances and take additional Advances. You promise and agree to repay these Advances, any interest which accrues on them, and all other charges for which you are responsible under the terms of this Agreement.

2. USING YOUR CREDIT ACCOUNT/MINIMUM INITIAL ADVANCE. You may request Advances from your Credit Account by writing a Home Equity Line of Credit Check ("Draw Check") for the exact amount which you desire as long as it is in a minimum amount of \$ 250.00 . We may refuse to honor requests for advances below the minimum amount. You may also obtain advances at the closing by completing a loan request form or other form of authorization that we may require. You may take Advances for a period of 120 Monthly Statement Periods after the date your Credit Account is opened ("Advance Period"). After such Advance Period, you may not take further advances. Your principal balance will then be fixed and you will be required to repay it and any interest and other charges accrue over the next 240 Monthly Statement Periods ("Repayment Period"). If you qualify, you may extend the Advance Period of your Credit Account. To qualify, you must submit a written request in a form acceptable to us at least six months prior to the scheduled termination of the Advance Period and you must meet extension requirements in effect at the time of the request. Extension of your Advance Period will not extend the term of your Credit Account and you will still be required to commence repayment of your principal balance beginning with the 121st Monthly Statement Period.

If your Credit Limit, as described in Section 4 of this Agreement, is between **\$500,001** and **\$750,000** and you are not being asked to pay any Closing Costs as described in Section 10 of this Agreement, then you must take a minimum initial Advance on your Credit Account in an amount equal to or greater than **\$100,000**. If your Credit Limit is between **\$750,001** and **\$1,000,000** and you are not being asked to pay any Closing Costs as described in Section 10 of this Agreement, then you must take a minimum initial Advance on your Credit Account in an amount equal to or greater than **\$200,000** .

A Monthly Statement Period is defined as successive intervals of approximately one month beginning on the date your Credit Account is opened and recurring regularly until your Credit Account is finally closed. Monthly Statement Periods occur regardless of whether there is a balance or any activity in your Credit Account or whether we have sent you a statement for the period. Your first Monthly Statement Period may be shorter than a month depending on when your Credit Account is opened.

3. CHECKS. You agree to notify us promptly if any of your Draw Checks are lost or stolen. You also agree to cooperate with us or any law enforcement agency in any effort to investigate the circumstances surrounding the incident and efforts to minimize potential losses to you or us stemming from it. You are responsible for the unauthorized use of lost or stolen checks unless the law prohibits us from holding you liable.

4. CREDIT LIMIT. We have assigned a Credit Limit of **\$ 25,850.00** on your Credit Account. You may not request an Advance that would cause your unpaid balance to exceed your Credit Limit. We are not required to pay any item which would cause you to exceed the amount of your Credit Limit. If we do make the Advance, it does not mean your Credit Limit has been raised. We may require you to repay the amount over your Credit Limit at once. If you exceed your Credit Limit, you agree to pay a fee of \$15 for each advance in excess of your Credit Limit.

5. PROMISE TO PAY. You promise to repay to us in U.S. Dollars all Advances charged to your Credit Account, plus finance charges and all other amounts due under this Agreement or the Mortgage. To avoid being in default, you must pay us at least the Minimum Payment (described below) by the "Payment Due Date" shown on each billing statement we will send to you. In any event, you promise to pay the balance of your Credit Account at the termination of this Agreement.

6. MINIMUM PAYMENT. During the Advance Period, your monthly payments will be the amount of finance charge accrued plus credit life insurance premiums, if applicable, any fees and any amounts past due. You are not required, however, to obtain credit life insurance in connection with your Credit Account. After the Advance Period and during the Repayment Period, amounts sufficient to repay your unpaid principal balance over the number of months remaining in your Repayment Period will be added to your payment. If you have failed to pay real property taxes, assessments, ground rents (if any) or hazard insurance when due, we may require you to make monthly payments to us for all amounts necessary for taxes, assessments, ground rents (if any), or hazard insurance on the property ("Property"), as further described in the Open-End Mortgage (the "Mortgage") which was signed in connection with this Agreement.

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7. FINANCE CHARGES. FINANCE CHARGES begin to accrue on the day an Advance is charged to your Credit Account and continue until the outstanding balance on such Advance is paid in full. FINANCE CHARGES on your Credit Account will be determined by applying a daily periodic rate to the daily balance (as described below) of your Credit Account, an amount that will include current transactions. To calculate the daily balance, we take the beginning principal balance of your Credit Account each day, add any new Advances and subtract any payments or credits applied to this principal balance. This gives us the daily balance against which we apply your daily periodic rate. Then we add up all the daily interest accrued for the number of days in the Monthly Statement Period, which becomes the total FINANCE CHARGE for the Monthly Statement Period.

The daily periodic rate and its corresponding ANNUAL PERCENTAGE RATE on the date your Credit Account was opened ("Initial Rate") are .01636% Daily Periodic Rate and 5.990% corresponding ANNUAL PERCENTAGE RATE. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

The daily periodic rate and its corresponding ANNUAL PERCENTAGE RATE are variable rates and therefore may increase or decrease on the first day of each calendar month based on changes in the Prime Rate. "Prime Rate" means the prime rate as published in the "Money Rates" table in The Wall Street Journal. We will use the highest Prime Rate if more than one is published. The Prime Rate is merely a pricing index. It is not intended, and you should not consider it, to represent the lowest or the best interest rate that we or affiliated organizations charge to any borrowers. An increase in the ANNUAL PERCENTAGE RATE and the daily periodic rate will result in a higher FINANCE CHARGE and higher minimum payments, while a decrease in those rates will result in a lower FINANCE CHARGE and lower minimum payments, assuming the same principal balance and number of days in the billing cycle.

If the daily periodic rate changes, it will be increased or decreased on the first day of each calendar month using the Prime Rate in effect on the preceding business day. We will determine your daily periodic rate by adding .990 percentage points to the Prime Rate and dividing the result by 365 (366 in leap years). We refer to this addition as the "Margin".

The first time or any subsequent time there is a change to your ANNUAL PERCENTAGE RATE, it may increase to 18%. At no time, however, will your ANNUAL PERCENTAGE RATE exceed 18%. Other than this cap there are no limits on the amount by which your ANNUAL PERCENTAGE RATE can change over the life of your Credit Account or on any individual date on which your ANNUAL PERCENTAGE RATE changes.

8. PAYMENTS. All payments on your Credit Account must be made by check or money order delivered to us at the address indicated on your billing statement. Any payment may be returned without applying it to your Credit Account if the check or money order is: (1) not drawn on the U. S. Postal Service or a financial institution located in the United States of America; (2) not payable in U.S. Dollars; (3) drawn with different numeric and written amounts; (4) missing a signature; (5) postdated; or (6) unacceptable for any other reason. We may apply all payments and credits in accordance with our standard operating procedures and with the requirements of applicable law. Generally, your payments will be applied in the following order: credit insurance premiums which we have billed to you, interest which we have billed to you, late fees, other fees, principal, insurance premiums which have accrued but which have not yet been billed and interest which has accrued but which has not yet been billed.

We do not process payments on Saturdays, Sundays or bank holidays, and if the Payment Due Date falls on one of these days, you will incur an additional Finance Charge if your payment is not posted on or before the preceding bank business day. We can accept late payments, partial payments, checks or money orders marked "paid in full" or containing similar language without losing any of our rights under this Agreement. You agree to pay us \$20 for each payment check or automatic debit to your account which is returned unpaid. You also agree to pay a fee of \$ 3.00 per copy for providing photocopies of monthly statements or canceled Draw Checks.

9. **SECURITY INTEREST.** As a part of this transaction, you are granting us a Mortgage on the property, as further described in the Mortgage, which is located at **1283 MANHATTAN WAY, GARDNERVILLE, NV 89460-8626** (the "Property"). All of the terms and conditions of the Mortgage are very important and should be read in conjunction with this Agreement.

10. **COSTS FOLLOWING CLOSING.** As you maintain a Credit Account with us, you will incur other charges assessed under the Mortgage and this Agreement. For example, Closing Costs. Your closing costs are listed below. You may pay these costs in cash at the closing or charge them to your Credit Account as Advances.

Loan Origination Fee (Finance Charge)	0.00
Loan Discount (Finance Charge)	0.00
Appraisal Fee	0.00
Credit Report Fee	0.00
Mortgage Broker Fee (Finance Charge)	0.00
Attorney Review - Trust Documents (Finance Charge)	0.00
Flood Zone Certification Fee (Finance Charge)	0.00
Underwriting Fee (Finance Charge)	0.00
Processing Fee (Finance Charge)	0.00
Document Preparation Fee - Lender (Finance Charge)	0.00
Courier Fee - Lender (Finance Charge)	0.00
Courier Fee - Broker (Finance Charge)	0.00
Wire Fee - Lender (Finance Charge)	0.00
Wire Fee - Broker (Finance Charge)	0.00
Other Fee (Finance Charge)	0.00
Other Fee - Broker	0.00
Other Fee - Broker	0.00
Settlement/Attorney Fee	100.00
Abstract or Title Search	0.00
Document Preparation Fee - Settlement Agent	0.00
Closing Attorney Fee	0.00
Bank Closing Attorney	0.00
Title Insurance	0.00
UCC Preparation Fee	0.00
Attorney's Fees to	0.00
Recording/Filing Fees	35.00
City/County Tax/Stamps	0.00
State Tax/Stamps	0.00
Co-op Lien Search	0.00
Georgia Per Loan Fee	0.00
Survey	0.00
Survey Inspection	0.00
Lender's Insurance against loan defaults to St. Paul Fire & Marine Insurance Company \$25.00 POC	0.00
Mortgage Satisfaction Fee	0.00
255 Affidavit Fee	
	135.00
LESS AMOUNT PAID BY LENDER	
	0.00
AMOUNT DUE FROM BORROWER	

Any time as we may reasonably require, while you have the right to take Advances on your Credit Account, we may obtain an appraisal on the Property. You agree that you will cooperate with us in obtaining such an appraisal. The cost of the follow-up appraisal and other permitted third party charges will be treated as Advances under this Agreement, as allowed by applicable law.

11. **RELEASE.** We will release the Mortgage when all amounts due under the Mortgage and this Agreement have been paid. Before giving you a release, you will have to return all unused Draw Checks to us and wait until seven (7) business days after your account has been closed. When we discharge or release the Mortgage or any other documents recorded or filed to perfect our security interest in the Property, you shall pay any recordation or filing costs. Recordation or filing costs are estimated to be \$ 25.00.

12. **LATE FEES.** If you do not make the full current Minimum Payment within 15 days after the date it is due, a late fee of 2.00 % of the current Minimum Payment will be charged.

13. **CREDIT LIFE AND CREDIT DISABILITY INSURANCE.** You may be offered the ability to purchase credit insurance covering your death, disability or unemployment. If offered, credit insurance is voluntary and is not required to obtain credit. If elected, you may terminate it at any time. Credit insurance will not be provided unless you sign or initial a separate document requesting for such insurance. Premiums for any such insurance will be shown on such separate document and will be included in the amount billed to you each month.

14. **ANNUAL PARTICIPATION FEE.** You agree to pay us a non-refundable Annual Participation Fee of \$ 0.00 during the Draw Period and any extension of the Draw Period. Unless you terminate your Credit Account and pay the outstanding balance, the Annual Participation Fee will be charged to your Credit Account annually during the Draw Period in the Monthly Statement Period ending in your anniversary month which we assign to your Credit Account.

15. **DEFAULT.** You will be in default if:

- a.) You engage in fraud or material misrepresentation at any time in connection with your Credit Account.
- b.) We do not receive the full amount of any minimum payment due in any monthly statement period within 60 days of its payment due date, or you fail to meet any of the repayment terms of Section 5 of this Agreement or as set forth in the Mortgage.
- c.) Your action or inaction adversely affects the Property or our rights in it. Examples of these actions and inactions include, but are not limited to circumstances in which:
 1. You are the sole borrower on this Credit Account and you die.
 2. The Property is used for an illegal purpose.
 3. You transfer or attempt to transfer all or part of your interest in the Property without our written consent.
 4. All or part of the Property is taken by condemnation or eminent domain.
 5. You are in default on any mortgage or lien on the Property.
 6. You fail to keep the Property properly insured.
 7. You fail to pay real property taxes and assessments on the Property when they are due.
 8. You fail to keep the Property properly maintained and in good repair.

If you default, we have the right, at our option, to cancel your credit privileges, to require the immediate payment of the entire amount owed to us, and/or to cause your home to be sold at foreclosure sale. If we refer your account to an attorney for collection or foreclosure, you agree to pay our reasonable attorney's fees as permitted by applicable law, but not to exceed 20 % of the amount owed, plus court costs and and the costs related to foreclosure.

16. **CANCELLATION OF CREDIT PRIVILEGES.** We can refuse to make additional extensions of credit, or reduce your Credit Limit if:

- a.) The value of the Property declines significantly below its original appraised value for purposes of this Credit Account.
- b.) We reasonably believe you will not be able to meet the repayment requirements set forth in this Agreement due to a material change in your financial circumstances.
- c.) You fail to meet any material obligation you have under this Agreement.
- d.) You are in default under Section 15 above.

- e.) Government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for in this Agreement.
- f.) Government action impairs our security interest such that the value of our interest is less than 120 percent of your Credit Limit.
- g.) A regulatory agency which supervises us has notified us that continued Advances would constitute an unsafe and unsound practice.
- h.) You become the subject of a proceeding in bankruptcy.
- i.) There is more than one borrower on this Credit Account, one of you dies, and that adversely affects our interest in the Property.
- j.) The maximum **ANNUAL PERCENTAGE RATE** (or rate cap) is reached.

If we refuse to make additional Advances or reduce your Credit Limit under this provision, we may refuse to honor any requests for Advances, including those requests made before but presented to us after we made our decision. We will send you a written notice stating the reason for our action. If for any reason you believe your Credit Limit should be reinstated, you must send us a written request for reinstatement and include in the request the reasons why you believe your credit privilege or Credit Limit should be reinstated.

17. FORECLOSURE. The Mortgage signed in connection with this Agreement gives us certain rights to your property. The law gives us other rights you also agree to give us. If you default, we may foreclose on the Mortgage. This means that the real property covered by the Mortgage will be sold in order to pay the amount owed to us under this Agreement.

18. RIGHT OF SETOFF. If you are in default of this Agreement, we can apply any of your deposit or other credit balances or other property of yours with us towards payment of what you owe.

19. INFORMATION. You agree to provide us with updated financial information, in writing, if we request it. We may request a new credit report on you without telling you. If you ask, we will tell you the name and address of the consumer reporting agency that furnished it. We may furnish information about your performance under this Agreement to our affiliates and other persons.

You also agree to sign any additional or corrective documents in connection with this Agreement, at our request and as allowed by law.

20. ASSUMPTION. Someone buying your Property may not assume this loan on these terms.

21. SENDING OF NOTICES. Any statement or notice to you under this Agreement will be sufficiently given if sent to your address on file in connection with this account or to a new address of which you have notified us in writing at least 20 days before the sending of the statement or notice.

22. AMENDMENT. We may change the terms of this Agreement in accordance with the requirements of applicable law.

23. DELAY IN ENFORCEMENT. We may waive or delay enforcing our rights under this Agreement without losing them or relieving you of any of your obligations. We may waive or delay enforcing a right as to one of you without waiving it as to the others. We may release any security or any one of you from responsibility under this Agreement without releasing the others. We need not give anyone notice of our waiver, delay or release. We may sue any one of you without suing the others.

24. OTHER RULES REGARDING DRAW CHECKS. You may not use Draw Checks to make payments on your Credit Account. You agree that the Draw Checks we supply you with are our property and that you will return them to us at our request.

We are not responsible if anyone refuses to honor a Draw Check. We may honor postdated Draw Checks and are not responsible if we do so. We are not required to certify Draw Checks.

You may ask us to "stop payment" on a Draw Check. If you do, you must tell us the name of the payee, the amount, date and number of the Draw Check, and who signed it. We are not bound by a stop payment order unless we have a reasonable opportunity to act on it and will not be liable for failing to stop payment if we used ordinary care. You agree to indemnify us and will pay all costs and expenses we incur (including reasonable attorney's fees) as a result of honoring your stop payment order. This indemnity will survive any termination of this Agreement. You agree to pay a fee of \$ 15.00 for each request to "stop payment" on a Draw Check.

25. **LEGAL PURPOSES.** You may not use any Advances for purposes that violate any applicable federal, state or local laws or regulations.

26. **APPLICABLE LAW.** Except to the extent that federal law shall be controlling, your rights, our rights, and the terms of this agreement shall be governed by Ohio Law.

27. **JOINT ACCOUNT.** On a joint account each of you may use the Credit Account, but the total unpaid balance may not exceed the Credit Limit. Each of you is individually responsible for payment of the entire balance regardless of who actually requested the Advance. Each of you has the right, upon proper written notice to us, to have the Credit Limit reduced or to suspend the privilege of obtaining new Advances. We have five business days after receipt of your request to take action on it. A request to suspend the privilege of obtaining Advances, even if made only by one of you, will be effective against all of you who are eligible to obtain Advances under this Agreement. In order to restore the Credit Account, we may require financial information from all of you and may refuse to restore the Credit Account if you no longer qualify under the criteria then in effect for new Credit Accounts. Any request for reinstatement would have to be made by all of you, despite the fact that only one of you may have requested the suspension of Advances. You agree to indemnify us and hold us harmless, and will pay all costs and expenses we incur (including reasonable attorney's fees) as result of honoring the request made by any one of you under this provision.

28. **TAX CONSEQUENCES.** You acknowledge that we have given you no assurances that the interest paid on your Credit Account is tax deductible. You are urged to consult your own tax advisor concerning the deductibility of interest and other costs charged in connection with this Credit Account. The Internal Revenue Service requires you to furnish to us, the interest recipient, your tax payer identification number ("TIN") in order to verify any deduction for mortgage interest. Your failure to provide us with your TIN may subject you to a \$50 penalty imposed by the Internal Revenue Service.

YOUR BILLING RIGHTS

Keep this Notice For Future Use

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case of Errors or Questions About Your Bill. If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error.

If you need more information, describe the item you are not sure about.

Your Rights and Our Responsibilities After We Receive Your Written Notice. We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your Credit Limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to the mistaken amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question on your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

You agree to the terms and conditions contained in this Agreement and you acknowledge receipt of a completed copy of this Agreement and the informational and disclosure literature titled "Guidelines to Home Equity Lines"

WITNESS:

ACCEPTED AND AGREED TO:

Kerry J McLean
Borrower -
KERRY J MCLEAN

Gary H. McLean
Borrower -
GARY H MCLEAN

Borrower -

Borrower -

Dated: 12-16-04

Account No.: 9896935922
Ref. No.: 043251923585