

26

DOC # 0692666
01/12/2007 11:33 AM Deputy: DW
OFFICIAL RECORD
Requested By:
LENDER FIRST CHOICE

Tax Parcel Number: 13 KB-24-710-009
Prepared by: Pam Nilsen, OP:
When Recorded Mail to:

FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B.

500 NORTH RIDGE ROAD STE. 500
ATLANTA, GEORGIA 30350

61-8040877
Return to Recording Dept.
Lender's First Choice
3850 Royal Avenue
Simi Valley, CA 93063

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 13 Fee: 26.00
BK-0107 PG- 3746 RPTT: 0.00



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LOAN NO: 3000069334

NEVADA DEED OF TRUST

THIS DEED OF TRUST SECURES AN OPEN-END (REVOLVING) LINE OF CREDIT WHICH PROVIDES FOR PAYMENTS, FUTURE ADVANCES AND A VARIABLE RATE OF INTEREST AS SET FORTH IN A CASH ACCOUNT ADJUSTABLE RATE REVERSE MORTGAGE LOAN ACCOUNT DISCLOSURE STATEMENT AND AGREEMENT DATED THE SAME DATE AS THIS DEED OF TRUST ("AGREEMENT"). THE PROVISIONS OF THE AGREEMENT ARE INCORPORATED HEREIN BY THIS REFERENCE.

THIS DEED OF TRUST ("Security Instrument") is made on **DECEMBER 26, 2006**. The Borrower is **THOMAS H. HEMER, A WIDOWER**

("Borrower") (unless the context indicates otherwise, the terms "Borrower", "I", "we", "us", "me", "my", "mine" and "our" refer collectively to all Borrowers under this Security Instrument). The trustee is **ALLIANCE TITLE COMPANY**

, ("Trustee")

with a mailing address of
3005 DOUGLAS SUITE 200, ROSEVILLE, CALIFORNIA 95661

The beneficiary is
FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B.

A DELAWARE CORPORATION, whose office address is
1660 EAST ROSEVILLE PARKWAY, STE 100, ROSEVILLE, CALIFORNIA 95661

("Lender") (unless the context indicates otherwise, the terms "Lender", "you" and "your" refer to **FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B.**)

"Loan" and "Account" refer to the loan evidenced by the Agreement. Borrower owes Lender a maximum principal sum of

ONE MILLION THREE HUNDRED THIRTY ONE THOUSAND TWO HUNDRED AND 00/100 -----

(U.S. \$ **1,331,200.00**), plus all interest and other amounts due as set forth below.



This debt is evidenced by the Agreement, which provides for a single payment due and payable in the ordinary course, upon the earliest to occur of any of the Maturity Events as set forth more fully in Section 6 of the Agreement, which are as follows: (a) the sale, conveyance, transfer or assignment of any part of the Property, as defined below, or any of Borrower's rights in the Property, whether voluntarily or involuntarily, by operation of law or otherwise, to a person other than any of the original Borrowers, without Lender's prior written consent; (b) the Borrower's death or, if there is more than one Borrower, the death of the last living Borrower; and (c) all Borrowers ceasing to use the Property as their principal residence.

This Security Instrument secures to you (a) repayment of the debt evidenced by the Agreement, including principal (which includes the Initial Advance (as referred to in the Agreement) and all future Advances made after the date of this Security Instrument), all interest thereon, a charge upon repayment of the Loan, if applicable, all other amounts and charges set forth in the Agreement or this Security Instrument and all renewals, replacements, extensions and modifications of the Agreement and this Security Instrument; (b) the payment of all other amounts, with interest, advanced under the Agreement or Section 6 of this Security Instrument to protect the security of this Security Instrument; and (c) the performance of my obligations and agreements under this Security Instrument and the Agreement. For this purpose, I irrevocably grant and convey to Trustee, in trust, with power of sale, the following described property located in

DOUGLAS

County, Nevada:

[See Exhibit "A" attached hereto.]

which has the address of

245 LAUREL CIRCLE

STATELINE, NEVADA 89448

("Property Address");

TOGETHER WITH all the improvements now or in the future erected on such property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures which are now or in the future become a part of said property. All replacements and additions shall also be covered by this Security Instrument. All of the property described above and in Exhibit "A" is referred to in this Security Instrument as the "Property".

I COVENANT that I am lawfully seised of the estate hereby conveyed and I have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. I warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

I HEREBY WARRANT that all of the statements and representations I have made in the Agreement with respect to the Property are true and correct.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest and Fees.

I will promptly pay, or cause to be paid, to Lender when due the principal of the debt evidenced by the Agreement (the "Principal Amount"), all interest thereon, and all fees, charges and other amounts due under the Agreement or this Security Instrument.



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2. Charges; Liens.

I will pay prior to delinquency all taxes, assessments, charges, fines and impositions attributable to the Property, and I will pay these obligations directly to the person or entity owed payment. I will, upon your request, promptly furnish to you all notices of amounts to be paid under this Section and all receipts evidencing those payments.

I will promptly discharge any lien on the Property which may attain priority over this Security Instrument (other than as listed in the title insurance policy ("Title Policy") issued to you and insuring this Security Instrument) unless I (a) agree in writing to pay the obligation secured by the lien in a manner acceptable to you; (b) contest in good faith the lien by, or defend against enforcement of the lien in, legal proceedings which in your opinion operate to prevent enforcement of the lien or forfeiture of any part of the Property; or (c) secure from the holder of the lien an agreement satisfactory to you subordinating the lien to this Security Instrument. If you determine that any part of the Property is subject to a lien, you may immediately cease making any further Advances, and give me a notice identifying the lien. I will satisfy the lien or take one or more of the actions set forth above within ten (10) days of your giving me this notice.

3. Hazard Insurance.

I will keep the improvements now existing or erected in the future on the Property insured against loss by fire, hazards included within the terms "extended coverage" and "all risk", and any other hazards, including floods or flooding, for which you require insurance, through an insurance company and on terms satisfactory to you, and which provides you with at least ten (10) days prior written notice before any change or cancellation can be made. I understand that all insurance policies and renewals must be acceptable to you and include a standard mortgagee clause in your favor. You have the right to hold the policies and renewals. If you require, I will promptly give you all receipts for paid premiums and renewal notices. In the event of loss, I will give prompt notice to the insurance carrier and to you. You may submit proof of loss if I do not do so promptly. I hereby authorize you to contact the insurance carrier to verify the coverage and to ensure that you are named as loss payee under a standard mortgagee clause. In the event that you are not so named, I authorize you to instruct the insurance carrier to so name you.

If I do not provide you with evidence of insurance satisfactory to you upon your request you may, but are not obligated to, in accordance with Section 6, obtain such insurance on your own behalf or on my behalf, at your option, naming you as the insured or otherwise, at your sole option. I acknowledge that insurance you obtain in this way may provide less protection to me and may be more expensive than insurance I could obtain.

Unless you and I agree differently in writing, insurance proceeds will be applied to restore or repair the damaged Property, if (a) the restoration or repair is economically feasible within a reasonable period of time; (b) I am willing and able to repair or restore the Property as necessary within a reasonable period of time; and (c) the value of your security would not be lessened. If the foregoing requirements are not all met you may, at your option, use the insurance proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due, with any excess paid to me. If I abandon the Property or do not answer within 30 days a notice from you that the insurance carrier has offered to settle a claim, you may collect the insurance proceeds and use them to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due. The thirty-day period will begin when the notice is given.

If under this Security Instrument you acquire the Property, my right to any insurance policies and proceeds resulting from damage to the Property before you acquire it will pass to you to the extent of the amounts secured by this Security Instrument immediately prior to the acquisition.



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4. Preservation and Maintenance of Property.

I will at my expense keep the Property in at least the same condition as it exists on the later of the date of the Security Instrument or the date upon which all repairs, if any, funded by you from the Initial Advance made under the Agreement are completed. I will not remove or demolish any building on the Property, and I will repair and restore promptly and in good and workmanlike manner any building which may be damaged or destroyed thereon and will pay, when due, all claims for labor performed and materials furnished therefore. I will comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon. I will not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property, nor will I commit, suffer or permit any act upon the Property in violation of law or any required insurance policy relating to the Property. I will cultivate, irrigate, fertilize, fumigate, prune and do all other acts, which from the character or use of the Property may be reasonably necessary to maintain its condition as required by the Agreement and this Security Instrument.

I understand that I will be in default under this Security Instrument if any forfeiture action or proceeding, whether civil or criminal, is begun that in your good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or your security interest. You may immediately cease making any further Advances upon the commencement of any such forfeiture action or proceeding, and give me a notice identifying the proceeding. I may cure this default and reinstate, as provided in Section 14, by causing the action or proceeding to be dismissed with a ruling that, in your good faith determination, precludes forfeiture of my interest in the Property or other material impairment of the lien created by this Security Instrument or your security interest. I understand that I will also be in default if I give materially false or inaccurate information or statements to you (or failed to provide you with any material information) in connection with the Agreement, including, but not limited to, representations concerning my occupancy of the Property as a principal residence.

5. Hazardous Substances.

I will not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on, in, or from the Property. The preceding sentence does not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses, as distinct from commercial uses, and to maintenance of the Property. I will not do, nor allow anyone else to do, nor am I aware of, anything affecting the Property that is in violation of any Environmental Law.

I will promptly give you 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 I have actual knowledge. If I learn, or am notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, I will promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Section and in the Agreement, "Hazardous Substances" means hazardous wastes, hazardous substances, toxic substances, hazardous air pollutants, pesticides, contaminants or other pollutants as those terms are used in any Environmental Law, and the following substances: gasoline, diesel fuel, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, lead paint, and radioactive materials. As used in this Section and in the Agreement, "Environmental Law" means federal laws and regulations and laws and regulations of each of the other jurisdictions in which the Property is located that relate to health, safety or environmental protection, including laws regulating the handling, use, storage, disposal or transportation of Hazardous Substances.



6. Protection of Lender's Rights in Property.

6.1 If I fail to perform any of my material obligations contained in the Agreement or any of my obligations set forth in this Security Instrument, or if legal proceedings are commenced that may significantly affect your rights in the Property (such as proceedings in bankruptcy, probate, for condemnation or to enforce laws or regulations), then you may, but are not obligated to, do or pay for whatever is necessary to protect the value of the Property and your rights in the Property. This may include, for example, paying the cost of maintaining the Property during my absence; paying all taxes, assessments, charges, fines and impositions attributable to the Property; discharging liens, appearing in court and paying reasonable attorneys' fees; paying insurance premiums or paying the cost of repair or to prevent deterioration or waste to the Property; all as provided in the Agreement or in this Security Instrument. Any payments you make will not create an obligation on your part to make any further payment.

6.2 If you do make such payments, you may at your option add any amounts paid to the balance of my Account owed under the Agreement and reduce my Advance Limit by an equal amount. Any amounts so paid and added to the balance of my Account will be secured by this Security Instrument and have priority as if made on the date of this Security Instrument. These amounts will bear interest from the date of disbursement at the interest rate provided under the Agreement and will be payable at the same time as other debt is payable under the Agreement or this Security Instrument.

7. Inspection.

I will permit you or your representative to visit and walk through the Property on reasonable prior notice (at least 24 hours).

8. Condemnation of the Property.

I hereby assign to you 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, and the same are to be paid to you.

In the event of a total taking of the Property or a conveyance in lieu of condemnation, the proceeds will be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to me. If the Property is partially taken and the fair market value of the Property (as determined pursuant to Section 8a below) immediately before the taking is equal to or greater than the sums secured by this Security Instrument immediately before the taking, unless you and I otherwise agree in writing, the sums this Security Instrument secures will be reduced by applying thereto a portion of the proceeds equal to the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking as so determined. Any balance will be paid to me. If the Property is partially taken and the fair market value of the Property (as determined pursuant to Section 8a below) immediately before the taking is less than the amounts secured immediately before the taking, unless you and I agree otherwise in writing or unless applicable law otherwise provides, the proceeds will be applied to the sums secured by this Security Instrument, whether or not they are then due.

If I abandon the Property or if, after you notify me that the condemnor has offered to make an award or settle a claim for damages, I fail to respond to you within (30) days after the date the notice is given, you are authorized to collect and apply the proceeds, at your option, either to restore or repair the Property or to the amounts secured by this Security Instrument, whether or not they are then due.



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a. In the event of a partial taking, the Property's fair market value shall be determined by one or two real estate appraisers certified either as a Senior Residential Appraiser of the Society of Real Estate Appraisers or a Residential Member of the American Institute of Real Estate Appraisers in accordance with the following procedure. Lender shall select an appraiser who will determine the fair market value of the Property as of the Maturity Event in accordance with the general practice of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers, as the case may be, and provide a written appraisal reflecting this determination to Lender (the "Lender Appraisal"). Lender shall submit to me a copy of the Lender Appraisal along with notice of my right to dispute the appraiser's determination of the fair market value of the Property which will include a list of no less than three (3) additional appraisers approved by Lender ("Notice of Right to Object"). The determination of fair market value of the Property reflected in the Lender Appraisal shall be conclusive unless I provide to Lender a Notice of Objection & Selection of Appraiser, as defined below, within fourteen (14) calendar days of the date Lender sends me the Lender Appraisal and Notice of Right to Object.

If I wish to contest the fair market value determination reflected in the Lender Appraisal, I will provide Lender both (i) a written statement of my objection to the Lender Appraisal, and (ii) my written selection of one of the appraisers approved by Lender and listed in the Notice of Right to Object (collectively referred to herein as the "Notice of Objection & Selection of Appraiser"). If my Notice of Objection & Selection of Appraiser does not clearly state my selection of an appraiser listed in the Notice of Right to Object, you may elect to select an appraiser from such list. If the appraiser I select or you select is unable to complete the appraisal of the Property, a replacement appraiser shall be selected by you from the list of approved appraisers in the Notice of Right to Object. The appraiser selected shall independently determine the fair market value of the Property as of the Maturity Event in accordance with the general practice of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers, as the case may be. The appraiser shall promptly submit the written appraisal of the fair market value of the Property to Lender. Lender shall average the two appraisals and this average shall be the fair market value of the Property as of the Maturity Event. Lender shall provide me a copy of the second appraisal and notice of its calculation of the average of the two appraisals.

The appraisal procedure of determining the fair market value of the Property set forth above is referred to in this Addendum as the "Standard Appraisal Method" and shall be used whenever an appraisal is necessary to determine the amount I owe you under the Agreement. I agree that the determination of the Property's fair market value pursuant to the Standard Appraisal Procedure will be fair and shall be final and binding on me.

I shall pay all costs associated with any appraisal of the Property pursuant to the Standard Appraisal Method and shall reimburse you for any amounts you spend in connection with such an appraisal, except to the extent prohibited by law. Amounts you spend shall become additional indebtedness under the Agreement and shall be secured by the Security Instrument, shall be deemed an Advance and shall be due and payable by me upon your demand.

9. Borrower Not Released; Forbearance by Lender Not a Waiver.

I understand that any extension of the time for payment of the amounts secured by this Security Instrument which you grant to me or to any of my successors in interest will not operate to release my liability or that of my successors in interest. You will not be required to start proceedings against any successor in interest or refuse to extend time for payment of the amounts secured by this Security Instrument by reason of any demand made by me or any of my successors in interest. Any forbearance by you in exercising any of your rights or remedies will not constitute a waiver, or preclude the exercise, of any of your other rights or remedies.



10. Successors and Assigns Bound; Joint and Several Liability.

The warranties and agreements of this Security Instrument and the Agreement shall bind and benefit you and your successors and assigns, and me and my executors, administrators, heirs, successors and assigns. Borrower's warranties and agreements are and will be joint and several. Anyone who co-signs this Security Instrument as a Borrower but does not execute the Agreement (i) is co-signing this Security Instrument only to mortgage, grant, warrant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (ii) is not personally obligated to pay the amounts secured by this Security Instrument; and (iii) agrees that Lender and any other Borrower may agree, subject to applicable law, to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Agreement without that Borrower's consent.

11. Loan Charges.

If the loan secured by this Security Instrument 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 me which exceeded permitted limits will be refunded to me by reducing the principal owed under the Note.

12. Notices.

Any notice to me described in the Agreement or in this Security Instrument will be given by private delivery service or by mailing it by first class mail, postage prepaid, unless applicable law or the terms of this Security Instrument or the Agreement require using another method. The notice will be directed to the Property Address or any other address all Borrowers designate to you in writing. I understand that any notice to you must be given by private delivery service or by first class mail, postage prepaid, to your address stated in this Security Instrument or any other address you designate to me in writing, unless applicable law or the terms of this Security Instrument or the Agreement require using another method. Any notice given by private delivery service in this way will be considered to have been given when delivered, and any notice given by mail in this way will be considered to have been given five (5) business days after being deposited in the mail.

13. Governing Law; Severability.

This Security Instrument will be governed by the laws of the state in which the Property is located (without regard to its rules pertaining to conflict of laws) and by applicable federal law, including the Federal Arbitration Act as it applies to Section 20 of this Security Instrument, and its provisions are severable, as provided in Section 17.8 of the Agreement.

14. Borrower's Right to Reinstate.

If, upon the occurrence of an Event of Default as described in Section 13 of the Agreement and, after demanding mandatory prepayment of the Loan, you seek enforcement of this Security Instrument by commencing foreclosure, whether pursuant to any power of sale contained in this Security Instrument or by filing an action in a court of law, if I meet certain conditions, I will have the right to have enforcement of this Security Instrument discontinued at any time before the earlier of (i) five (5) business days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (ii) entry of a judgment enforcing this Security Instrument. Those conditions are that I (a) pay you all amounts which then would be due under this Security Instrument and the Agreement had you not required mandatory prepayment; (b) cure any breach or default in the performance of any other warranty or agreement; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) take any action you may reasonably require to ensure that the lien of this Security Instrument, your rights in the Property and my obligation to pay the amounts secured by this Security Instrument continue unchanged. Upon my reinstatement, this Security Instrument and the obligations it secures will remain fully effective as if you had not required mandatory prepayment.



15. Non-Recourse Liability.

Lender may enforce the obligations under this Security Instrument and the Agreement solely against the Property. I shall have no personal liability for payment of the amounts due under this Security Instrument and the Agreement. This paragraph shall not impair in any way the lien of this Security Instrument or the right of Lender to collect all sums due under the Agreement and this Security Instrument or prejudice the right of Lender as to any covenants or conditions of the Agreement and this Security Instrument.

16. Obligatory Loan Advances.

Lender's responsibility to make Loan Advances under the terms of the Agreement, including loan advances of principal to me as well as loan advances for interest, servicing fees, and other charges, shall be obligatory.

17. Remedies Cumulative.

All of your remedies under this Security Instrument are cumulative to any other right or remedy under this Security Instrument or the Agreement, or which is afforded by law or equity, and may be exercised concurrently, independently or successively.

18. Request for Notices.

I request that a copy of any notice of default and a copy of any notice of sale thereunder be mailed to me at my address, which is the Property Address.

19. Loan Advances.

This Security Instrument secures future advances. All advances and indebtedness arising and accruing from time to time under the Agreement or under this Security Instrument shall be secured by this Security Instrument. Advances shall be made and indebtedness shall be incurred from time to time on and after the date of this Security Instrument under the Agreement, but each such advance or indebtedness shall be secured by this Security Instrument and have priority as if made on the date of this Security Instrument.

20. Arbitration.

Any controversy or claim arising out of or relating to this Security Instrument, the Agreement or any other document relating to the Account, the breach of any of them or the default under any of them, other than an action or proceeding to foreclose on the Property pursuant to this Security Instrument, will be settled by binding arbitration under the jurisdiction of the American Arbitration Association in accordance with its Commercial Arbitration Rules. The arbitration will be conducted in the county in which the Property is located, unless you and I agree in writing on a different location. Judgment upon any award rendered by the arbitrator may be entered in any appropriate court. Such arbitration may not, however, without your consent, delay or adversely affect your ability to exercise any of the remedies available to you under this Security Instrument or the Agreement. Your pursuit of such remedies will not constitute a waiver by you of your rights to submit any controversy or claim to arbitration. No arbitration conducted hereunder shall be consolidated or combined with any other arbitration absent Lender's express written consent.

Notwithstanding anything that may be contained in this Section to the contrary, this Section does not limit your right to foreclose against the Property (whether judicially or non-judicially by exercising your right of sale or otherwise), to exercise self-help remedies such as set-off, or to obtain injunctive relief for the appointment of a receiver from any appropriate court, whether before, during or after any arbitration.

21. Counterpart Execution.

This Security Instrument may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same document. One set of copies of this Security Instrument signed by all the parties shall be submitted for recordation.



NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Events of Default; Mandatory Prepayment and Other Remedies.

I understand that if an Event of Default occurs, as described in Section 13 of the Agreement (including but not limited to the sale, conveyance, transfer or assignment of all or any part of the Property, or any of my rights in the Property, whether voluntarily or involuntarily, by operation of law or otherwise, to a person other than any of the original Borrowers, without your prior written consent), and is continuing, you may immediately stop making any further Advances, and that if I do not cure that default within the period specified in the notice of Event of Default described in this Section, you may require mandatory prepayment of the Loan together with all other amounts owed under the Agreement and this Security Instrument. You will notify me, following the occurrence of an Event of Default, before requiring mandatory prepayment, specifying: (a) the Event of Default; (b) the action required to cure the Event of Default; (c) a date, not less than 35 days from the date the notice is given to me, by which the Event of Default must be cured; and (d) that failure to cure the Event of Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform me of my right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense I have to acceleration and sale.

If the Event of Default is not cured on or before the date specified in the notice, you at your option, and without further demand, may invoke the power of sale, including the right to require mandatory prepayment of the Loan together with all other amounts owed under the Agreement and this Security Instrument, and any other remedies permitted by Applicable Law. You shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

23. Sale Procedures.

If you invoke the power of sale, you shall execute or cause Trustee to execute written notice of the occurrence of an Event of Default and of your election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. You shall mail copies of the notice as prescribed by Applicable Law to me and to the persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law.

After the time required by Applicable Law, Trustee, without demand on me, 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 Trustee determines. 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. You or your designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser 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. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

24. Reconveyance.

Upon payment of all sums secured by this Security Instrument, you shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally



entitled to it. Such person or persons shall pay any recordation costs. You may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

25. Substitute Trustee.

You at your option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

26. Riders to this Security Instrument.

If I execute one or more riders and they are recorded together with this Security Instrument, the warranties and agreements of each such rider shall be incorporated into and shall amend and supplement the warranties and agreements of this Security Instrument as if the rider(s) were part of this Security Instrument. [Check Applicable box(es)]:

- Condominium Rider Planned Unit Development Rider
- 1-4 Family Rider Other:

BY SIGNING BELOW, I hereby accept and agree to the terms and agreements contained in this Security Instrument and in any rider(s) I execute and which are recorded with it.

BORROWER:



 (Borrower) **THOMAS H. HEMER**

12-26-06

 Date

 (Borrower) _____ Date



STATE OF NEVADA
COUNTY OF DOUGLAS

On 12-26-06, before me, TRISH WITHERSPOON, personally appeared
THOMAS H. HEMER

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

Trish Witherspoon



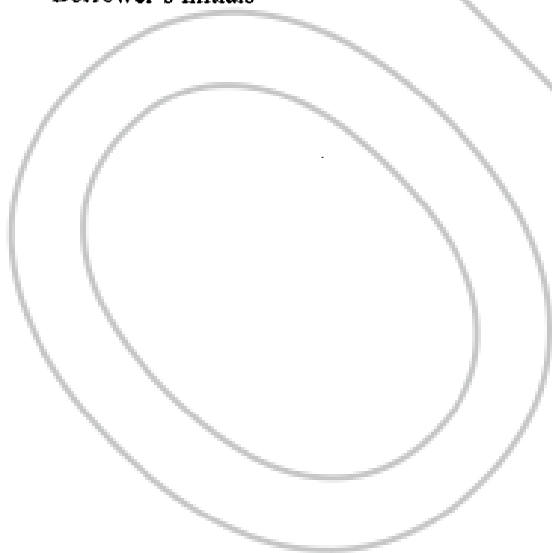
My commission expires on: 10-1-07

775-849-1383



Exhibit "A"

Legal description of Property:
SEE ATTACHED EXHIBIT "A"



A
Borrower's Initials

Borrower's Initials



Exhibit "A"

ALL THAT REAL PROPERTY SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

LOT 23, AS SHOWN ON THE MAP OF KINGSBURY HIGHLANDS UNIT NO. 2, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON DECEMBER 26, 1961, AS DOCUMENT NO. 19280.

TOGETHER WITH THE RIGHT TO USE A 15 FOOT EASEMENT FOR ROADWAY PURPOSES OVER THE SOUTHWESTERLY PORTION OF LOT 22, KINGSBURY HIGHLANDS, UNIT NO. 2.

LESS AND EXCEPT THAT PORTION OF PROPERTY CONVEYED TO WILLIAM H. JONES, JR. AND OLIVE JONES, HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP FILED IN BOOK 1288 AT PAGE 497.

ALL THAT PORTION OF LOT 23, KINGSBURY HIGHLANDS UNIT NO. 2, RECORDED DECEMBER 26, 1961, DOCUMENT NO. 19280, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 23; THENCE ALONG THE SOUTH LINE OF LOT 23 NORTH 86 DEGREES 24 MINUTES 23 SECONDS WEST (NORTH 86 DEGREES 15 MINUTES 03 SECONDS WEST RECORD) 71.17 FEET; THENCE NORTH 00 DEGREE 51 MINUTES 43 SECONDS WEST 100.00 FEET; THENCE NORTH 14 DEGREES 33 MINUTES 30 SECONDS WEST 16.12 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 23; THENCE ALONG SAID NORTHERLY LINE NORTH 81 DEGREES 20 MINUTES 22 SECONDS EAST (NORTH 81 DEGREES 29 MINUTES 09 SECONDS EAST RECORD) 77.77 FEET TO THE NORTHEAST CORNER OF SAID LOT 23; THENCE ALONG THE EAST LINE OF LOT 23 SOUTH 00 DEGREE 07 MINUTES 50 SECONDS WEST 131.76 FEET (SOUTH 00 DEGREE 01 MINUTE 27 SECONDS WEST 132.00 FEET RECORD) TO THE TRUE POINT OF BEGINNING. CONTAINING 8,964 SQUARE FEET, MORE OR LESS.

COUNTY ASSESSOR AS 1318-24-710-009

