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DOC # 0692817  
01/17/2007 09:06 AM Deputy: GB  
OFFICIAL RECORD  
Requested By:  
NATIONS TITLE AGENCY

APN # 1318-16-810-050

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 of 18 Fee: 31.00  
BK-0107 PG-4403 RPTT: 0.00

Recording Requested by:



(for Recorder's use only)

✓ Name Morgan Stanley Credit Corporation

Address 2500 Lake Cook Rd, Bldg 2

City/State/Zip Riverwoods, IL 60015

06NL52658

RETURN TO (NLS)  
NATIONS TITLE AGENCY INC.  
5370 W. 95th ST.  
SHAWNEE MISSION, KS 66207

Deed of Trust and Fixture Filing  
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.  
(Additional recording fee applies)

This cover page must be typed or printed.

RECORDING REQUESTED BY ~~AND~~  
~~WHEN RECORDED, MAIL TO:~~

Morgan Stanley Credit Corporation  
4909 East 26th Street,  
Sioux Falls, SD 57110

Loan Number: 940-2-390-552663

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

<p><b>Morgan Stanley Credit Corporation</b> <i>OWN 152658</i></p>	<p><b>NEVADA DEED OF TRUST AND FIXTURE FILING</b></p>
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**(THIS DEED OF TRUST AND FIXTURE FILING SECURES A LINE OF CREDIT  
AGREEMENT WHICH PROVIDES, SUBJECT TO CERTAIN CONDITIONS, FOR  
OBLIGATORY ADVANCES AND FOR A VARIABLE INTEREST RATE)**

THIS Deed of Trust, is made  
among the Trustor, (herein "Borrower")

January 5, 2007

**DAVID BIGELOW DEMING AND MARSHA LEE  
FRANKOVICH DEMING, TRUSTEES OF THE  
DEMING FAMILY TRUST DATED OCTOBER 14,  
1986**

the Trustee (herein "Trustee")

**WESTERN TITLE INSURANCE  
225 S. Arlington  
Reno, NV 89501**

and the Beneficiary (herein "Lender")

**Morgan Stanley Credit Corporation  
2500 Lake Cook Rd, Bldg 2  
Riverwoods, IL 60015**

**AMOUNT SECURED: One Hundred Thousand and 00/100 Dollars (\$100,000.00).**

**ADVANCE MADE AT TIME OF MORTGAGE Eighty-Three Thousand Two Hundred Twenty-Two and  
63/100 Dollars (\$83,222.63).**

WHEREAS, Lender and Borrower have entered into an Agreement and Disclosure Statement (the  
"Agreement") pursuant to which Lender has agreed from time to time to make loans to Borrower under an  
arrangement whereby Borrower may borrow, repay and borrow again during the term of the Agreement.

WHEREAS Borrower's credit line under said Agreement is \$100,000.00 (hereinafter sometimes referred to  
as "Amount Secured"), the outstanding balance of which, if not sooner paid is due and payable on February  
5, 2017.

BORROWER, in the 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 the County of Douglas, State of Nevada:

**ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: LOT 121, AS SHOWN ON THE MAP OF ELKS SUBDIVISION, LAKE TAHOE, NEVADA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON MAY 5, 1927, AND SECOND AMENDED PLAT ON JUNE 5, 1952, IN BOOK 1 OF MAPS. BEING THE SAME PROPERTY CONVEYED TO DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, AS CO-TRUSTEES OF THE DEMING FAMILY TRUST BY QUIT CLAIM FROM DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP AS RECORDED 06/29/87 IN DOCUMENT 157338.**

which has the address of:

**465 Elks Avenue  
Zephyr Cove, NV 89448**

(herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, 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 herein referred to as the "Property."

TO SECURE to Lender (a) the repayment of all indebtedness due and to become due under the terms and conditions of the Account Agreement and Disclosure Statement (the "Agreement") executed by Borrower and dated the same day as this Deed of Trust, and all modifications, extensions and renewals thereof, which Agreement provides that Lender shall make advances to Borrower of a revolving nature and that such advances may be made, repaid and remade from time to time, subject to the limitation that the total outstanding principal balance owing at any one time under the Agreement (not including finance charges thereon at a rate which will vary from time to time, and other fees and charges which may from time to time be owing under the Agreement) shall not exceed the Amount Secured designated on the first page of this Deed of Trust; (b) the payment of all other sums advanced in accordance herewith to protect the security of this Deed of Trust, with finance charges thereon at the variable rate described in the Agreement (c) the performance of the covenants and agreements contained herein and in the Agreement.

ANY REFERENCES in this Deed of Trust to the "Note" shall be deemed to refer to the Agreement, and any references in this Deed of Trust to notes and promissory notes shall include loan agreements, as applicable. All references to interest shall be deemed to include finance charges.

BORROWER covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, except for the encumbrances of record and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

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

**1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Agreement, the principal of and interest on any Future Advances secured by this Deed of Trust, and all other charges imposed under the Agreement.



**2. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and paragraph 1 hereof shall be applied by Lender: (1) (in the order Lender chooses) to any finance charges, collection costs and other charges owing under the Agreement or this Deed of Trust; (2) to the principal balance under the Agreement; and (3) to finance charges, other charges and the principal balance of any other advances.

**3. Charges; Liens.** Borrower shall pay all taxes, assessments and other 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, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and in the event Borrower makes payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust (excluding the lien of any Prior Encumbrance); provided that Borrower shall not be required to discharge any such lien so long as Borrower shall (a) agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or (b) in good faith contest such lien by, or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof, or (c) secure from the holder of such prior lien an agreement in form satisfactory to Lender subordinating such lien to this Deed of Trust. Any default by Borrower under the terms of any Prior Encumbrance shall constitute a default under this Deed of Trust.

**4. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, 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. Unless Lender in writing requires otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy. The amount of coverage shall be no less than Borrower's credit limit under the Agreement plus the full amount of any superior lien on the Property.

The insurance carrier providing insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 6. All premiums on insurance policies shall be paid by Borrower, when due, directly to the insurance carrier.

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, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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 damaged, provided such restoration or repair is economically feasible, and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, such application of proceeds to principal shall not extend or postpone the due date of the payments referred to in paragraph 1 hereof or change the amount of such payments. If under paragraph 20 hereof the Property is acquired by Lender, all rights, title and interest of Borrower in any insurance policies and in and to the proceeds thereof resulting from damage



to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

If all or part of the Property is damaged or destroyed by a third party and sums are due from that party or its insurer as a result, whether due to judgment, settlement or other process, those sums shall be applied in the same manner as insurance proceeds under this paragraph 4.

**5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

**6. 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, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree 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 rate payable from time to time on the outstanding principal under 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 permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder. Any action taken by Lender under this paragraph 6 shall not cure any breach Borrower may have committed of any covenant or agreement under this Deed of Trust.

**7. 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.

**8. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking 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, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

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 such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 hereof or change the amount of such payments.

**9. Borrower not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust or release of any security for the obligations secured hereby, or any other amendments to the Agreement or this Deed of Trust granted by Lender to Borrower or to any successor in interest of Borrower, shall not operate to release, in any manner, the liability of Borrower or Borrower's successors as the case may be. Lender shall not be required to commence proceedings against any successor in interest of Borrower or 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 the original Borrower or Borrower's successor in interest.

**10. Forbearance by Lender not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

**11. Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

**12. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

**13. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided in this Deed of Trust shall be given by personally delivering such notice to Borrower or by mailing such notice by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**14. Uniform Deed of Trust; Governing Law; Severability.** This form of Deed of Trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform deed of trust covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located, except to the extent pre-empted by federal law. In the event that any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust are declared to be severable.

**15. Borrower's Copy.** Borrower shall be furnished with a conformed copy of the Agreement and this Deed of Trust at the time of execution or after recordation hereof.

**16. Transfer of Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at Lender's option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be

exercised by Lender if exercise is prohibited by federal law as of the date of 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 thirty (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.

**17. Sale of Note; Change of Loan Servicer.** The Note or partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will state the name and address and the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**18. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environment Law. The preceding two sentences shall 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 and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, law suit or other action by any law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall Promptly pay all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 18, "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 paragraph 18, "Environment Law" means federal laws or the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**19. Post Judgment.** Borrower agrees that the interest rate payable after a judgment is entered on the Note or in an action of mortgage foreclosure, shall be the rate stated in the Note or, if the state does not permit the Lender to charge the Note rate, then the judgment rate required under applicable law shall apply.

Any advances made by the Lender after a judgment is entered on the Note or in an action of mortgage foreclosure, including, but not limited to payments of insurance premiums and real estate taxes, shall become additional indebtedness of the Borrower until the indebtedness is paid in full.

**20. Acceleration; Remedies.** In the event of a default hereunder, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 20, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice to the person and in the manner prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower,



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 such order as Trustee may determine. Trustee may postpone the sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's 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 reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and cost of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

**21. 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 at any time prior to five (5) days before the sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Agreement or notes securing Future Advances, if any, and no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements 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 20 hereof, including, but not limited to, reasonable attorney's 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.

**22. Assignment of Rents; Appointments of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property provided that Borrower shall, prior to acceleration under paragraph 20 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 20 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

**23. Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust to Trustee. Trustee, upon receipt of the fee then charged by Trustee for the issuance of reconveyances, shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay the fee then charged by the Trustee for the issuance of reconveyances and all costs of recordation.

**24. Substitute Trustee.** Lender, at Lender's 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 the Trustee herein and by applicable law.

**25. Request for Notice.** Borrower requests that copies of the notice of default and notice of sale be sent to Borrower's address which is the Property address.





**26. No Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the prior written consent of Lender.

**27. Riders to this Deed of Trust.** If one or more riders are executed by Borrower 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 a part of this Deed of Trust.[applicable rider(s) shown checked below.]

- |                                     |                                |                                     |                       |
|-------------------------------------|--------------------------------|-------------------------------------|-----------------------|
| <input type="checkbox"/>            | Condominium Rider              | <input checked="" type="checkbox"/> | Second Home Rider     |
| <input type="checkbox"/>            | 1-4 Family Rider               | <input type="checkbox"/>            | Adjustable Rate Rider |
| <input type="checkbox"/>            | Planned Unit Development Rider | <input type="checkbox"/>            | Bridge Loan Rider     |
| <input checked="" type="checkbox"/> | Trust Rider                    |                                     |                       |

**SIGN HERE**

IN WITNESS WHEREOF, BORROWER has executed this Deed of Trust.

DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, TRUSTEES OF THE DEMING FAMILY TRUST DATED OCTOBER 14, 1986

David Bigelow Deming 1-6-07  
 DAVID BIGELOW DEMING, TRUSTEE DATE

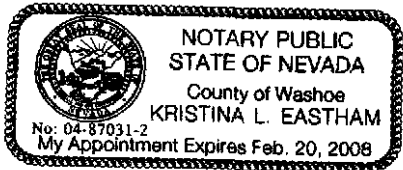
Marsha Lee Frankovich Deming 1-6-07  
 MARSHA LEE FRANKOVICH DEMING, TRUSTEE DATE

**NOTARY** 

STATE OF NEVADA Douglas COUNTY SS:

On this 6 day of Jan, 2007, before me, the undersigned, a Notary Public personally appeared David Bigelow Deming & Marsha Frankovich Deming known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged that he/she/they executed the same.

My Commission expires: 2/20/2008 Kristina L Eastham  
Notary Public for Nevada



Residing at: 6015 S Virginia St, Nevada  
Reno

**REQUEST FOR RECONVEYANCE**

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Date \_\_\_\_\_

**LEGAL DESCRIPTION  
(Exhibit A)**

06NL52658

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF DOUGLAS,  
STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
LOT 121, AS SHOWN ON THE MAP OF ELKS SUBDIVISION, LAKE TAHOE, NEVADA,  
FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF  
NEVADA, ON MAY 5, 1927, AND SECOND AMENDED PLAT ON JUNE 5, 1952, IN BOOK  
OF MAPS.

BEING THE SAME PROPERTY CONVEYED TO DAVID BIGELOW DEMING AND  
MARSHA LEE FRANKOVICH DEMING, AS CO-TRUSTEES OF THE DEMING FAMILY  
TRUST BY QUIT CLAIM FROM DAVID BIGELOW DEMING AND MARSHA LEE  
FRANKOVICH DEMING, HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF  
SURVIVORSHIP AS RECORDED 06/29/87 IN DOCUMENT 157338.

Tax Id: 1318-16-810-050

Date: January 5, 2007  
Loan Number: 940-2-390-552663

**DEFINITION USED IN THIS RIDER.**

(A) "Revocable Trust."

Trust created under Trust Instrument entitled DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, TRUSTEES OF THE DEMING FAMILY TRUST DATED OCTOBER 14, 1986.

(B) "Trustee(s)." DAVID BIGELOW DEMING and MARSHA LEE FRANKOVICH DEMING, trustee(s) of the Revocable Trust.

(C) "Settlor(s)." DAVID DEMING and MARSHA DEMING, settlor(s) of the Revocable Trust.

(D) "Lender." Morgan Stanley Credit Corporation.

(E) "Security Instrument." The Deed of Trust or Mortgage and any riders thereto of the same date as this Rider given to secure the Note to the Lender of the same date made by the Revocable Trust, the Trustee(s) and the Settlor(s) and any other natural person signing such Note and covering the Property (as defined below).

(F) "Property." The property described in the Security Instrument and located at:

465 Elks Avenue  
Zephyr Cove, NV 89448

**THIS REVOCABLE TRUST RIDER** is made January 5, 2007, and is incorporated into and shall be deemed to amend and supplement the Security Instrument.

**ADDITIONAL COVENANTS**, In addition to the covenants and agreements made in the Security Instrument, the Trustee(s), and the Settlor(s) and the Lender further covenant and agree as follows:

**A. REVOCABLE TRUST****1. BORROWER CERTIFICATION AND WARRANTIES.**

The Borrower certifies to the Lender as of the date of this Rider that the Revocable Trust is a revocable Trust for which the Trustee(s) are holding full title to the Property as trustee(s).

The Borrower warrants to the Lender as of the date of this Rider that (i) the Revocable Trust is validly created under the laws of the state of Nevada; (ii) Settlor(s) is the primary beneficiary of the Revocable Trust; (iii) the Trust instrument creating the Revocable Trust is in full force and effect and there are no amendments or other modifications to the Trust instrument, including any affecting the revocability of the Revocable Trust; (iv) the Property is located in the state of Nevada; (v) the Property is a single family residence occupied by at least one of the Settlor(s) or a single family second home; (vi) the Trustee(s) have full power and authority as Trustee(s) under the trust instrument creating the Revocable Trust and under applicable law to execute the Security Instrument, including this Rider; (vii) the Trustee(s) have executed the Security Instrument, including this Rider, on behalf of the Revocable Trust; (viii) the Settlor(s) have executed the Security Instrument, including this Rider, acknowledging all of the terms and conditions contained herein and agreeing to be bound thereby; (ix) only the Settlor(s) and the Trustee(s) may hold any power of direction over the Revocable Trust; (x) only the Settlor(s) hold the power to direct the Trustee(s) in the management of the Property; (xi)





only the Settlor(s) hold the power of revocation over the Revocable Trust; and (xii) the Trustee(s) have not been notified of the existence or assertion of any lien, encumbrance or claim against any beneficial interest in, or transfer of all or any portion of any beneficial interest in or powers of direction over the Trustee(s) or the Settlor(s), as the case may be, or power of revocation over the Revocable Trust.

The Borrower shall promptly notify to the Lender or the Note Holder of any breach of the foregoing certifications and warranties.

## **2. NOTICES.**

The Borrower shall provide Lender or the Note Holder not less than thirty (30) days prior written notice of any revocation or termination of the Revocable Trust, or of any change in the holders of the powers of direction over the Trustee(s) or the Revocable Trust, as the case may be, or of any change in the holders of the power of revocation over the Revocable Trust, or both, or of any change in the Trustee(s) of the Revocable Trust (whether such change is temporary or permanent), or of any change in the Revocable Trust primary beneficiary(ies), or of any change in the occupancy of the Property, or of any sale, transfer, assignment or other disposition (whether by operation of law or otherwise) of any beneficial interest in the Revocable Trust.

### **B. ADDITIONAL BORROWER(S)**

The term "Borrower" when used in the Security Instrument shall refer to the Revocable Trust, the Trustee(s), and the Settlor(s), jointly and severally. Each party signing this Rider below (whether by accepting and agreeing to the terms and covenants contained herein or by acknowledging all of the terms and covenants contained herein and agreeing to be bound thereby, or both) covenants and agrees that, whether or not such party is named as "Borrower" on the first page of the Security Instrument, each covenant and agreement and undertaking of the "Borrower" in the Security Instrument and this Rider shall be such party's covenant and agreement and undertaking as "Borrower" and shall be enforceable by the Lender as if such party were named as "Borrower" in the Security Instrument.

### **C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE REVOCABLE TRUST**

The paragraph entitled "**Transfer of Property or a Beneficial Interest in Borrower**" in the Security Instrument is amended to read as follows:

If, without the Lender's prior written consent, (i) all or any part of the Property or an interest in the Property is sold, assigned or transferred including but not limited to by revocation or termination of the Revocable Trust or (ii) there is a sale, transfer, assignment, encumbrance, pledge, lien, security interest, distribution or other disposition or any beneficial interest or asset in the Revocable Trust, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by the Lender if exercise is prohibited by federal law as of the date of the Security Instrument.


If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by the Security Instrument. If the Borrower fails to pay all sums secured prior to the expiration of this period, the Lender may invoke any and all remedies permitted by the Security Instrument without further notice or demand on the Borrower.

### **D. BINDING EFFECT**

The loan documents shall be binding upon the heirs and personal administrators, or the successors and assigns, as applicable, of Borrowers, including Trustees and Settlor(s) and shall inure to the benefit of Lender and its successors and assigns.

BY SIGNING BELOW, the Trustee(s) accept and agree to the terms and covenants contained in this Revocable Trust Rider.

DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, TRUSTEES OF THE DEMING FAMILY TRUST DATED OCTOBER 14, 1986

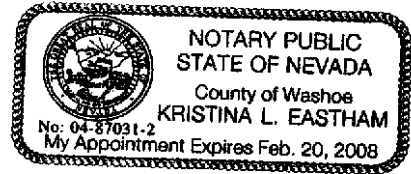
 David Bigelow Deming 1-6-07  
DAVID BIGELOW DEMING, TRUSTEE DATE

**NOTARY**

STATE OF NEVADA )  
COUNTY OF DOUGLAS) SS:

On the 6 day of Jan, in the year 2006, before me, Kristina L Eastham, a notary public in and for said state, personally appeared David Bigelow Deming, personally known to me to or proved to me on the basis of satisfactory evidence to be the individual(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 individual(s), or the person upon behalf of which the individuals acted, executed the instrument.

Kristina L Eastham (Seal)  
Notary Public, State of  
My commission expires: 2/20/2008



BY SIGNING BELOW, the Trustee(s) accept and agree to the terms and covenants contained in this Revocable Trust Rider.

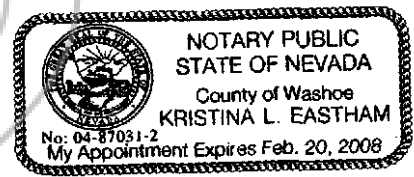
 Marsha Lee Frankovich Deming 1-6-07  
MARSHA LEE FRANKOVICH DEMING, TRUSTEE DATE

**NOTARY**


STATE OF NEVADA )  
COUNTY OF DOUGLAS) SS:

On the 6 day of Jan, in the year 2007<sup>KLE</sup>, before me, Kristina L Eastham, a notary public in and for said state, personally appeared MARSHA LEE Frankovich Deming, personally known to me to or proved to me on the basis of satisfactory evidence to be the individual(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 individual(s), or the person upon behalf of which the individuals acted, executed the instrument.

Kristina L Eastham (Seal)  
Notary Public, State of  
My commission expires: 2/20/2008



BY SIGNING BELOW, the undersigned Revocable Trust Settlor(s) acknowledges all of the terms and covenants contained in the Security Instrument and this Revocable Trust Rider and agrees to be bound thereby.

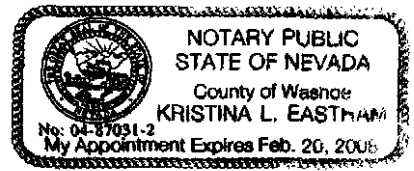
 David Deming 1-6-06  
DAVID DEMING, Settlor DATE

**NOTARY**

STATE OF NEVADA )  
COUNTY OF DOUGLAS) SS:

On the 6 day of Jan, in the year 2007, before me, Kristina L Eastham, a notary public in and for said state, personally appeared David Deming, personally known to me to or proved to me on the basis of satisfactory evidence to be the individual(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 individual(s), or the person upon behalf of which the individuals acted, executed the instrument.

Kristina L Eastham (Seal)  
Notary Public, State of  
My commission expires: 2/20/2008



BY SIGNING BELOW, the undersigned Revocable Trust Settlor(s) acknowledges all of the terms and covenants contained in the Security Instrument and this Revocable Trust Rider and agrees to be bound thereby.

 Marsha Deming  
MARSHA DEMING, Settlor

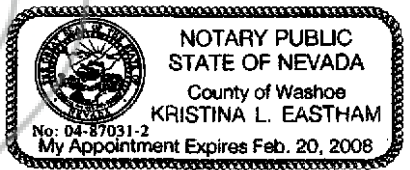
1-6-07  
DATE

**NOTARY**

STATE OF NEVADA )  
COUNTY OF DOUGLAS) SS:

On the 6 day of Jan, in the year 2007, before me, Kristina L Eastham, a notary public in and for said state, personally appeared Marsha Deming, personally known to me to or proved to me on the basis of satisfactory evidence to be the individual(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 individual(s), or the person upon behalf of which the individuals acted, executed the instrument.

Kristina L Eastham (Seal)  
Notary Public, State of  
My commission expires: 2/20/2008





**Morgan Stanley Credit Corporation****SECOND HOME RIDER**

Date of Loan: January 5, 2007  
Borrower Name(s): DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING,  
TRUSTEES OF THE DEMING FAMILY TRUST DATED OCTOBER 14, 1986

Loan Number: 940-2-390-552663

THIS SECOND HOME RIDER is made on January 5, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower," whether there are one or more persons undersigned) to secure Borrower's Note to Morgan Stanley Credit Corporation (the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at: 465 Elks Avenue, Zephyr Cove, NV 89448 (Property Address).

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

**6. Occupancy.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

**8. Borrower's Loan Application.** Borrower shall also be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.


In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Uniform Covenant titled "**Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds**" of the Security Instrument is deleted and is replaced by the following:


**Occupancy and Use; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower's either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Lender's security interest. Borrower may cure such a default and reinstate, as provided in the paragraph titled "**Borrower's Right To Reinstate,**" by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Deed of Trust or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material

information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy. If this Deed of Trust is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Second Home Rider.

DAVID BIGELOW DEMING AND MARSHA LEE FRANKOVICH DEMING, TRUSTEES OF THE DEMING FAMILY TRUST (DATED OCTOBER 14, 1986)

 TTE 1-6-07  
DAVID BIGELOW DEMING, TRUSTEE DATE

 TTE 1-3-07  
MARSHA LEE FRANKOVICH DEMING, TRUSTEE DATE

COOPER