

23

OFFICIAL RECORD

Requested By:

U S RECORDINGS INC

AP-2070039886

Assessor's Parcel Number: 1318-10-313-006

Mail Tax Statements To (name and address):

Christopher Ottaway  
701 Lakeview Dr  
ZEPHYR COVE, NV 89448

Return To (name and address):

Douglas County - NV  
Werner Christen - Recorder

Page: 1 Of 10 Fee: 23.00  
BK-1007 PG- 2543 RPTT: 0.00



Loan #: 0044930790

Recording Requested by &  
When Recorded Return To:

✓ US Recordings, Inc.  
2925 Country Drive Ste 201  
St. Paul, MN 55117

Space Above This Line For Recording

41909195

DEED OF TRUST

1810070919

(With Future Advance Clause)

1. DATE AND PARTIES. The date of this Deed of Trust (Security Instrument) is September 24, 2007  
and the parties, their addresses and tax identification numbers, if required, are as follows:

GRANTOR: Christopher Ottaway, James W Ottaway and Alexandra H Ottaway, Trustees of The Christopher H  
Ottaway Grantor Trust  
701 LAKEVIEW DRIVE ZEPHYR COVE, NV 89448

If checked, refer to the attached Addendum incorporated herein, for additional Grantors, their  
signatures and acknowledgments.

TRUSTEE:

FIRST AMERICAN TITLE  
5310 Kietzke Lane, Ste 100, Reno, NV 89511

LENDER:

Charles Schwab Bank, N.A.  
5190 Neil Road, Suite 300 Reno, NV 89502

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is  
acknowledged, and to secure the Secured Debt (defined on page 2) and Grantor's performance under this  
Security Instrument, Grantor irrevocably grants, bargains, conveys and sells to Trustee, in trust for the  
benefit of Lender, with power of sale, the following described property (*if property description is in metes  
and bounds the name and mailing address of the person who prepared the legal description must be  
included*):

See Attached

NEVADA - HOME EQUITY LINE OF CREDIT DEED OF TRUST  
(NOT FOR FNMA, FHLMC, FHA OR VA USE)

(page 1 of 7)

Expers<sup>SM</sup> © 1994 Bankers Systems, Inc., St. Cloud, MN Form OCP-REDT-NV 6/25/2003  
VMP-C465(NV) (0307) VMP Mortgage Solutions (800)521-7291

68

The property is located in DOUGLAS at 701 LAKEVIEW DRIVE  
 (County)  
ZEPHYR COVE, Nevada 89448  
 (Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$250,000.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:  
 A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. *(You must specifically identify the debt(s) secured and you should include the final maturity date of such debt(s).)*  
**As indicated in the home equity line agreement dated 9/24/2007, with a maturity date of 9/24/2037.**

B. All future advances from Lender to Grantor or other future obligations of Grantor to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Grantor in favor of Lender after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Grantor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Grantor, or any one or more Grantor and others. **Future advances are contemplated and are governed by the provisions of NRS 106.300 to 106.400, inclusive.** All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

C. All other obligations Grantor owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Grantor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

In the event that Lender fails to provide any necessary notice of the right of rescission with respect to any additional indebtedness secured under paragraph B of this Section, Lender waives any subsequent security interest in the Grantor's principal dwelling that is created by this Security Instrument (but does not waive the security interest for the debts referenced in paragraph A of this Section).

(page 2 of 7)

5. **DEED OF TRUST COVENANTS.** Grantor agrees that the covenants in this section are material obligations under the Secured Debt and this Security Instrument. If Grantor breaches any covenant in this section, Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising either remedy on Grantor's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

**Payments.** Grantor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

**Prior Security Interests.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Grantor agrees to make all payments when due and to perform or comply with all covenants. Grantor also agrees not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written approval.

**Claims Against Title.** Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payment. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.

**Property Condition, Alterations and Inspection.** Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor shall not commit or allow any waste, impairment, or deterioration of the Property. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

**Authority to Perform.** If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument.

**Leaseholds; Condominiums; Planned Unit Developments.** Grantor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Grantor will perform all of Grantor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

**Condemnation.** Grantor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

(page 3 of 7)





**Insurance.** Grantor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding sentence can change during the term of the loan. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. If Grantor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Grantor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Grantor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Grantor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Grantor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Grantor. If the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

**Financial Reports and Additional Documents.** Grantor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and Lender's lien status on the Property.

6. **WARRANTY OF TITLE.** Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, bargain, convey and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **DUE ON SALE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable.
8. **DEFAULT.** Grantor will be in default if any of the following occur:

**Fraud.** Any Consumer Borrower engages in fraud or material misrepresentation in connection with the Secured Debt that is an open end home equity plan.

**Payments.** Any Consumer Borrower on any Secured Debt that is an open end home equity plan fails to make a payment when due.

**Property.** Any action or inaction by the Borrower or Grantor occurs that adversely affects the Property or Lender's rights in the Property. This includes, but is not limited to, the following: (a) Grantor fails to maintain required insurance on the Property; (b) Grantor transfers the Property; (c) Grantor commits waste or otherwise destructively uses or fails to maintain the Property such that the action or inaction adversely affects Lender's security; (d) Grantor fails to pay taxes on the Property or otherwise fails to act and thereby causes a lien to be filed against the Property that is senior to the lien of this Security Instrument; (e) a sole Grantor dies; (f) if more than one Grantor, any Grantor dies and Lender's security is adversely affected; (g) the Property is taken through eminent domain; (h) a judgment is filed against Grantor and subjects Grantor and the Property to action that adversely affects Lender's interest; or (i) a prior lienholder forecloses on the Property and as a result, Lender's interest is adversely affected.

**Executive Officers.** Any Borrower is an executive officer of Lender or an affiliate and such Borrower becomes indebted to Lender or another lender in an aggregate amount greater than the amount permitted under federal laws and regulations.

(page 4 of 7)



- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Grantor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Grantor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Grantor shall immediately notify Lender in writing as soon as Grantor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

- 12. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.
- 13. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Grantor signs this Security Instrument but does not sign an evidence of debt, Grantor does so only to mortgage Grantor's interest in the Property to secure payment of the Secured Debt and Grantor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Grantor and Lender.
- 14. **SEVERABILITY; INTERPRETATION.** This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
- 15. **SUCCESSOR TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.
- 16. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.
- 17. **WAIVERS.** Except to the extent prohibited by law, Grantor waives all appraisal and homestead exemption rights relating to the Property.
- 18. **LINE OF CREDIT.** The Secured Debt includes a revolving line of credit. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

(page 6 of 7)

\_\_\_\_\_ Co

19. **APPLICABLE LAW.** This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.

20. **RIDERS.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.

[Check all applicable boxes]

Assignment of Leases and Rents  Other \_\_\_\_\_

21.  **ADDITIONAL TERMS.**

**SIGNATURES:** By signing below, Grantor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

*Christopher Ottaway* 8/31/07 *Katrin A. Velder* 8/31/07  
\_\_\_\_\_  
(Date) (Signature), **Katrin A. Velder** (Date)

Christopher Ottaway, individually and as trustee of The Christopher H Ottaway Grantor Trust, under the trust instrument, dated September 27, 1983, for the benefit of Christopher Ottaway

**ACKNOWLEDGMENT:**

STATE OF ~~NY~~ *New York*, COUNTY OF ~~Douglas~~ *Orange* }ss.  
(Individual) This instrument was acknowledged before me this *31<sup>st</sup>* day of *August* *2007*  
by *Christopher Ottaway, Katrin A. Velder, Harry Nault, Afrime*

My commission expires:

(Seal)

*Bonnie M. Burgoyne*  
\_\_\_\_\_  
(Notary Public)  
*Notary*  
\_\_\_\_\_  
(Title and Rank)

BONNIE M. BURGUYNE  
Notary Public, State of New York  
# 4740638  
Qualified in Orange County  
Commission Expires May 31, 20 11

(page 7 of 7)

# SIGNATURE ADDENDUM TO NEVADA DEED OF TRUST

Additional Grantors:

- , Harry Nault
- , Afrime Ottaway
- , Katrin A. Velder

**ADDITIONAL SIGNATURES:** By signing below, Grantor agrees to the terms and covenants contained in the Security Instrument and in any attachments. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1 of the Security Instrument.

[Signature] 8/31/07  
 Borrower, Harry Nault -Date

[Signature] 8/31/07  
 Borrower, Afrime Ottaway -Date

JAY →

[Signature] 8/31/07  
 Borrower, James W Ottaway, individually and as trustee of The Christopher H Ottaway Grantor Trust, under the trust instrument, dated September 27, 1983, for the benefit of James W Ottaway -Date

[Signature] 8/31/07  
 Borrower, Alexandra H Ottaway, individually and as trustee of The Christopher H Ottaway Grantor Trust, under the trust instrument, dated September 27, 1983, for the benefit of Alexandra H Ottaway -Date

← JAN

Borrower -Date

Borrower -Date

**ACKNOWLEDGMENT:**

(Individual) STATE OF ~~NV~~ New York, COUNTY OF ~~DOUGLAS~~ Orange }ss.  
 This instrument was acknowledged before me this 31st day of August 2007  
 by Afrime Ottaway, Harry Nault, Jay Ottaway  
and Alexandra Ottaway

My commission expires: (Seal)

[Signature]  
 (Notary Public)  
[Signature]  
 (Title and Rank)

BONNIE M. BURGOYNE  
 Notary Public, State of New York  
 No. 4740638  
 Qualified in Orange County  
 Commission Expires May 31, 20 11

NEVADA SIGNATURE ADDENDUM TO DEED OF TRUST

VMP-C464(NV) (0206)

VMP MORTGAGE FORMS - (800)521-7291

6/02



**MORTGAGE RIDER**

Loan number: 0044930790

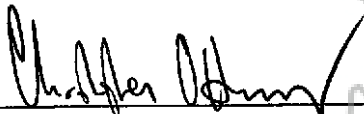
This Rider is made this 24th day of September 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, (Security Instrument) of the same date given by the undersigned Christopher Ottaway, Katrin A. Velder, Harry Nault, Afrime Ottaway, James W Ottaway , Alexandra H Ottaway (the Borrower) to secure Borrowers' Note (the Note) to Charles Schwab Bank, N.A. (the Lender) of the same date and covering the Property described in the Security Instrument and located at:

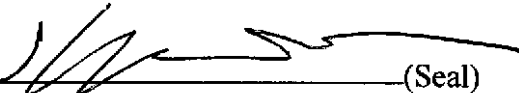
701 LAKEVIEW DRIVE ZEPHYR COVE, NV 89448

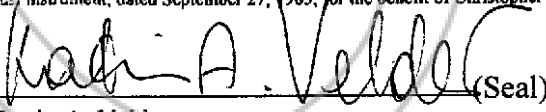
Borrower and Lender further covenant and agree that the Note is to be secured by a Security Instrument that is in first-lien position on the Property. Accordingly, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower:

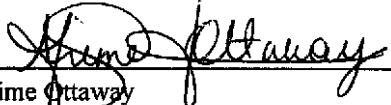
- (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement;
- (b) contest the lien in good faith by, or defends against enforcement in, legal proceedings, which Lender's opinion operate to prevent enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or
- (c) secures from the holder of the lien an agreement satisfactory to Lending subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which the notice is given, Borrower shall satisfy the lien or take one or more of the actions including paying all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees and Assessments, if any.

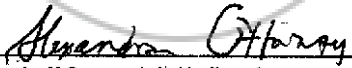
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenant contained in this Rider.

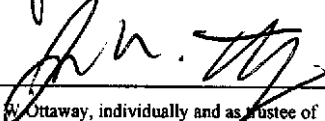
  
 \_\_\_\_\_ (Seal)  
 Christopher Ottaway, individually and as trustee of  
 The Christopher H Ottaway Grantor Trust, under the  
 trust instrument, dated September 27, 1983, for the benefit of Christopher Ottaway

  
 \_\_\_\_\_ (Seal)  
 Harry Nault

  
 \_\_\_\_\_ (Seal)  
 Katrin A. Velder

  
 \_\_\_\_\_ (Seal)  
 Afrime Ottaway

  
 \_\_\_\_\_ (Seal)  
 Alexandra H Ottaway, individually and as trustee of  
 The Christopher H Ottaway Grantor Trust, under the  
 trust instrument, dated September 27, 1983, for  
 the benefit of Alexandra H Ottaway

  
 \_\_\_\_\_ (Seal)  
 James W Ottaway, individually and as trustee of  
 The Christopher H Ottaway Grantor Trust, under  
 the trust instrument, dated September 27, 1983,  
 for the benefit of James W Ottaway



BK- 1007  
PG- 2551



**CHICAGO TITLE INSURANCE COMPANY**

Title No AP-2070039886

**LEGAL DESCRIPTION**

**EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF Douglas, STATE OF Nevada, AND IS DESCRIBED AS FOLLOWS:

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF NEVADA, COUNTY OF DOUGLAS, DESCRIBED AS FOLLOWS:

LOT 59, AS SHOWN ON THE MAP OF ZEPHYR KNOLLS UNIT NO. 3, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON JULY 10, 1957, AS DOCUMENT NO. 12430.

ASSESSOR'S PARCEL NO. 1318-10-313-006

Commonly know as 701 LAKEVIEW Drive, Zephyr Cove, NV 89448  
However, by showing this address no additional coverage is provided



**U41909195-01FJ10**

DEED OF TRUST  
LOAN# AP-2070039886  
US Recordings



BK- 1007  
PG- 2552