



A.P.N.: 1318-03-211-016
RECORDATION REQUESTED BY:
First Centennial Title Co.
1450 Ridgerview Dr., #100
Reno, NV 89519

WHEN RECORDED MAIL TO:
Evergreen Note Servicing
295 Holcomb Avenue #3
Reno, NV 89502

**SHORT FORM DEED OF TRUST
AND ASSIGNMENT OF RENTS WITH ADDEDUM
[ALL INCLUSIVE (WRAP AROUND)]**

THIS DEED OF TRUST, made this 25th day of April, 2011, between DUANE VIVATSON AND CARLA CRUZ, herein called "Trustor", whose address is 1040 Myron Drive, Zephyr Cove, NV 89448, and FIRST CENTENNIAL TITLE COMPANY, INC., a Nevada corporation, herein called "Trustee" and DANIEL W. ARNOLD, an unmarried man, as to an undivided 40.41% interest, TY NEBE and SHERRI NEBE, husband and wife, as joint tenants as to an undivided 37.17% interest and PENNY ECHAN, an unmarried woman, as to the remaining undivided 22.42% interest, herein called "Beneficiary".

WITNESSETH:

That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale, that property in Douglas County, Nevada, described as:

All that certain real property situated in the County of **Douglas**, State of **Nevada**, described as follows:

PARCEL NO. 1:

Lot 117, of SKYLAND SUBDIVISION UNIT NO. 2, according to the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on July 22, 1959, as Document No. 14668.

PARCEL NO. 2:

Together with the right of access over Lots 32 and 33; as shown on the filed map referred to herein as reserved in the Deed from Stockton Garden Homes, Inc., a California corporation to Skyland Water Co., a Nevada corporation, recorded



February 5, 1960 in Book 1, page 268, as Document No. 15573, Official Records of Douglas County, Nevada.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TOGETHER with the rents, issues and profits thereof, reserving the right to collect and use the same except during continuance of some default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

For the purpose of securing: 1) Performance of each agreement of Trustor incorporated by reference or contained herein; 2) Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of Four Hundred Seventy Five Thousand and No Dollars (\$475,000.00) executed by Trustor in favor of Beneficiary or order; 3) Payment of such additional sums as may hereafter be advanced for the account of Trustor or assigns by Beneficiary with interest thereon.

To protect the security of this Deed of Trust, Trustor agrees: By the execution and delivery of this Deed of Trust and the Note of even date herewith secured hereby, that provisions (1) to (16) inclusive of the Deed of Trust recorded in the Book and at the page, or Document No. of Official Records in the Office of the County Recorder of the county where said property is located, are hereby adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that Trustor will observe and perform said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The parties agree that the amount of fire insurance and other risk insurance required shall be not less than Five Hundred Seventy Five Thousand and No Dollars (\$575,000.00) and that FIRST INDEPENDENT BANK, a DIVISION OF WESTERN ALLIANCE will be named loss mortgagee and that Holder will be named as loss mortgagee and/or as additionally insured.

The parties further agree that Maker shall notify Holder at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, material men's lien, or other lien could be asserted on account of the work, services, or materials and the costs exceeds \$1,000.00. Maker will upon request of Holder furnish to Holder advance assurances satisfactory to Holder that Maker can and will pay the cost of such improvements.



ADDENDUM TO DEED OF TRUST
[ALL INCLUSIVE (WRAP AROUND)]

THIS ADDENDUM modifies that certain Short Form Deed of Trust made by DUANE VIVATSON AND CARLA CRUZ, as Grantor (herein "Grantor"), to FIRST CENTENNIAL TITLE COMPANY, INC., a Nevada corporation, as Trustee (herein "Trustee"), in favor of DANIEL W. ARNOLD, an unmarried man, as to an undivided 40.41% interest, TY NEBE and SHERRI NEBE, husband and wife, as joint tenants as to an undivided 37.17% interest and PENNY ECHAN, an unmarried woman, as to the remaining undivided 22.42% interest, as Beneficiary (herein "Beneficiary").

1. This is an All-Inclusive (Wrap Around) Deed of Trust (herein "Deed of Trust") securing an all-inclusive promissory note (the "Note"), the balance of which includes the unpaid balance of an underlying deed of trust and note (herein respectively the "Underlying Mortgage" and "Underlying Note"), fully described as follows:

UNDERLYING NOTE:

Maker: DANIEL W. ARNOLD, an unmarried man, as to an undivided 40.41% interest, TY NEBE and SHERRI NEBE, husband and wife, as joint tenants as to an undivided 37.17% interest and PENNY ECHAN, an unmarried woman, as to the remaining undivided 22.42% interest
Payee: FIRST INDEPENDENT BANK, a DIVISION OF WESTERN ALLIANCE
Original Balance: \$300,000.00
Dated: APRIL 25, 2011

UNDERLYING MORTGAGE:

Mortgagor: DANIEL W. ARNOLD, an unmarried man, as to an undivided 40.41% interest, TY NEBE and SHERRI NEBE, husband and wife, as joint tenants as to an undivided 37.17% interest and PENNY ECHAN, an unmarried woman, as to the remaining undivided 22.42% interest
Mortgagee: FIRST INDEPENDENT BANK, a DIVISION OF WESTERN ALLIANCE
Original Amount: \$300,000.00
Date of Instrument: APRIL 25, 2011
Date of Recordation: APRIL 29, 2011
Document No.: 782433
Book: 411
Page: 6369
Place of Recordation: Douglas County, Nevada



2. By accepting this Deed of Trust, beneficiary covenants and agrees that, as long as Grantor is not in default under the Note, Beneficiary will pay all installments of principal and interest which shall hereafter become due under the Underlying Note as and when the same become due and payable, together with any and all sums required or hereafter required to be paid by Grantor under the Underlying Mortgage as impounds for the payment of taxes, assessments and/or insurance premiums. Grantor will not make any payments whatsoever directly to any holder of the Underlying Note, including any prepayment, and will not request or agree to, or consent to any release, partial release, amendment or other modification of the Underlying Note or the Underlying Mortgage, without the prior written consent of Beneficiary or its successors and assigns.

If Grantor shall be in default hereunder or under the terms of the Note, and shall not have cured such default within five (5) days after notice thereof from Beneficiary, Beneficiary shall not thereafter be obligated to make any payment under the Underlying Note until such default is cured (including payment of the Note in full after acceleration). Beneficiary's obligations hereunder shall terminate upon the earlier of (1) the commencement of judicial or non-judicial foreclosure proceedings under this Deed of Trust, or (2) payment by Beneficiary of the Underlying Note in full and reconveyance of the Underlying Mortgage, or (3) payment by Grantor of Beneficiary's Equity (defined below) in the Note, assumption by Grantor of the indebtedness evidenced by the Underlying Note, and reconveyance of this Deed of Trust. As used herein, the term "Beneficiary's Equity" shall mean, at any time, the total of the following amounts:

2.1 The difference between the then unpaid balance of principal and interest on the Note and the then unpaid balance of principal and interest on the Underlying Note; plus

2.2 The aggregate of all amounts theretofore paid by Beneficiary hereunder pursuant to the terms of this Deed of Trust prior to the date of any foreclosure sale, for taxes and assessments, insurance premiums, delinquency charges, foreclosure costs, and any other sums advanced by Beneficiary pursuant to the terms hereof or of the Note, to the extent the same have not been previously repaid by Grantor to Beneficiary, plus interest thereon as provided in the Underlying Note: plus

2.3 The costs incurred by Beneficiary in any foreclosure of the lien hereof, or in enforcing this Deed of Trust or the Note, as permitted by law including without limitation reasonable attorneys' fees, to the extent the same have not been previously repaid by Grantor to Beneficiary.

3. If Beneficiary defaults in making any required payment of principal or interest on the Underlying Note, then, provided Grantor is not in default under the terms of the Note, Grantor may, at Grantor's option make such payments directly to the holders of the Underlying Note, and all funds so advanced, including, without limitation, payments of penalties or charges made by Grantor to the holders of the Underlying Note on account of Beneficiary's failure to make such payment, shall be credited against the next installment(s) of principal and/or interest due under the Note.



4. Grantor hereby covenants and agrees with, and solely for the benefit of, Beneficiary herein, that: (a) Grantor will timely perform and observe the covenants and agreements to be performed or observed by Beneficiary as Maker and Grantor under the Underlying Note and Underlying Mortgage except for: (i) payment of principal and interest under the Underlying Note and (ii) payment of all sums required under the Underlying Mortgage as impounds for the payment of taxes, assessments or insurance premiums during those periods when Grantor is obligated hereunder to make such payments to Beneficiary and Beneficiary is obligated to make such payments to the holders of the Underlying Mortgage; and (b) Grantor shall deliver to Beneficiary copies of any and all notices, demands, documents and instruments, if any, which Grantor receives from the holders of the Underlying Note or Underlying Mortgage.

5. Notwithstanding any other provision hereof or in the Underlying Note or Underlying Mortgage to the contrary, in the event of any default under the Note or any default hereunder which is not cured within five (5) days after notice thereof to Grantor, Beneficiary may exercise, at its option, any one or more of the following remedies in addition to any other remedies provided herein: (a) Declare the Note immediately due and payable in full upon demand; (b) Judicially or non-judicially foreclosure this Deed of Trust; (c) Perform any terms and conditions as are in default hereunder or under the Underlying Mortgage; (d) Make any payments of principal or interest due under the Underlying Note and Underlying Mortgage or any other encumbrance; and/or (e) Purchase, discharge, compromise, or settle the Underlying Note and Underlying Mortgage or any other liens or encumbrances, including liens for taxes and assessments. If Beneficiary elects to make any payment for any of the purposes authorized herein in the event of Grantor's default, or to perform any of Grantor's obligations upon which Grantor has defaulted, then, at the option of Beneficiary, all moneys so Paid and all costs and expenses incurred thereby, including but not limited to reasonable attorney's fees and any penalties, charges or other expenses due under the Underlying Note or Underlying Mortgage by reason of Grantor's default (1) may be added to the debt secured hereby and bear interest at the rate set forth in the Note, or (2) may be declared immediately due and payable, in which event such sums shall bear interest at the rate set forth in the Note from the date advanced or incurred by Beneficiary until paid, and Grantor's failure to reimburse Beneficiary upon demand therefore shall constitute a further event of default hereunder. If Beneficiary elects to judicially foreclose this Deed of Trust, Grantor agrees to pay all of Beneficiary's costs, including reasonable attorney's fees, incurred in such foreclosure action or any appeal therefrom.



6. If proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance covering the improvements located on the Property are applied by the holders of the Underlying Note in reduction of the unpaid principal balance thereof, Grantor will receive a credit against the unpaid balance of the Note in the amount thereof, and such credit may, at Grantor's option be applied against the unpaid principal installments under the Note in the inverse of their due date.

DATED: May 10, 2011

TRUSTOR:

DUANE VIVATSON, individually

CARLA CRUZ, individually

Sworn to by Duane Vivatson, only, on May 10, 2011



TERRY L. MILLER, NOTARY
STATE OF OHIO
MY COMMISSION EXPIRES: 02/16/14




6. If proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance covering the improvements located on the Property are applied by the holders of the Underlying Note in reduction of the unpaid principal balance thereof, Grantor will receive a credit against the unpaid balance of the Note in the amount thereof, and such credit may, at Grantor's option be applied against the unpaid principal installments under the Note in the inverse of their due date.

DATED: 5-10-11

TRUSTOR:

DUANE VIVATSON, individually


CARLA CRUZ, individually

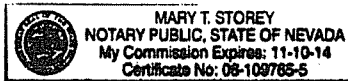




INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nevada)
) SS
COUNTY OF Douglas)

This instrument was acknowledged before me on 5/19/11 by Carla B. Cruz.



Mary T. Storey
(Signature of notarial officer)

Notary Public in and for State of NV

(Seal, if any)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____.

(Signature of notarial officer)

Notary Public in and for State of _____

(Seal, if any)



INDIVIDUAL ACKNOWLEDGMENT

STATE OF Ohio)
) SS
COUNTY OF Summit)

This instrument was acknowledged before me on 5-10-11 by Duane W. Vivatson

Terry L Miller
(Signature of notarial officer)

(Seal, if any)

Notary Public in and for State of _____



TERRY L MILLER, NOTARY
STATE OF OHIO
MY COMMISSION EXPIRES: 02/16/14

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____.

(Signature of notarial officer)

(Seal, if any)

Notary Public in and for State of _____