

DOC # 826925  
07/11/2013 12:37PM Deputy: AR  
OFFICIAL RECORD  
Requested By:  
National Closing Solutions  
Douglas County - NV  
Karen Ellison - Recorder  
Page: 1 of 15 Fee: \$28.00  
BK-713 PG-2413 RPTT: 0.00

Parcel Number: 1318-25-101-004  
When Recorded Mail To:  
Generation Mortgage Company  
3565 Piedmont Rd NE  
3 Piedmont Center, Suite 300  
Atlanta, GA 30305



2301-83712  
Space Above This Line For Recording Data  
It is hereby affirmed that this document submitted for recording does not contain any personal information, including but not limited to the social security number of any person or persons (Per NRS 239B.030).

State of Nevada  
Mortgage Broker Name: N/A

Loan Number: 2200005307  
MIN: 1009164-2200005307-1

**CLOSED-END FIXED RATE  
REVERSE MORTGAGE DEED OF TRUST**

THIS DEED OF TRUST ("Security Instrument") is made on July 02, 2013. The trustor is **DON R. DAILEY, TRUSTEE OF THE D.R.D. 2008 TRUST, DATED SEPTEMBER 19, 2008, AN UNDIVIDED FIFTY PERCENT (50%) INTEREST AND THOMAS F. SAKOWSKI, TRUSTEE OF THE T.F.S. 2008 TRUST, DATED SEPTEMBER 19, 2008, AN UNDIVIDED FIFTY PERCENT (50%) INTEREST ("Borrower")**. The trustee is **PRC DIVISION OF PLACER TITLE COMPANY, 5828 LONETREE BLVD, ROCKLIN, CA 95765 ("Trustee")**. The beneficiary under this Security Instrument is **Mortgage Electronic Registration Systems, Inc. ("MERS")**. MERS is a separate corporation that is acting solely as nominee for Lender, and Lender's successors and assigns. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS. **Generation Mortgage Company** which is organized and existing under the laws of **THE STATE OF CALIFORNIA**, and whose address is **3565 Piedmont Rd NE, 3 Piedmont Center, Suite 300, Atlanta, GA 30305 ("Lender")**. Borrower owes (or will owe) Lender amounts which Lender has advanced (or is obligated to advance), including future advances ("Loan Advances"), under the terms of a **Reverse Mortgage Loan Agreement and Promissory Note (the "Loan Agreement")** dated the same date of this Security Instrument. This debt is evidenced by the Loan Agreement, with the full debt, if not due earlier, due and payable on **May 26, 2094**. The beneficiary of this Security Instrument is **MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Loan Agreement, with interest, and all renewals, extensions and modifications of the Loan Agreement, which debt will include future advances which will be advanced from time to time from and after the date of this Security Instrument, not to exceed in the aggregate at any one time outstanding the principal amount of **TWO MILLION NINE HUNDRED TWENTY FIVE THOUSAND AND NO/100 Dollars (U.S. \$2,925,000.00)**; such advances to be governed by Nevada Revised Statutes 106.300 to 106.400, inclusive; (b) the payment of all other sums, with



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\* M C 1 S T S E C R T \*  
Nevada Closed-End Fixed Rate  
Non-Conforming Reverse Security Instrument - MERS



to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under the Security Instrument and the Loan Agreement. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in **DOUGLAS** County, Nevada:

**SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.**

which has the address of **168 Palisades Drive, Stateline, NV 89449** ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument; but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

**BORROWER COVENANTS** that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

**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 and Interest.** Borrower shall promptly pay when due the principal of, and interest on, the debt evidenced by the Loan Agreement.

**2. Payment of Taxes and Insurance.** Borrower shall pay the following charges and assessments in a timely manner until the debt evidenced by the Loan Agreement is paid in full: (a) taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) hazard or property insurance premiums; and (d) flood insurance premiums, if any. As provided in the Loan Agreement, Borrower may elect to have Lender pay these charges and assessments out of Loan Advances. If Borrower does not elect to have such sums paid by Lender out of Loan Advances or if Borrower has elected to pay such sums out of Loan Advances but Loan Advances can no longer be made, Borrower shall pay these charges and assessments directly and out of Borrower's own funds. Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise.

**3. Charges; Liens; First Lien Status.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly and out of Borrower's own funds unless Borrower has elected to have such sums paid by Lender out of Loan Advances pursuant to the Loan Agreement and Loan Advances may still be made. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

If state law limits the first lien status of this Security Instrument as originally executed and recorded to a maximum amount of debt or a maximum number of years, or if state law otherwise prevents the Lender from





making Loan Advances secured by the first lien of this Security Instrument, Borrower agrees to execute any additional documents required by the Lender to extend the first lien status to an additional amount of debt and/or an additional number of years and to cause any other liens to be removed or subordinated as provided in the Loan Agreement. If state law does not permit or limits the extension of the first lien status, whether or not due to any action of Borrower, then for purposes of paragraph 15(C) Borrower will be deemed to have failed to have performed an obligation under this Security Instrument.

Borrower shall not participate in a real estate tax deferral program, if any liens created by the tax deferral are not subordinate to this Security Instrument.

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; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of that notice.

**4. Hazard or Property 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which 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 insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall at all times occupy, establish, and use the Property as Borrower's principal residence. Upon Lender's request, Borrower shall certify whether or not the Property is Borrower's principal residence. 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 Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 16, 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 Security Instrument 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 Loan Agreement, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument 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.

**6. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 6 Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 6 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided by the Loan Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**7. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection. If the property is vacant or abandoned or the loan is in default, Lender may take reasonable action to protect and preserve such vacant or abandoned property without notice to the borrower.

**8. Condemnation.** 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, are hereby assigned and shall be paid to Lender.

In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

**9. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**10. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Loan Agreement: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Loan 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 Borrower which exceeded permitted limits will be refunded to Borrower by reducing the principal owed under the Loan Agreement.

**12. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**13. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Loan Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Loan Agreement which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Loan Agreement are declared to be severable.

**14. Borrower's Copy.** Borrower shall be given one conformed copy of the Loan Agreement and of this Security Instrument.

**15. Repayment of Debt.**

**(A) Death or Sale**

All sums secured by this Security Instrument shall be immediately due and payable if: (i) Borrower dies and the Property is not the principal residence of at least one surviving Borrower or (ii) Borrower voluntarily or involuntarily conveys all or any part of his or her title to the Property and no other Borrower retains title to the Property in fee simple or on a leasehold interest.

**(B) Not Principal Residence**

All sums secured by this Security Instrument shall be immediately due and payable if: (i) the Property ceases to be the principal residence of a Borrower and the Property is not then the principal residence of at least one other Borrower or (ii) for a period of longer than twelve (12) consecutive months, a Borrower fails to physically occupy the Property for any reason and the Property is not the principal residence of at least one other Borrower.

**(C) Other Grounds**

If an obligation of the Borrower under this Security Instrument is not performed or Borrower is otherwise in default under the Loan Agreement or this Security Instrument, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

**(D) Notice of Payment**

If one or more of the events in paragraph 15(A) or 15(B) occur or Lender exercises its option to require payment in full under paragraph 15(C), Lender shall give Borrower a notice as provided in this Section 15(D). If an event under paragraph 15(A) or 15(B) occurs the notice shall provide that all sums secured by this Security Instrument are immediately due and payable. If Lender exercises its option under paragraph 15(C), the notice shall identify the default and provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower may cure the default. If Borrower fails to pay these sums due under paragraphs 15(A) or 15(B) upon receipt of the notice, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower. If Borrower fails to cure the default under paragraph 15(C) prior to the expiration of the 30-day period, all sums shall become immediately due and payable without further notice and Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**16. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the





right to reinstate the Loan and to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 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 (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) cures any default of any covenant or agreement in this Security Instrument; (b) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (c) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument and Lender's rights in the Property shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall only apply in the case of acceleration under paragraph 15(C).

**17. Sale of Loan Agreement; Change of Loan Servicer.** The Loan Agreement or a partial interest in the Loan Agreement (together with this Security Instrument) 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 disburses payments due to Borrower under the Loan Agreement and this Security Instrument and otherwise services Borrower's loan. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Loan Agreement. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 12 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which inquiries 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 Environmental 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, 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 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 take 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, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**19. Non-Recourse Liability.** Lender may enforce the obligations under this Security Instrument and the Loan Agreement solely against the Property. Borrower shall have no personal liability for payment of the amounts due under this Security Instrument and the Loan 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 Loan Agreement and this Security Instrument or prejudice the right of Lender as to any covenants or conditions of the Loan Agreement and this Security Instrument.

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

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

**21. Acceleration; Remedies.** Pursuant to paragraph 15(C) and (D), Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security





Instrument (but not prior to acceleration under paragraph 15(A) and (B) unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 35 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the 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 of Borrower to acceleration and sale. If the default under paragraph 15(C) is not cured on or before the date specified in the notice, Lender shall invoke the power of sale, including the right to accelerate full payment of the Loan Agreement, and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

For any event of acceleration under paragraph 15, Lender may invoke 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 any part of the Property is located. Lender shall mail copies of the notice as prescribed by applicable law to Borrower and to the other 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 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 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. Lender or its 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.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender 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. Lender 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.

23. **Substitute Trustee.** Lender, at its 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.

24. **Assumption Fee.** If there is an assumption of this loan, Lender may charge an assumption fee of U.S. \$ \_\_\_\_\_.

25. **Cure Period.** The cure period that will be provided to Borrower pursuant to Sections 15(D) and 21 of this Security Instrument shall be 35 days.

26. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

Condominium Rider

Planned Unit Development Rider



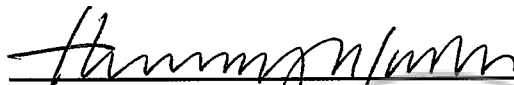


[ ] 1-4 Family Rider


[X] Other (Specify) **Tax and Insurance Payment Rider**  
**Commercial/Mixed-Use/Multi-Family/Rental /Business Non-Use Rider**

**27. Nominee Capacity of MERS.** MERS serves as beneficiary of record and secured party solely as nominee, in an administrative capacity, for Lender and its successors and assigns and holds legal title to the interests granted, assigned, and transferred herein. All payments or deposits with respect to the Secured Obligations shall be made to Lender, all advances under the Loan Documents shall be made by Lender, and all consents, approvals, or other determinations required or permitted of Mortgagee herein shall be made by Lender. MERS shall at all times comply with the instructions of Lender and its successors and assigns. If necessary to comply with law or custom, MERS (for the benefit of Lender and its successors and assigns) may be directed by Lender to exercise any or all of those interests, including without limitation, the right to foreclose and sell the Property, and take any action required of Lender, including without limitation, a release, discharge or reconveyance of this Mortgage. Subject to the foregoing, all references herein to "Beneficiary" shall include Lender and its successors and assigns.

BY SIGNING UNDER SEAL BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

 (Seal)  
Borrower - **Thomas F. Sakowski**

 (Seal)  
Borrower - **Don R. Dailey**

 (Seal)  
**Don R. Dailey AS TRUSTEE**

 (Seal)  
**Thomas F. Sakowski AS TRUSTEE**







[Space Below This Line For Acknowledgment]

State of Nevada

County of DOUGLAS

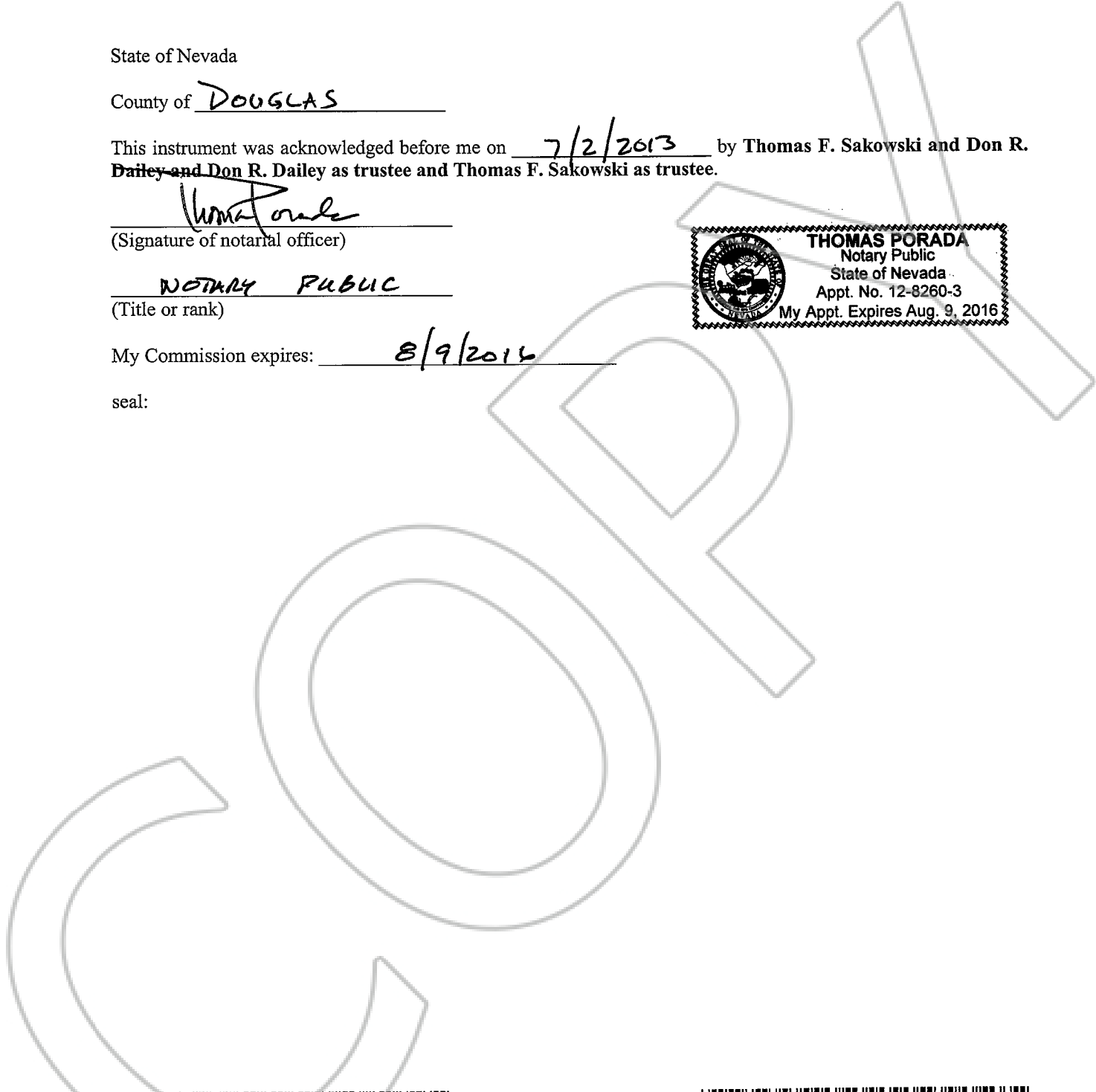
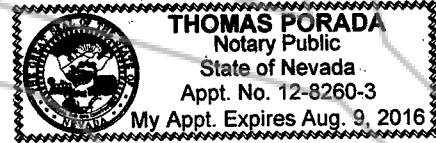
This instrument was acknowledged before me on 7/2/2013 by **Thomas F. Sakowski and Don R. Dailey and Don R. Dailey as trustee and Thomas F. Sakowski as trustee.**

*Thomas Porada*  
(Signature of notarial officer)

NOTARY PUBLIC  
(Title or rank)

My Commission expires: 8/9/2014

seal:





2200005307

**TAX AND INSURANCE PAYMENT RIDER  
REVERSE MORTGAGE SECURITY INSTRUMENT**

THIS TAX AND INSURANCE PAYMENT RIDER is made this 2nd day of July, 2013, 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 Loan Agreement to **Generation Mortgage Company**(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:

**168 Palisades Drive, Stateline, NV 89449**  
[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

1. Paragraph 2 of the Security Instrument is deleted and is replaced by the following:

**PAYMENTS FOR TAXES AND INSURANCE**

**(A) Borrower's Obligations**

Borrower will pay all taxes, assessments, water frontage charges and other similar charges, sewer rents, leasehold payments or ground rents (if any), premiums for hazard or property insurance covering the Property, and flood insurance (if any) (the "Property Charges") when they are due until the loan is paid in full, unless these obligations are required to be paid by Lender from a set aside established pursuant to the terms of a Taxes and Insurance Addendum and sufficient funds in the set aside remain available.

**(B) Lender's Obligations**

If Property Charges are required to be paid by Lender from a set aside established pursuant to the terms of a Taxes and Insurance Addendum and sufficient funds in the set aside remain available, Lender will pay the Property Charges with Loan Advances before the date the Property Charges are due or on the date they are due and payable. If Borrower requests, Lender will give to Borrower, without charge, an annual accounting of the Property Charges paid.

Lender may not charge Borrower for paying Property Charges, for making a yearly analysis of paying Property Charges or for receiving, verifying and totaling assessments and bills. Lender may require Borrower to pay a one



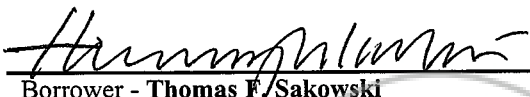


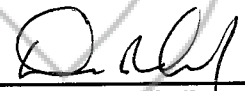
time charge for an independent real estate tax reporting service used by Lender in connection with Borrower's Loan, unless the law does not permit Lender to make such a charge. Lender will not charge Borrower any interest on Loan Advances to pay Property Charges until Lender actually pays out the money.

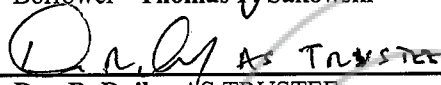
If Property Charges are required to be paid by Lender from a set aside established pursuant to the terms of a Taxes and Insurance Addendum but Borrower is in default under this Security Instrument or the Loan Agreement, or sufficient funds in the set aside are no longer available, then Borrower will pay the Property Charges out of Borrower's own funds. If, at any time, amounts set aside pursuant to the terms of a Taxes and Insurance Addendum are insufficient to pay Property Charges, Lender will tell Borrower in writing that an additional amount is necessary. Borrower will pay whatever additional amount is necessary to pay the Property Charges in full.

Except as otherwise specifically provided in this Rider, the Loan Agreement and the Security Instrument will remain unchanged, and Borrower and Lender will be bound by those documents as amended by this Rider, and comply with all of the terms and provisions thereof, as amended by this Rider.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Tax and Insurance Payment Rider.

 (Seal)  
Borrower - **Thomas F. Sakowski**

 (Seal)  
Borrower - **Don R. Dailey**

 (Seal)  
**Don R. Dailey AS TRUSTEE**

 (Seal)  
**Thomas F. Sakowski AS TRUSTEE**





**Commercial/Mixed-Use/Multi-Family/Rental/Business Non-Use Rider**

THIS RIDER is made this 2nd day of July, 2013, 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") to secure Borrower's Note and Loan Agreement to **Generation Mortgage Company** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**168 Palisades Drive, Stateline, NV 89449**

[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower further covenant to Lender as follows:

- No portion of the Mortgaged Property is being used or will be used for Commercial or Mixed-Use purposes.
- No portion of the Mortgaged Property is being used or will be used as a Multi-Family or Rental property.
- No portion of the Mortgage Property is being used or will be used as a Business or be Income producing.
- Borrower(s) will execute an IRS form 4506T in order to confirm verification of Borrower(s) income as reported to the IRS.







If, at any time during the term of the mortgage, the use of the Mortgaged Property violates one of the above covenants, the mortgage will be in Default and become Due and Payable.

**Definitions;**

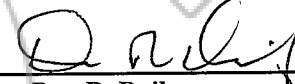
Commercial or Mixed-Use – A Registered Business with the Secretary of State is being operated on the property, including non-profit businesses.

Multi-family or Rental property - Any portion of the Mortgaged Property is being leased or rented.

Business or Income producing - Any portion of the Mortgaged Property is producing income that is reportable to the Internal Revenue Service.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Commercial/Mixed-Use/Multi-Family/Rental/Business Non-Use Rider.

 (Seal)  
Borrower - Thomas F. Sakowski

 (Seal)  
Borrower - Don R. Dailey

 (Seal)  
Don R. Dailey AS TRUSTEE

 (Seal)  
Thomas F. Sakowski AS TRUSTEE





Order No. 2301-83712

**EXHIBIT "A"  
LEGAL DESCRIPTION**

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

PARCEL 1:

ALL THAT CERTAIN REAL PROPERTY LOCATED IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED NORTH 89 DEG. 54' EAST, 326.48 FEET, AND SOUTH 00 DEG. 09' 50" WEST, 227.70 FEET, FROM THE NORTHWEST CORNER OF SAID SECTION 25; THENCE FROM SAID POINT OF BEGINNING, NORTH 89 DEG. 54' EAST, 265.12 FEET TO A POINT ON THE WEST RIGHT OF WAY OF PALISADES DRIVE; THENCE ALONG SAID WEST LINE SOUTH 00 DEG. 56' 41" EAST, 100.25 FEET; THENCE LEAVING SAID WEST LINE, SOUTH 89 DEG. 57' 08" WEST, 267.06 FEET; THENCE NORTH 00 DEG. 09' 50" EAST, 100.00 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION BEING SHOWN AS PARCEL 1 OF "DELANEY PARCEL MAP" RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, IN BOOK 977 OF OFFICIAL RECORDS AT PAGE 1294, AS DOCUMENT NO. 13224, DOUGLAS COUNTY, NEVADA.

PARCEL 2:

A NON-EXCLUSIVE ROAD EASEMENT OVER A PORTION OF PARCELS 2 AND 3 OF THE "DELANEY PARCEL MAP" RECORDED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER IN BOOK 977, AT PAGE 1294, UNDER RECORDER'S DOCUMENT NO. 13224; THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT OF WAY OF PALISADES DRIVE, SAID POINT BEING LOCATED 39 DEG. 44' 17" EAST, 111.20 FEET FROM THE MOST NORTHEASTERLY POINT OF SAID LOT 3; THENCE FROM SAID POINT BEGINNING SOUTH 18 DEG. 00' 18" WEST, 133.69 FEET; THENCE SOUTH 89 DEG. 54' WEST, 30.00 FEET; THENCE NORTH 39 DEG. 29' 18" WEST, 84.10 FEET TO ITS TERMINATION ON THE SOUTH LINE OF SAID PARCEL 2.



Order No. 2301-83712

**LEGAL DESCRIPTION**  
**(Continued)**

PARCEL 3:

A NON-EXCLUSIVE ROAD EASEMENT OVER A PORTION OF PARCELS 2 AND 3, OF THE "DELANEY PARCEL MAP" RECORDED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER IN BOOK 977, AT PAGE 1294, UNDER RECORDER'S DOCUMENT NO. 13224; THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT OF WAY OF PALISADES DRIVE, SAID POINT BEING LOCATED SOUTH 39 DEG. 44'17" EAST, 111.20 FEET FROM THE MOST NORTHEASTERLY POINT OF SAID PARCEL 3; THENCE FROM SAID POINT BEGINNING SOUTH 18 DEG. 00'35" WEST, 133.69 FEET TO A POINT LOCATED 15 FEET, NORTH OF THE NORTHLINE OF PARCEL 1; THENCE SOUTH 89 DEG. 34' WEST, 90.00 FEET TO ITS TERMINATION, SAID EASEMENT TO PROVIDE FULL 30 FOOT WIDTH FROM BEGINNING TO TERMINATION.

PARCEL NUMBER(S): 1318-25-101-004