

Please Return To:
Ford Housing Finance Services, Inc.
P.O. Box 1489
Clackamas, OR 97015-1489

168850

[Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on September 2, 1997

The grantor is Wayne A. Dillon, a single person

(Borrower)

(Trustee)

The trustee is Stewart Title Company

The beneficiary is Ford Housing Finance Services, a div. of Associates Housing Finance Services, Inc., a Delaware Corporation

under the laws of the State of New York, and whose address is

P.O. Box 1489, Clackamas, OR 97015-1489

(Lender)

Borrower owes Lender the principal sum of one hundred fourteen thousand seven hundred seventy

Dollars (U.S. \$ 114,773.22 three and 22/100ths

Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on September 10, 2027. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by

the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's

covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Bureka

County, Nevada:
Lot 6, Block 14 of CRESCENT VALLEY RANCH & FARMS UNIT NO. 1, as per map recorded in the office of the County Recorder of Bureka County, Nevada as File No. 34081.

97080106

which has the address of
371 3rd Street, Crescent Valley
[Street]
Nevada 89821
[Zip Code]
("Property Address");
(City)

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 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.

Initials: WD

LD

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance provided in effect, at a cost substantially equivalent to

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. If Lender agrees to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. 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 7, Lender does not have to do so.

6. Occupancy, Preservation, Maintenance and Protection of the Property. Borrower's Loan Application, Leasehold, Instrument immediately prior to the acquisition of the Property shall pass to Lender to the extent of the sums secured by this Security Instrument under paragraph 21 the Property is acquired by Lender. Borrower's right to any insurance policies and proceeds resulting from damage to the Property shall be subject to the terms of the policy. Borrower shall be responsible for the maintenance and repair of the Property and shall be responsible for the cost of any repairs or improvements. Borrower shall be responsible for the cost of any repairs or improvements. Borrower shall be responsible for the cost of any repairs or improvements.

5. 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 amount 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 right in the Property in accordance with paragraph 7.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, liens and impositions attributable to the Property which are due under the Note, paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under this Security Instrument; and third, to the principal of the loan.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

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the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender of applicable law.

9. Inspection. Lender or its agent may make reasonable inspections 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. Lender shall have the right to inspect the Property, or for conveyance in lieu of condemnation, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

10. 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 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. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due.

11. Borrower Not Released; Reimbursement by Lender Not a Waiver. Extension of the time for payment or modification or postponement of the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. 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.

12. 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 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (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 with regard to the terms of this Security Instrument or the Note without that Borrower's consent, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. 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. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. 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 designated 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 given to Lender when given as provided in this paragraph. This Security Instrument shall be governed by federal law and the law of the State of California. This Security Instrument shall be governed by federal law and the law of the State of California.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the State of California. In the event that any provision or clause of this Security Instrument or the Note which conflicts with applicable law, such conflict shall not affect the other provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. It is not to be 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 its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

17. Transfer of the 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 its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right 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) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including but not limited to reasonable attorney's fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unimpeded. 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 not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Lender. The Note or a partial interest in the Note (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 collects monthly payments due under the Note and this Security Instrument. 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 14 above and applicable law. The notice will also state the name and address of 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.

20. 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 remedial action is necessary with respect to the Property or Environmental Law, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "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 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

* one percentage point of the remaining principal loan balance

 (Seal) -Borrower

 (Seal) -Borrower

 (Seal) -Borrower

 (Seal) -Borrower

 (Seal) -Borrower

 (Seal) -Borrower

Wayne A. Dillon
 Wayne A. Dillon
 (Seal) -Borrower

Witnesses:

BY SIGNING 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.

- Other(s) [specify] Manufactured Housing Unit Rider
- Balloon Rider
- Graduated Payment Rider
- Adjustable Rate Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- Condominium Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

25. Riders to 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)).

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

23. Substitute Trustee. In accordance with applicable law, Lender 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.

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.

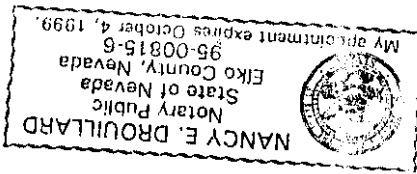
21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 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, Lender at its option and without further demand may invoke the power of sale, including the right to accelerate full payment of the note, 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.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute 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 persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and to 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 attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

Initials: _____

COPIED



Notary Public Elko County of _____, State of Nevada

My Commission Expires: 10/4/99

and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said county of Elko, the day and year in this Certificate first above written.

STATE OF NEVADA, Elko County ss: Wayne A. Dillon On this 2nd day of September 1997, personally appeared before me, the undersigned, a notary public in and for the County and State aforesaid,

known to me to be the person described in _____ [Space Below This Line For Acknowledgment]

(Attach to Security Instrument)

MANUFACTURED HOUSING UNIT RIDER TO THE MORTGAGE / DEED OF TRUST / TRUST INDENTURE
(Manufactured Housing Unit to Become Attached)

This Rider is made this 22nd day of September, 1997, and is incorporated into

and shall be deemed to amend and supplement the Mortgage/Deed of Trust/Trust Indenture (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to

Ford Housing Finance Services, a div. of Associates Housing Finance Services, Inc. a Delaware Corporation (the Note Holder)

of the same date (the "Note") and covering the property described in the Security Instrument and located at

371 3rd Street, Crescent Valley, NV 89821

(Property address)

Together with the Manufactured Housing Unit described as follows which shall be a part of the real property.

Make: Fleetwood

Model: 433

Year: 1997

Serial Number(s):

Width & Length: 40 X 60

MODIFICATIONS. In addition to the covenants and agreements made in the Security Instrument, Borrower(s) further covenant and agree as follows, for themselves, their heirs and assigns and Note Holder:

A. Property:

Property, as the term is defined herein, shall also encompass the Manufactured Housing Unit described above, affixed to the real property legally described herein.

B. Additional Covenants of Borrower(s):

(s) Borrower(s) covenant and agree that they will comply with all State and local laws and regulations regarding the affixation of the Manufactured Housing Unit to the real property described herein including, but not limited to, surrendering the Certificate of Title (if required) and obtaining the requisite governmental approval and accompanying documentation necessary to classify the Manufactured Housing Unit as real property under State and local law.

MANUFACTURED HOUSING UNIT RIDER TO THE MORTGAGE/DEED OF TRUST/TRUST INDENTURE
(Manufactured Housing Unit to Become Attached)

Page 1 of 2

MFA-FTR: 01/97

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- (b) That the Manufactured Housing Unit described above shall be, at all times, and for all purposes, permanently affixed to and part of the real property legally described herein and shall not be removed from said property.
- (c) Borrower(s) covenant that affixing the Manufactured Housing Unit to the real property legally described herein does not violate any zoning laws or other local requirements applicable to manufactured homes.

By signing this Borrower(s) agree to all of the above.

 (Seal) Borrower

 (Seal) Borrower

 (Seal) Borrower

 (Seal) Borrower

Wayne A. Dillon

 (Seal) Borrower

MANUFACTURED HOUSING UNIT RIDER TO THE MORTGAGE/DEED OF TRUST/TRUST INDENTURE (Manufactured Housing Unit to Become Affixed)

Borrower agrees that Lender may file this Security Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Security Instrument or of any other security agreement or financing statement shall be subject to the Security Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable

Lender a security interest in said items.
be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants the items specified in the Security Instrument as part of the Property, which, under applicable law may hereafter located in, or on, or used or intended to be used in connection with the Property and any of the Manufactured Housing Unit and any appliances and goods of every nature whatsoever now or Code granting Lender a first and prior security interest in all of Borrower(s)' right, title and interest to This Security Instrument is intended to be a security agreement, pursuant to the Uniform Commercial

A. Security Agreement and Financing Statement:
MODIFICATIONS. In addition to the covenants and agreements made in the Security Instrument, Borrower(s) and Lender further covenant and agree as follows:

Model: Fleetwood
Year: 1997
Serial Number(s): 433
Width & Length: 40 X 60

Together with the Manufactured Housing Unit described as follows:

371 3rd Street, Crescent Valley, NV 89821
[Property Address]
Ford Housing Finance Services, a div. of Associates Housing Finance Services, Inc., a Delaware Corporation (the "Lender") and covering the property described in the Security Instrument and located at:
371 3rd Street, Crescent Valley, NV 89821
[Property Address]
This Rider is made this 2nd day of September, 1997 and is incorporated into and shall be deemed to amend and supplement the Mortgage/Deed of Trust/Security Deed/Trust Indenture (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to

**MANUFACTURED HOUSING UNIT UNIFORM
COMMERCIAL CODE SECURITY AGREEMENT RIDER**

(Attach to Security Instrument)

Lender may, at its election, at any time after the delivery of this Security Instrument, sign one or more copies of this Security Instrument in order that such copies may be used as a financing statement under the applicable laws of this state. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a security instrument, a security agreement, or (unless otherwise required by applicable law) a financing statement. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Security Instrument, including the covenants to pay when due all sums secured by this Security Instrument, Lender shall have all of the rights of a secured party under the Uniform Commercial Code. Lender may also invoke, at Lender's option, the remedies provided under the terms of this Security Instrument as to such items.

In the event of any foreclosure sale, whether made by Lender or Trustee, whichever is applicable, or a substitute trustee, or under judgment of a court, all of the Real and Personal Property may, at the option of Lender, be sold as a whole or in part. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender or Trustee, whichever is applicable, as well as Trustee or any substitute trustee on Lender's behalf, shall have all the rights, remedies and recourse with respect to the Personal Property afforded to a "Secured Party" under the applicable laws of this state in addition to and not in limitation of the other rights and recourse afforded Lender or Trustee, whichever is applicable, or any substitute trustee under this Security Instrument. Borrower shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any experts and agents which Lender may incur in connection with: (i) the making and/or administration of this Security Instrument; (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon any property, real and/or personal, described in this Security Instrument; (iii) the exercise or enforcement of any of the rights of Lender under this Security Instrument; or (iv) the failure by Borrower to perform or observe any of the provisions or covenants in this Security Instrument.

Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together in any order whatsoever without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or any of the remedies provided under the terms of this Security Instrument.

All payments in reduction of the sum evidenced by the Note secured by this Security Instrument shall be applied first to any portions not secured hereby and then to all sums intended to be secured by the Manufactured Housing Unit and any other personal property upon such real property.

B.

Additional Covenants of Borrower(s):
Borrower agrees: (a) not to remove the Manufactured Housing Unit from the address designated herein unless Borrower first notifies Lender and receives Lender's written consent (b) not to sell the Manufactured Housing Unit without first obtaining Lender's written consent (c) that the Manufactured

