

PARCEL # 001-341-23

After Recording Please Return to:

RNDC

Housing Administrator
1320 E. Aultman
Ely, NV 89301

DEED OF TRUST

This DEED OF TRUST, made this 3 day of October, 2002, by and between Robert D. O'Connor and Kadee H. O'Connor, husband and wife, hereinafter named TRUSTOR, and FIRST AMERICAN TITLE COMPANY of NEVADA, hereinafter named TRUSTEE, and NEVADA HOUSING DIVISION hereinafter named BENEFICIARY.

WITNESSETH, that TRUSTOR IRREVOCABLY grants, transfers and assigns to TRUSTEE in trust with power of sale, that property located in the County of LINCOLN, Nevada, legally described as follows:

PARCEL NO. 36 AS SHOWN ON PARCEL MAP FOR JAMES VINCENT, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LINCOLN COUNTY. RECORDED MARCH 8, 1999 IN BOOK B, PAGE 195 OF PLATS, AS FILE NO. 112431 AND CERTIFICATE OF AMENDMENT RECORDED MARCH 17, 1999 IN BOOK B, PAGE 202 A/B OF PLATS AS FILE NO. 112468, LOCATED IN A PORTION OF THE NE ¼ OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 67 EAST, M.D.B.&M., LINCOLN COUNTY, NEVADA.

And more commonly known as Lot 36 of Vincent Subdivision Map B-195, Lincoln, county of NEVADA.

TOGETHER WITH all appurtenances in which TRUSTOR has any interests including water rights benefiting said real property, represented by shares of a company or otherwise; and

TOGETHER WITH the rents, issues and profits thereof, reserving the right to collect and use the same, except during some default hereunder, in which event the TRUSTEE shall collect the same by any lawful means in the name of the BENEFICIARY,

FOR THE PURPOSE OF SECURING total amount of Down Payment Agreement (including any and all change orders executed subsequent to the date of this Deed of Trust) and payment of any indebtedness evidenced by and accruing under said Down Payment Agreement in the principal sum of Ten Thousand Four hundred Three dollars and 00/100 (\$10,403.00) executed by TRUSTOR in favor of BENEFICIARY, or order.

"The Owner's right, title and interest in this unit and the use, sale, resale and rental of this property are subject to the terms, conditions, restrictions, limitations and provisions as set forth in:

HOME Investment Partnerships Program, Final Rule, 24 CFR Part 92, September 16, 1996, (with May 28 1997 technical corrections) Subpart F—Project Requirements, §92.254 Qualifications as affordable housing: homeownership.(a)(5)(ii) Recapture. Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The participating jurisdiction may structure its recapture provisions based on its program design and market conditions. The period of affordability is based upon the total amount of HOME funds subject to recapture described in paragraph (a)(5)(ii)(A)(5) of this section.

(A) The following options for recapture requirements are acceptable to HUD. The participating jurisdiction may adopt, modify or develop its own recapture requirements for HUD approval.

(1) Recapture entire amount. The participating jurisdiction may recapture the entire amount of the HOME investment from the homeowner.

(2) Reduction during affordability period. The participating jurisdiction may reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

(3) Shared net proceeds. If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount as provided for in paragraph (a)(5)(ii)(A)(2), above, of this section) plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the participating jurisdiction may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{HOME amount to be recaptured}$$

$$\frac{\text{homeowner invest}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{amount to homeowner}$$

(4) Owner investment returned first. The participating jurisdiction may permit the homebuyer to recover the

homebuyer's entire investment (down payment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

(5) Amount subject to recapture. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling units. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the costs of producing the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

By execution of this Deed of Trust that those provisions included in the Rural Nevada Development Corporation Down Payment Agreement executed by TRUSTOR hereby incorporated herein by reference and made part hereof as though fully set forth herein at length; that the TRUSTOR or his successors will observe and obligations, and parties in said provisions shall be construed to refer to the property obligations and parties set forth in this Deed of Trust.

THE UNDERSIGNED TRUSTOR request that a copy of any Notice of Default and of any Notice of Sale hereunder, be mailed to him/her, or his/her authorized agent at the address herein set forth:

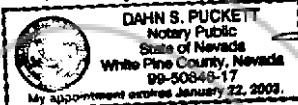
RURAL NEVADA DEVELOPMENT CORPORATION
1320 E. AULTMAN
ELY, NV 89301

Robert D. O'Connor
ROBERT D. O'CONNOR
Kodee H. O'Connor
KODEE H. O'CONNOR

DATE 10/3/02
DATE 10/3/02

STATE OF NEVADA
COUNTY OF White Pine

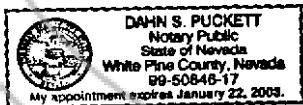
On this 3 day of October, 2002 Robert D. O'Connor personally appeared before me, a Notary Public, and executed this document.



Dahn S. Puckett
NOTARY PUBLIC

STATE OF NEVADA
COUNTY OF White Pine

On this 3 day of October, 2002 ^{K.H.O.} Kodee H. O'Connor personally appeared before me, a Notary Public, and executed this document.



Dahn S. Puckett
NOTARY PUBLIC

2002 OCT 4 PM 4 58
LINCOLN COUNTY RECORDED
LESLIE BOUGHNER
FILED FOR RECORDING
AT THE REQUEST OF
118927

No 118927
FILED AND RECORDED AT REQUEST OF
First American Title
October 4, 2002
AT 58 MINUTES PAST 4 O'CLOCK
P M IN BOOK 167 OF OFFICIAL
RECORDS, PAGE 343, LINCOLN
COUNTY, NEVADA.
\$17.00
Leslie Boughner
COUNTY RECORDER