

APN 05-090-06

FIRST SECURITY BANK, N.A.
23201 LAKE CENTER DRIVE, SUITE 301
LAKE FOREST, CALIFORNIA 92630

THIS DOCUMENT IS BEING RECORDED TO CORRECT THE ADDRESS

1999-13869KJP

[Space Above This Line For Recording Data]

LOAN NO.: 7430580

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on JUNE 28, 1999
. The grantor is BEVERLY RAY, A WIDOW

("Borrower").

The trustee is FIRST AMERICAN

("Trustee").

The beneficiary is FIRST SECURITY BANK, N.A.,

, which is

organized and existing under the laws of UNITED STATES OF AMERICA
and whose address is P.O. BOX 410412, SALT LAKE CITY, UTAH 84130-0412

("Lender").

Borrower owes Lender the principal sum of ONE MILLION AND NO/100-----
Dollars (U.S.\$ 1,000,000.00). This debt is evidenced

by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly
payments, with the full debt, if not paid earlier, due and payable on AUGUST 1, 2024

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 DOUGLAS County, Nevada:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

which has the address of 692 LAKEVIEW ^{BLVD. BR} AVENUE, ZEPHYR COVE
Nevada 89448 [Street] [City]
[Zip Code] ("Property Address").

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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.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

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.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, 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. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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 paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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4. Charges; Liens. 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 in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. 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.

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 (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 notice.

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 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 7.

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.

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 the payments. 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.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. 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 18, 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 Note, 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.

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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.

Any amounts disbursed by Lender under this paragraph 7 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 Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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 previously in effect, at a cost substantially equivalent to 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 lapsed or ceased 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 or applicable law.

9. 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.

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 the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor 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.

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.

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11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization 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 or otherwise modify amortization 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.

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; 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 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 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.

15. 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 Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the 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.

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.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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

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covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' 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 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 not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. 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 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 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 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.

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

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 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 is not cured 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 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.

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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 entitle 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. **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)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- V.A. Rider
- Condominium Rider
- Planed Unit Development Rider
- Rate Improvement Rider
- Other(s) [specify] INDEX CONVERSION OPTION RIDER
LEGAL ATTACHED
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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.

Witnesses:

Beverly Ray (Seal)
BEVERLY RAY -Borrower

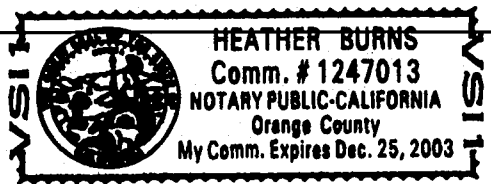
Beverly Ray (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

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-Borrower

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-Borrower



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ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Orange } ss.

On 3-9-00 before me, Heather Burns,
(DATE) (NOTARY)

personally appeared Beverly Ray
SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Heather Burns
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER
- _____ TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

_____ TITLE OR TYPE OF DOCUMENT

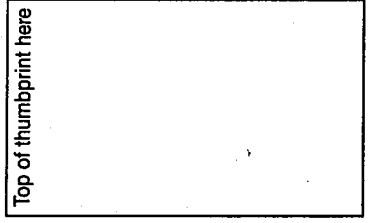
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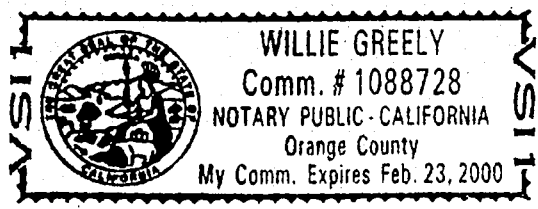
SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER



STATE OF ~~NEVADA~~ *California*
COUNTY OF *Orange*

This instrument was acknowledged before me on *June 28, 1999*
by *Beverly Ray*



Willie Greely
My Commission Expires: *Feb. 23, 2000*

COPIES

LOAN NO. 7430580

NEVADA - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT
REF20626.PCL-1/97 41616.11502

Page 8 of 8

0471836

FORM 3029 9/90 AMENDED 12/93
Initials: *BR*

0488950

0473080

BK0300PG5713

BK0799PG3995

BK0799PG0604

DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

PARCEL I

All of Lots 9 And 10, in Block F, as shown upon the Amended map of ZEPHYR COVE PROPERTIES, in Section 10, Township 13 North, Range 18 East, M.D.B.& M. filed in the Office of the County Recorder of Douglas County, State of Nevada, on August 5, 1929, SAVING AND ACCEPTING therefrom that portion of Lot 10 conveyed December 20, 1941 by Caleb Sharrah and Mabel M. Sharrah, his wife, to Fred W. Traner by Deed recorded in Book W of Deeds, Page 185 records of Douglas County, Nevada, described as follows, to wit:

All that portion of Lot 10 West of a line parallel to and distant 37.5 feet perpendicularly Easterly from the boundary line and its extension common to Lots 10 and 11 as said Lots are set forth on that certain amended map of ZEPHYR COVE PROPERTIES in Section 10, Township 13 North, Range 18 East, M.D.B.& M., approved by the Board of County Commissioners of Douglas County, on August 5, 1929 and filed on said 5th day of August 1929 in the office of the County Recorder of Douglas County, State of Nevada.

PARCEL II

All that portion of land lying between the meander line of Lake Tahoe and the North Line of Lot 9 and the North line of the E 1/2 of Lot 10, Block F as shown upon the amended map of ZEPHYR COVE PROPERTIES in Section 10, Township 13 North, Range 18 East, M.D.B. & M., filed in the Office of the County Recorder of Douglas County, State of Nevada on August 5, 1929, more particularly described as follows, to wit: Bounded on the West by the West Line of the E 1/2 of Lot 10 extended to the meander line of Lake Tahoe; Bounded on the East by the East line of Lot 9 extended to the meander line of Lake Tahoe; Bounded on the South by the North line of Lot 9 and the North Line of the E 1/2 of Lot 10; bounded on the North by the meander line of Lake Tahoe.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

Excepting any portion of the above described property lying within the bed of Lake Tahoe below the line of natural ordinary high water and also excepting any artificial accretions to the land waterward of the line of natural ordinary high water or, if lake level has been artificially lowered, excepting any portion lying below an elevation of 6,223.00 feet, Lake Tahoe Datum established by NRS 321.595.

REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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0473080

LINDA SLATER
RECORDER

0471836

LINDA SLATER
RECORDER

\$15⁰⁰ PAID *KD* DEPUTY

\$15⁰⁰ PAID *KD* DEPUTY

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BK0300P65714

ADJUSTABLE RATE RIDER

(Six Months - Libor Index)

THIS ADJUSTABLE RATE RIDER is made this 28th day of JUNE, 1999, and is incorporated 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 Adjustable Rate Note (the "Note") to FIRST SECURITY BANK, N.A., (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

692 LAKEVIEW BLVD.
ZEPHYR COVE, NEVADA 89448
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE MAXIMUM RATE THE BORROWER MUST PAY.

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

INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 6.500 %. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**(A) Change Dates**

The interest rate I will pay may change on the first day of FEBRUARY, 2000, and on that day every sixth (6th) month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The Index is the average of interbank offered rates for six month United States dollar deposits in the London market based on quotations of major banks, as published in The Wall Street Journal "Money Rates" table. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding ONE AND SEVEN/EIGHTHS - - - - - percentage points (1.875 %) to the Current Index. The Note Holder will then round this figure to the nearest one-eighth of one percentage point (0.125%). Subject to the limit stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

(i) **Interest-Only Period.** The "interest-only period" is the period from the date of this Note through JULY 31, 2009. For the interest-only period, after calculating my new interest rate as provided above, the Note Holder will then determine the amount of the monthly payment that would be sufficient to pay the interest which accrues on the unpaid principal of my loan. The result of this calculation will be the new amount of my monthly payment.

(ii) **Amortization Period.** The "amortization period" is the period after the interest-only period. For the amortization period, after calculating my new interest rate as provided above, the Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limit on Interest Rate Changes

My interest rate will never be greater than 13.000 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.

[THIS SPACE INTENTIONALLY LEFT BLANK]

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

Beverly K. Ray
BEVERLY K. RAY

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

Power of Attorney

Power of Attorney

COPIES

INDEX CONVERSION OPTION RIDER

This Index Conversion Option Rider is made this 28th day of JUNE, 1999, and is incorporated 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 Adjustable Rate Note of same date (the "Note") to FIRST SECURITY BANK, N.A. (the "Lender")

and covering the property described in the Security Instrument and located at:

692 LAKEVIEW BLVD.
ZEPHYR COVE, NEVADA 89448
(Property Address)

THE NOTE CONTAINS PROVISIONS FOR AN OPTION TO CONVERT FROM THE CURRENT INDEX TO A NEW INDEX AND MARGIN.

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

A. Index Conversion Option

Paragraph 1 of an Addendum to the Note ("Addendum") provides for the Borrower's option to convert from the existing Index to a new index and margin, subject to certain conditions. The provisions set forth in the Addendum are as follows:

1. INDEX CONVERSION OPTION

I have an Index Conversion Option that I can exercise unless I am in default or this Section 1 will not permit me to do so. The "Index Conversion Option" is my option to convert the Index and margin to a new index and margin in accordance with the terms of Section 1(A) below.

(A) Index Conversion Option

The Index Conversion Option can only be exercised during the twenty-one (21) day interval beginning with the forty-fifth day immediately prior to my second Change Date and continuing until and including the twenty-fifth day prior to my second Change Date and for identical twenty-one day intervals occurring each six (6) month anniversary thereafter until and including the interval beginning forty-five (45) days before my tenth (10th) Change Date. I may exercise the Index Conversion Option only one time. I can exercise the Index Conversion Option by notifying the Lender of my election to change indices no later than the twenty-fifth (25th) day prior to the next Change Date. My new index and margin after the conversion will be effective on the Index Conversion Date. The "Index Conversion Date" is the next Change Date following my timely notification to the Lender that I am exercising the Index Conversion Option.

My new index used to calculate my interest rate will be either (i) for Margin Option 1, the highest prime rate published in The Wall Street Journal "Money Rates" table, (ii) for Margin Option 2, the average of interbank offered rates for six-month dollar deposits in the London market based on quotations of major banks as published in The Wall Street Journal "Money Rates" table, or (iii) for Margin Option 3, the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one (1) year, as made available by the Federal Reserve Board in publication H.15. My new index will be the most recent index available as of the date forty-five days prior to the applicable Change Date (the "Index Determination Date"). My margin to be added or subtracted, as the case may be, to the new index will depend on the margin option selected and the unpaid principal balance of the Note on the Index Determination Date, as follows:

Original Principal
Balance

Margin
Option 1

Margin
Option 2

Margin
Option 3

\$1,000,000.00

plus -0.125

plus 1.875

plus 2.250

My interest rate will be calculated by adding the index and margin rounded to the nearest one-eighth of one percentage point.

(B) Conditions to Exercising Index Conversion Option

If I want to exercise the Index Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must still be the owner of the property subject to the Security Instrument (as defined in the Note); (ii) I cannot have been late on any of the 12 scheduled monthly payments immediately preceding the date on which I give notice of my election to exercise my Index Conversion Option; (iii) I cannot have been more than 30 days late on any of my scheduled monthly payments; (iv) I must give the Lender notice that I want to exercise my Index Conversion Option; (v) I must not be in default under the Note or the Security Instrument; (vi) by a date no later than 15 days prior to the Index Conversion Date, I must pay the Lender a conversion fee of U.S. \$500 and I must sign and give the Lender any documents the Lender requires to effect the conversion.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Rider.

Beverly K. Ray (Seal)
BEVERLY K. RAY Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

Trustee Signature

Trustee Signature

SECOND HOME RIDER

THIS SECOND HOME RIDER is made on this 28th day of JUNE 1999 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 Note to FIRST SECURITY BANK, N.A., (the "Lender") of the same date and covering the property described in the Security Instrument (the "Property"), which is located at: 692 LAKEVIEW BLVD. , ZEPHYR COVE, NEVADA 89448 [Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Uniform Covenant 6 of the Security Instrument is deleted and is replaced by the following:

6. Occupancy and Use; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leasehold. Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that require Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property. 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 18, 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 Note, including, but not limited to, representations concerning Borrower's occupancy and use of the Property as a second home. 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.

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

Beverly Ray (Seal)
BEVERLY RAY Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

0488950
BK0300PG5720

ADJUSTABLE-RATE MORTGAGE LOAN PROGRAMS DISCLOSURE

(This is neither a contract nor a commitment to lend.)

LENDER: FIRST SECURITY BANK, N.A.

This variable rate loan program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

DETERMINING YOUR INTEREST RATE

First Select Your Preferred Index

The Adjustable-Rate mortgage lets you choose from three indexes:

1. **Prime:** The prime rate as published daily in *The Wall Street Journal*.
2. **LIBOR:** One-or six-month London Interbank Offered Rate as published daily in *The Wall Street Journal*.
3. **Treasury:** The weekly average yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as published by the Federal Reserve Board in publication number H.15.

Then Add the Appropriate Margin

A number of percentage points known as the margin will be added or subtracted to the selected index to determine your interest rate. In some cases the margin will be zero. The margin will depend upon the following:

- * The amount of your mortgage.
- * The number of points and the amount of fees you choose to pay up-front.
- * Whether you choose to have your mortgage adjust monthly or every six months.
- * Certain additional optional features you select such as the fixed-rate conversion option and the 1% periodic rate cap.

Current Index and Margins

Ask for our current interest rates and margins.

YOUR MONTHLY PAYMENTS

Interest-Only Period: Your minimum required monthly payment will be interest only for the first 10 years. During this period, your payments will be based on the interest rate and outstanding principal loan balance.

Amortization Period: Your minimum required monthly payment will be interest and principal after the first 10 years until the end of the term. During this period, your payments will be based on the interest rate, loan balance and remaining loan term.

HOW YOUR INTEREST RATE AND MONTHLY PAYMENTS CAN CHANGE

Six-Month Or Monthly-Adjustment Options: You can choose to have your interest rate and monthly payments change every six (6) months or every month based on changes in the interest rate. Once you select your adjustment period, you cannot change it. Your new interest rate will equal the index plus or minus your margin, unless your interest rate "cap" limits the amount of change as discussed below. The date on which your interest rate adjusts is called the Change Date.

Lifetime Cap: Your interest rate can never be more than the greater of 13% or your initial rate plus 6%, unless you elect to exercise the Fixed-Rate Conversion Option (See page 2). This limitation is known as a "cap". Your interest rate can never decrease more than 6% below the initial rate or the margin, whichever is greater.

Periodic Interest-Rate Cap Option: If you select the six (6) month adjustment period, you can elect a periodic rate cap for an increase in your interest rate margin in which your rate cannot increase on any Change Date by more than one (1) percentage point from the interest rate previously in effect.

You will be notified in writing at least 25, but no more than 120, calendar days before the due date of a payment at a new level. This notice will contain information about your interest rates, payment amount, and loan balances.

CONVERSION OPTIONS

Convert to a New Index and Margin

You can choose to convert to a new index and margin. If you exercise this option, your interest rate may change at the time of conversion.

You can convert to a new index and margin at six-month intervals starting with your second year and ending in the fifth year. You may exercise this option only once and your new rate will be based on the new index you choose plus the margin based on the unpaid principal balance of your loan.

Convert to a Fixed Rate

You can select a Fixed-Rate Conversion Option as part of your Adjustable Rate mortgage. This option allows you to switch from a variable interest rate to a fixed interest rate. Selecting this option will increase your margin and is not available for investment properties or loans exceeding \$1 million.

You can convert to a fixed rate each month starting with your second year and ending in the fifth year. Notification of your decision to convert to a fixed rate must be made to the Lender during the first five (5) days of each month.

Your new interest rate will be effective on the first day of the month following your notification to the Lender. The interest rate will be based on The Federal National Mortgage Association's (FNMA's) required net yield for 30-year fixed-rate mortgages subject to a 60-day mandatory delivery commitment as published in *The Wall Street Journal* plus seven-eighths of one percentage point (0.875%).

Your new rate may exceed any lifetime or periodic cap but will not be greater than 18% per annum. Your new monthly payments will be based on a fully amortizing loan over the remaining term of the mortgage.

Conditions to Exercise the Conversion Options

1. You must pay a \$500 fee and provide the Lender any documents the Lender requires at least 15 days prior to the Conversion Date.
2. You must still be the owner of the property.
3. You cannot have been late on any of the 12 scheduled monthly payments immediately preceding the date on which you give notification of your election to exercise a Conversion Option.
4. You cannot have been more than 30 days late on any of your scheduled monthly payments.
5. You must give the Lender notice that you want to exercise a Conversion Option and indicate which option.
6. You must not be in default under the loan documents;

EXAMPLES OF HOW YOUR MORTGAGE CAN ADJUST

The following examples chart how your payments would have changed under the Adjustable Rate program based on actual changes in the index from 1984 to 1998. These charts do not necessarily indicate how your index will change in the future. The index is as published in *The Wall Street Journal* on the last business day in January of each year. The examples assume that the index changed only once per year.

Each example is based on a loan amount of \$10,000 and a loan term of 300 months. The lifetime interest rate cap is the greater of 13% or the initial rate plus 6%. The charts assume that the index changed only once per year and that the interest rate and payment adjusted once per year. The margin is one we have used recently. Your margin may be different.

Prime Index Option with no Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)	Monthly Payment (\$)	Remaining Balance (\$)
1984	11.00	0.00	11.00	91.67	10,000.00
1985	10.50	0.00	10.50	87.50	10,000.00
1986	9.50	0.00	9.50	79.17	10,000.00
1987	7.50	0.00	7.50	62.50	10,000.00
1988	8.75	0.00	8.75	72.92	10,000.00
1989	10.50	0.00	10.50	87.50	10,000.00
1990	10.00	0.00	10.00	83.33	10,000.00
1991	9.50	0.00	9.50	79.17	10,000.00
1992	6.50	0.00	6.50	54.17	10,000.00
1993	6.00	0.00	6.00	50.00	10,000.00
1994	6.00	0.00	6.00	59.96	9,877.14
1995	8.50	0.00	8.50	100.74	9,493.08
1996	8.50	0.00	8.50	100.74	9,075.09
1997	8.25	0.00	8.25	99.48	8,612.80
1998	8.50	0.00	8.50	100.65	8,118.11

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1998, the loan payment for a mortgage amount of \$300,000 based on the prime index, no periodic rate cap and taken out in 1984 would be: \$300,000 divided by \$10,000 = 30; 30 x \$100.65 = \$3,019.50.)

If you establish the mortgage with an initial rate of 8.50%, the maximum amount the interest rate could rise under this program is six percentage points to 14.50%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$70.83 to a maximum of \$120.83 either six months or one month after you obtain the loan, depending on whether you chose the six-month or monthly-adjustment option. During the amortization period, the monthly payment can reach a maximum of \$136.55 in the eleventh year of the loan term.

Prime Index Option with 1% Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)	Monthly Payment (\$)	Remaining Balance (\$)
1984	11.00	0.50	11.50	95.83	10,000.00
1985	10.50	0.50	11.00	91.67	10,000.00
1986	9.50	0.50	10.00	83.33	10,000.00
1987	7.50	0.50	8.00	66.67	10,000.00
1988	8.75	0.50	9.25	77.08	10,000.00
1989	10.50	0.50	11.00	91.67	10,000.00
1990	10.00	0.50	10.50	87.50	10,000.00
1991	9.50	0.50	10.00	83.33	10,000.00
1992	6.50	0.50	8.00 *	66.67	10,000.00
1993	6.00	0.50	6.50	87.11	10,000.00
1994	6.00	0.50	6.50	87.11	9,592.70
1995	8.50	0.50	8.50 *	97.84	9,219.68
1996	8.50	0.50	9.00	100.47	8,827.93
1997	8.25	0.50	8.75	99.23	8,392.41
1998	8.50	0.50	9.00	100.38	7,924.17

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1998, the loan payment for a mortgage amount of \$300,000 based on the prime index, a 1% periodic rate cap and taken out in 1984 would be: \$300,000 divided by \$10,000 = 30; 30 x \$100.38 = \$3,011.40.)

If you establish the mortgage with an initial rate of 9.00%, the maximum amount the interest rate could rise under this program is six percentage points to 15.00%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$75.00 to a maximum of \$125.00 commencing with the thirty-seventh monthly payment. During the amortization period, the monthly payment can reach a maximum of \$139.96 in the eleventh year of the loan term.

*This rate reflects the effect of the periodic rate cap.

Six-Month LIBOR Index Option without Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)*	Monthly Payment (\$)	Remaining Balance (\$)
1984	10.00000	2.00	12.000	100.00	10,000.00
1985	8.75000	2.00	10.750	89.58	10,000.00
1986	8.12500	2.00	10.125	84.38	10,000.00
1987	6.25000	2.00	8.250	88.75	10,000.00
1988	7.12500	2.00	9.125	76.04	10,000.00
1989	9.50000	2.00	11.500	95.83	10,000.00
1990	8.43750	2.00	10.500 *	87.50	10,000.00
1991	7.12500	2.00	9.125	76.04	10,000.00
1992	4.25000	2.00	6.250	52.08	10,000.00
1993	3.43750	2.00	5.500 *	45.83	10,000.00
1994	3.37500	2.00	5.375	81.05	9,554.01
1995	6.68750	2.00	8.750 *	98.82	9,189.76
1996	5.34375	2.00	7.375 *	91.76	8,751.77
1997	5.68750	2.00	7.750 *	93.54	8,291.43
1998	5.65625	2.00	7.625 *	92.98	7,790.63

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1998, the loan payment for a mortgage amount of \$300,000 based on the six-month LIBOR index, no periodic rate cap and taken out in 1984 would be: \$300,000 divided by \$10,000 = 30; 30 x \$92.98 = \$2,789.40.)

If you establish the mortgage with an initial rate of 7.625%, the maximum amount the interest rate could rise under this program is six percentage points to 13.625%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$63.54 to a maximum of \$113.54 either six months or one month after you obtain the loan, depending on whether you chose the six-month or monthly-adjustment option. During the amortization period, the monthly payment can reach a maximum of \$130.66 in the eleventh year of the loan term.

*Interest rates are rounded to the nearest eighth of a percentage point.

Six-Month LIBOR Index Option with 1% Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)	Monthly Payment (\$)	Remaining Balance (\$)
1984	10.00000	2.50	12.500	104.17	10,000.00
1985	8.75000	2.50	11.250	93.75	10,000.00
1986	8.12500	2.50	10.625	88.54	10,000.00
1987	6.25000	2.50	8.750	72.92	10,000.00
1988	7.12500	2.50	9.625	80.21	10,000.00
1989	9.50000	2.50	11.625 **	96.88	10,000.00
1990	8.43750	2.50	11.000 *	91.67	10,000.00
1991	7.12500	2.50	9.625	80.21	10,000.00
1992	4.25000	2.50	7.625 **	63.54	10,000.00
1993	3.43750	2.50	6.250 *	52.08	10,000.00
1994	3.37500	2.50	5.875	83.71	9,571.57
1995	6.68750	2.50	7.875**	94.21	9,180.91
1996	5.34375	2.50	7.875	94.21	8,758.36
1997	5.68750	2.50	8.250 *	96.01	8,312.20
1998	5.65625	2.50	8.125 *	95.45	7,824.28

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1998, the loan payment for a mortgage amount of \$300,000 based on the six-month LIBOR index, a 1% periodic rate cap and taken out in 1984 would be: \$300,000 divided by \$10,000 = 30; 30 x \$95.45 = \$2,863.50.)

If you establish the mortgage with an initial rate of 8.125%, the maximum amount the interest rate could rise under this program is six percentage points to 14.125%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$67.71 to a maximum of \$117.71 commencing with the thirty-seventh monthly payment. During the amortization period, the monthly payment can reach a maximum of \$134.02 in the eleventh year of the loan term.

- * Interest rates are rounded to the nearest eighth of a percentage point.
- ** This rate reflects the effect of the periodic rate cap.

One-Month LIBOR Index Option (Not available with Periodic Rate Cap)

Year	Index (%)	Margin (%)	Interest Rate (%)	Monthly Payment (\$)	Remaining Balance (\$)
1984	9.62500	1.875	11.500	95.83	10,000.00
1985	8.37500	1.875	10.250	85.42	10,000.00
1986	8.00000	1.875	9.875	82.29	10,000.00
1987	6.18750	1.875	8.125 *	67.71	10,000.00
1988	6.87500	1.875	8.750	72.92	10,000.00
1989	9.25000	1.875	11.125	92.71	10,000.00
1990	8.31250	1.875	10.250 *	85.42	10,000.00
1991	6.93750	1.875	8.875 *	73.96	10,000.00
1992	4.12500	1.875	6.000	50.00	10,000.00
1993	3.18750	1.875	5.125 *	42.71	10,000.00
1994	3.12500	1.875	5.000	79.08	9,540.61
1995	6.06250	1.875	8.000	94.58	9,154.97
1996	5.46875	1.875	7.375	91.41	8,718.65
1997	5.46880	1.875	7.375	91.41	8,249.07
1998	5.59766	1.875	7.500	91.96	7,747.22

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1998, the loan payment for a mortgage amount of \$300,000 based on the one-month LIBOR index, no periodic rate cap and taken out in 1984 would be: \$300,000 divided by \$10,000 = 30; 30 x \$91.96 = \$2,758.80.)

If you establish the mortgage with an initial rate of 7.50%, the maximum amount the interest rate could rise under this program is six percentage points to 13.50%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$62.50 to a maximum of \$112.50 one month after you obtain the loan. During the amortization period, the monthly payment can reach a maximum of \$129.83 in the eleventh year of the loan term.

- * Interest rates are rounded to the nearest eighth of a percentage point.

Treasury Index Option (1) without Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)*	Monthly Payment (\$)	Remaining Balance (\$)
1984	10.02	2.375	12.375	103.13	10,000.00
1985	9.19	2.375	11.625	96.88	10,000.00
1986	7.63	2.375	10.000	83.33	10,000.00
1987	5.97	2.375	8.375	69.79	10,000.00
1988	7.15	2.375	9.500	79.17	10,000.00
1989	9.17	2.375	11.500	95.83	10,000.00
1990	7.82	2.375	10.250	85.42	10,000.00
1991	6.78	2.375	9.125	76.04	10,000.00
1992	4.14	2.375	6.500	54.17	10,000.00
1993	3.60	2.375	6.000	84.39	9,575.79
1994	3.63	2.375	6.000	84.39	9,125.40
1995	6.95	2.375	9.375	101.41	8,748.05
1996	5.05	2.375	7.375	91.72	8,276.86
1997	5.61	2.375	8.000	94.48	7,787.57

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1997, the loan payment for a mortgage amount of \$300,000 based on the Treasury index, no periodic rate cap and taken out in 1983 would be: \$300,000 divided by \$10,000 = 30; 30 x \$94.48 = \$2,834.40.)

If you establish the mortgage with an initial rate of 8.00%, the maximum amount the interest rate could rise under this program is six percentage points to 14.00%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$66.67 to a maximum of \$116.67 either six months or one month after you obtain the loan, depending on whether you chose the six-month or monthly-adjustment option. During the amortization period, the monthly payment can reach a maximum of \$133.17 in the eleventh year of the loan term.

* Interest rates are rounded to the nearest eighth of a percentage point.

(1) The index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as published by the Federal Reserve Board in publication number H.15. The index reflected in this table is the index available as of the last business day in January of each year.

Treasury Index Option (1) with 1% Periodic Rate Cap

Year	Index (%)	Margin (%)	Interest Rate (%)	Monthly Payment (\$)	Remaining Balance (\$)
1984	10.02	2.875	12.875	107.29	10,000.00
1985	9.19	2.875	12.125	101.04	10,000.00
1986	7.63	2.875	10.500	87.50	10,000.00
1987	5.97	2.875	8.875	73.96	10,000.00
1988	7.15	2.875	10.000	83.33	10,000.00
1989	9.17	2.875	12.000	100.00	10,000.00
1990	7.82	2.875	10.750	89.58	10,000.00
1991	6.78	2.875	9.625	80.21	10,000.00
1992	4.14	2.875	7.000	58.33	10,000.00
1993	3.60	2.875	6.500	87.11	9,592.70
1994	3.63	2.875	6.500	87.11	9,158.12
1995	6.95	2.875	8.500**	97.18	8,754.92
1996	5.05	2.875	7.875	94.17	8,298.05
1997	5.61	2.875	8.500	96.97	7,821.45

To determine your monthly payment on your mortgage for the same period, divide your mortgage amount by \$10,000; then multiply the monthly payment for that year. (For example, in 1997, the loan payment for a mortgage amount of \$300,000 based on the Treasury index, a 1% periodic rate cap and taken out in 1983 would be: \$300,000 divided by \$10,000 = 30; 30 x \$96.97 = \$2,909.10.)

If you establish the mortgage with an initial rate of 8.50%, the maximum amount the interest rate could rise under this program is six percentage points to 14.50%. During the interest-only period, the monthly payment amount for a \$10,000 mortgage can rise from an initial monthly payment of \$70.83 to a maximum of \$120.83 commencing with the thirty-seventh monthly payment. During the amortization period, the monthly payment can reach a maximum of \$136.55 in the eleventh year of the loan term.

* Interest rates are rounded to the nearest eighth of a percentage point.

** This rate reflects the effect of the periodic rate cap.

(1) The index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as published by the Federal Reserve Board in publication number H.15. The index reflected in this table is the index available as of the last business day in January of each year.

Beverly K. Ray
(Borrower) (Date)
BEVERLY K RAY

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