

DOUGLAS COUNTY, NV **2021-967552**
Rec:\$40.00
\$40.00 Pgs=45 05/17/2021 10:53 AM
CHARLES A BROWN AND ASSOC DBA
KAREN ELLISON, RECORDER

3012988 - Hill

Recording Requested By:

Record and Return To:

Attn: _____ Return To: Brown & Associates
2316 Southmore Ave
Pasadena TX 77502

Loan Number: 3012988
FHA Case Number: 3311251427
Property Address: 1278 Bodie Court, Gardenville, NV 89460
BID 926453
APN: 1220-16-210-058

NEVADA

TOLLING, FORBEARANCE AND RELEASE AGREEMENT

THIS TOLLING, FORBEARANCE AND RELEASE AGREEMENT (the "Agreement") is entered into by and between Anne Hill ("Eligible Surviving Non-Borrowing Spouse," "You" or "Your"), and the owner of the "Note," as defined below, and its successors or assigns ("Mortgagee") by and through Bank of New York Mellon Trust Company, N.A, as Trustee for Mortgage Assets Management Series 1 Trust ("Loan Servicer") (each a "Party," and collectively, the "Parties").

I. RECITALS

WHEREAS, on 10/09/2006, Your spouse, Richard L. Hill (the "Borrower") entered into an Adjustable Rate Reverse Mortgage loan (the "Loan") with Financial Freedom Senior Funding Corporation (the "Original Lender");

WHEREAS, in connection with the Loan, Borrower executed and delivered an Adjustable Rate Note (the "Note"), attached hereto as Exhibit "A" and incorporated herein by reference, and a(n) Adjustable Rate Reverse Mortgage Loan Agreement (the "Loan Agreement"), attached hereto as Exhibit "B" and incorporated herein by reference, promising to repay advances made pursuant to the Loan Agreement and secured by that certain Adjustable Rate

Reverse Mortgage Security Instrument of the same date, executed by Borrower, up to the maximum principal amount of \$532,500.00, to Lender (the "Security Instrument"), which Security Instrument was recorded in the Official Records of Douglas County, State of Nevada attached hereto as Exhibit "C" and incorporated herein by reference, and which encumbers property commonly described as 1278 Bodie Court, Gardenville, NV 89460, that certain real property in the City of Gardenville, County of Douglas, State of Nevada, and legally as described in Exhibit "D", attached hereto and incorporated by reference into this Agreement (the "Property"). The Note, Loan Agreement and Security Instrument are collectively referred to as the "Loan Documents."

WHEREAS, Borrower died on 01/25/2020;

WHEREAS, the Loan Documents provide that Lender and its successors and assigns may require immediate payment in full of all sums owed under the Loan Documents if the Borrower dies and the Property is not the principal residence of at least one surviving Borrower;

WHEREAS, on or about 09/25/2009, the Lender transferred, sold, assigned, conveyed and set over to Mortgage Electronic Registration Systems, Inc.(MERS) as Nominee for Financial Freedom Acquisition LLC all of Lender's right, title and interest in the Note and the Security Instrument ("Mortgagee");

WHEREAS, Mortgagee owns the Loan and Loan Servicer is the servicer of the Loan on behalf of Mortgagee;

WHEREAS, it is mortgagee's option, not a requirement, to accept qualifying Reverse Mortgage loans(s) where the loan has become due and payable following the death of the last surviving Reverse Mortgage borrower but an eligible non-borrowing spouse survives the Reverse Mortgage borrower. In such cases, the due and payable status of the Reverse

Mortgage loan may be deferred based on the continued satisfaction of certain requirements of Loan Servicer's Option; WHEREAS, Mortgagee has granted Loan Servicer authority to service the Loan on its behalf;

WHEREAS, Mortgagee is amenable to Loan Servicer's Option with regard to the Loan, provided that the Loan Servicer's requirements can be met and that You assume and perform all of the Borrower's obligations under the Loan Documents, You fully comply with the terms and conditions of this Agreement and You provide evidence of meeting all Loan Servicer's requirements and

WHEREAS, You desire that Loan Servicer, on behalf of Mortgagee, exercise Loan Servicer's Option rather than foreclose the security interest in the Property pledged as collateral to secure the Loan pursuant to the terms of the Security Instrument.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, without admitting liability of any kind, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

II. AGREEMENTS AND RELEASE

1. DEFERRAL OF LOAN'S DUE AND PAYABLE STATUS

1.1 Prior to or concurrent with the delivery of the executed Agreement by You, You will execute and deliver to Loan Servicer a certification in substantially similar form and content as provided in Exhibit "E," attached to this Agreement and incorporated into this Agreement by reference.

1.2 You agree that any statute of limitations applicable to Loan Servicer's and/or Mortgagee's (or their assignees') right to exercise the power of sale or to commence judicial foreclosure, or to exercise any other remedy available under the Security Instrument and/or the Loan Documents, and any other defense in law or equity, if any,

relating to the passage of time, are hereby tolled from and after 01/25/2020, through and including such date as the Loan Servicer gives You written notice that Loan Servicer's Option Deferral Period (as defined below in 1.4(c)) is terminated, withdrawn, or revoked (the "Tolling Period"). You further agree that You, on behalf of Yourself and all parties claiming by or through You, waive the right to assert, in any future legal proceedings, any claim that the right to foreclose, or the exercise of any other remedy available under the Loan Documents, is barred by any applicable statute of limitations, statute of repose, or laches due to the failure to commence and/or complete foreclosure of the Property during the Tolling Period, or as a result of any applicable period of limitations running concurrently with the Tolling Period.

1.3 You agree to exclude the Tolling Period from any calculation of time in determining the application of any statutes of limitation or repose, defense of laches, or any other time-based doctrine of defense, rule, law, or statute otherwise limiting any of Loan Servicer's and/or Mortgagee's (or their assignees') rights to preserve and prosecute any claims based upon the Loan.

1.4 The Parties agree that from and after the date of this Agreement:

(a) Defined terms used in this Agreement that are not defined in this Agreement shall have the definition provided for such terms under the Loan Documents.

(b) You will be responsible for performing all covenants and obligations of the Borrower under the Loan Documents.

(c) Mortgagee will forbear and defer the due and payable status of the Loan due to the Borrower's death as specified in the Loan Documents for the period of time of Loan Servicer's Option Deferral Period") in which You reside in the Property as Your "Principal Residence" (as defined in Section 1.7), and all of the following conditions are, and

continue to be, met:

(i) You were either (1) legally married to Borrower under the laws of Nevada as of the date of the Security Instrument and remained the spouse of the Borrower for the duration of Borrower's life, or (2) engaged in a committed relationship with the Borrower akin to marriage but were prohibited from legally marrying the Borrower as of the date of the Security Instrument based upon the gender of both You and the Borrower, but You were legally married to the Borrower prior to the Borrower's death, as determined by the law of the state in which You and the Borrower reside(d) or the state of celebration, and remained married to the Borrower until the Borrower's death;

(ii) You occupied the Property at the time the Loan was originated, and You continue to occupy the Property as Your Principal Residence; provided, however, that if You are temporarily in a health care institution at any time during the Loan Servicer's Option Deferral Period, the Property will continue to be considered to be Your Principal Residence, as long as You physically occupied the Property immediately prior to entering the health care institution and Your residency in the health care institution does not exceed twelve (12) consecutive months;

(iii) Within ninety (90) days following the death of the Borrower, You established and will continue to hold legal ownership or other ongoing legal right to remain in the Property for the duration of Your life;

(iv) You confirm that all the obligations of the Borrower under the Loan Documents have been satisfied, are current, and You will continue to perform all obligations under the Loan Documents;

(v) The Note is not eligible to be called due and payable for any reason other than the death of the Borrower;

(vi) You will provide a certification annually, or upon request, to Mortgagee or its designee, that all of the requirements for application of the Loan Servicer's Option Deferral Period continue to apply and continue to be met; and

(vii) You have no allegations or claims that would invalidate the Loan.

Should any of these conditions for deferral of due and payable status not be met at any time, the forbearance and deferral of the due and payable status will cease and the Note will then become immediately due and payable in accordance with the terms of the Note, upon written notice to you by the Loan Servicer. Notwithstanding any other provisions of this Agreement, if any of these conditions for deferral of due and payable status are not met at any time, Mortgagee will provide You with written notice, and to the extent such condition is capable of cure, 30-days to cure or correct such condition and reinstate the Deferral Period in accordance with Section 1.4(f) below.

(d) Due and Payable. The Loan Servicer's Option Deferral Period will terminate and, upon written notice to You, Mortgagee may require immediate payment in full of all sums secured by the Security Instrument if and when:

(i) You die;

(ii) You sell or transfer all of Your title in the Property (or Your beneficial interest in a trust owning all or part of the Property) and You have no legal right to remain in the Property;

(iii) You have breached any representation or warranty contained in Section 5 of this Agreement;

(iv) You have failed to perform any covenant, condition or action required in Section 2 of this Agreement;

- (v) The Property ceases to be Your Principal Residence;
- (vi) For a period of longer than twelve (12) consecutive months, You fail to occupy the Property because of physical or mental illness; or
- (vii) An obligation of the Borrower under the Loan Documents is not performed.

(e) Notice to Mortgagee. You are required to promptly notify Mortgagee (or Loan Servicer or other designee) or its designee, whenever any of the events listed in Section 1.4(d) occur.

(f) Notice to Eligible Surviving Non-Borrowing Spouse. Mortgagee, or its designee, will notify You whenever the Deferral Period has terminated. To the extent the condition or event giving rise to termination of the Loan Servicer's Option Deferral Period is capable of cure, Mortgagee will provide You with thirty (30) calendar days to cure such event, following such notice, and reinstate the Loan Servicer's Option Deferral Period. All defaults capable of cure must be cured within such 30-day period. A default will not be deemed cured by entering into a repayment plan. Under no circumstances will You be afforded any cure period following Your failure to meet any of the conditions set forth in Section 1.4(c)(i)-(iii), at any time. As a condition to reinstatement of the Loan Servicer's Option Deferral Period, Mortgagee or its designee, may require that You pay any costs or fees that Mortgagee, or its designee, has incurred arising from the termination of the Loan Servicer's Option Deferral Period, including, but not limited to, foreclosure costs and reasonable attorneys' fees. If allowable, notwithstanding the foregoing, the Loan Servicer's Option Deferral Period will not be reinstated if:

- (i) Reinstatement of the Loan Servicer's Option Deferral Period has occurred within the past two (2) years immediately preceding the date of the current

notification to You regarding the termination of the Loan Servicer's Option Deferral Period;

(ii) Reinstatement of the Loan Servicer's Option Deferral Period will preclude foreclosure when the Loan becomes due and payable at a later date, as determined by Mortgagee or its designee, in its sole discretion; or

(iii) Reinstatement of the Loan Servicer's Option Deferral Period will adversely affect the lien priority of the Security Instrument, as determined by Mortgagee or its designee, in its sole discretion.

1.5 You further agree that You will cooperate with Mortgagee, Loan Servicer (and/or their successors and assignees) in the servicing of the Loan, and that You will promptly provide any information that Mortgagee, Loan Servicer may reasonably request from time to time in connection with the servicing of the Loan, including but not limited to, providing Mortgagee, Loan Servicer with Your social security number (and Your consent to the verification of Your social security number), phone number, email address (if any), and annual occupancy certifications.

1.6 You agree that you will not be entitled to request or receive "Loan Advances", as defined in the loan documents, from the Loan Servicer.

1.7 "Principal Residence" for purposes of this Agreement is defined as the dwelling where You maintain Your permanent place of abode, and typically spend the majority of the calendar year. You may have only one Principal Residence at any one time.

1.8 You agree that (i) You have no defense, counterclaim, offset, cross-complaint, claim or demand of any kind or nature whatsoever to reduce or eliminate all or any part of the liability to repay or perform the obligations under the Loan Documents, and (ii) the Loan Documents are in full force and effect, are duly executed and delivered and

constitute valid, binding agreements and obligations, enforceable in accordance with their terms.

1.9 You agree that if You have made any material misrepresentation or failed to disclose any material facts to Mortgagee, Loan Servicer or its designee, in connection with this Agreement, this Agreement will terminate and the forbearance and deferral of the Loan's due and payable status will cease and the Note will become immediately due and payable in accordance with the terms of the Note.

1.10 You further agree that You irrevocably waive and relinquish all rights, if any, to directly or indirectly challenge, attack or dispute the Loan Documents, the lien interest under the Security Interest in the Property or any actions of Loan Servicer, Mortgagee or Lender taken in connection therewith.

2. PAYMENT OF COSTS

2.1 If requested by Loan Servicer, concurrent with delivery of the executed Agreement, You will deliver to Loan Servicer a commercial bank or cashier's check (drawn on the bank's own funds) in the amount sufficient to reimburse Loan Servicer for actual costs associated with entering into this Agreement, including but not limited to, the cost of an endorsement to Lender's title policy, or its equivalent, to insure the validity and continued priority of the Security Instrument and the cost of recording this Agreement, as applicable (the "Closing Costs Payment").

2.2 If for any reason Mortgagee, Loan Servicer or its designee fails or refuses to take assignment of the Loan, the Closing Costs Payment will be returned to You and this Agreement will terminate and the forbearance and deferral of the Loan's due and payable status will cease and the Note will then become immediately due and payable in accordance with the terms of the Note.

3. FULL AND COMPLETE RELEASE OF ALL CLAIMS: You and Your individual agents, heirs, executors and/or representatives do hereby release and forever discharge Loan Servicer, Lender, Mortgagee, and each of the foregoing persons' and entities' attorneys, insurers, assignees, transferors, transferees, principals, partners, officers, directors, employees, servants, subsidiaries, parent corporations, affiliates, successors, stockholders, agents, and representatives (collectively the "Released Parties") from any and all claims, demands, damages, debts, liabilities, obligations, contracts, agreements, causes of action, suits and costs, of whatever nature, character or description, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, which You may have or may hereafter have or claim to have against any of the Released Parties, arising from or relating to the Property, the Loan, or the Loan Documents as of the date this Agreement is fully executed by all Parties (the "Effective Date"). It is the intention of the Parties that this Agreement will be effective as a full and final accord and release by You of each and every matter specifically or generally referred to herein. You acknowledge that You may hereafter discover facts in addition to or different from those which You now know or believe to be true with respect to the Property, the Loan and the Loan Documents, and it is Your intention to fully and finally and forever settle and release any and all matters, disputes and differences known or unknown, suspected or unsuspected, which do now exist, may exist or heretofore have existed between the Parties with respect to any acts or failure to act on the part of the Released Parties as of the Effective Date of this Agreement. In furtherance of this intention, the release by You of the Released Parties herein will be, and will remain, in effect as a full and complete general release, notwithstanding the discovery or existence of any such additional or different facts.

4. PARTIES REPRESENTATIONS AND WARRANTIES: Each Party represents and

warrants to, and agrees that:

4.1 Each Party has received, or has been afforded an opportunity to receive, independent legal advice from their attorneys with respect to this Agreement and on the advisability of executing this Agreement.

4.2 No Party, nor any officer, director, principal, partner, agent, heir, executor, manager, representative, shareholder, insurer, guarantor, or attorney of or for any Party has made any statement or representation to any other Party regarding any fact relied upon in entering into this Agreement, and each Party does not rely upon any statement, representation or promise of any other Party or of any officer, director, principal, partner, agent, heir, executor, manager, representative, shareholder, insurer, guarantor, or attorney of or for any other Party in executing this Agreement or in making the settlement provided for herein, except as expressly stated in this Agreement.

4.3 Each Party to this Agreement has made such investigation of the facts pertaining to this Agreement, and of all the matters pertaining thereto, as they deem necessary.

4.4 The Parties have not assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, and cause or causes of action disposed of by this Agreement.

4.5 The Parties will execute all such further and additional documents as shall be reasonable or necessary to carry out the provisions of this Agreement.

5. ELIGIBLE SURVIVING NON-BORROWING SPOUSE REPRESENTATIONS

AND WARRANTIES: You represent and warrant that, other than the persons or entities that are a signatory to this Agreement, no other person or entity has any (i) ownership interest in the Property, (ii) claim or legal right to the Property, (iii) legal authority to negotiate the disposition

or use of the Property, or (iv) claim or lien on the Property that has not been specifically subordinated to the Security Instrument as the same has been revised to provide for the Loan Servicer's Option Deferral Period and other terms of this Agreement.

6. **NO ADMISSION OF LIABILITY:** This Agreement will not be construed as an admission by any Party of any liability of any kind to any other Party. Each Party denies any liability in connection with any claim of the other and by entering into this Agreement, intends solely to avoid litigation.

7. **INDEMNIFICATION:** You agree to defend and hold Loan Servicer, Mortgagee, , their respective officers, employees, agents successors and assigns harmless from any damages costs, liability, and attorneys' fees incurred arising or resulting from any of the following: (i) any breach of any representation or warranty by You contained in this Agreement, (ii) the non-fulfillment or non-performance of any covenant, condition or action required of You pursuant to this Agreement, (iii) any claim that You did not have the full right or authority to enter into this Agreement or extend the lien of the Security Instrument during and following the Loan Servicer's Option Deferral Period.

8. **MISCELLANEOUS**

8.1 This Agreement shall be governed by the procedural and substantive laws of the State of Nevada without regard to its choice of law rules.

8.2 Other than as provided in Section 2.1 and Section 7 above, each Party shall bear its own costs, attorneys' fees, and other expenses incurred in connection with this Agreement including, without limitation, the negotiation, drafting and consummation of this Agreement.

8.3 This Agreement is an integrated agreement. As such, it sets forth the entire agreement among the Parties with regard to the subject matter of this Agreement. All agreements, covenants, representations and warranties of the Parties, express or implied, oral or

written, with regard to such subject matter are contained in this Agreement. No other agreements, covenants, representations, or warranties of the Parties, express or implied, oral or written, have been made by any Party to any other Party with respect to the subject matter of this Agreement. All prior and contemporaneous agreements, conversations, negotiations, possible and alleged agreements and representations, covenants, and warranties with respect to the subject matter of this Agreement are waived, merged herein, and superseded by this Agreement.

8.4 This Agreement is binding upon and shall inure to the benefit of the Parties and their respective agents, executors, representatives, officers, directors, managing agents, principals, partners, shareholders, subsidiaries, affiliates, assigns, heirs, and predecessors and successors in interest.

8.5 The Parties hereby represent and warrant that each has had the benefit of advice of competent, independent legal counsel of each Party's own choice, or had the opportunity to obtain such counsel, with respect to the preparation, creation, negotiation, and execution of this Agreement.

8.6 This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Agreement, which will be binding upon and effective as to all Parties. A signature transmitted by facsimile will have the same force and effect as an original signature.

8.7 The Recitals set forth above are incorporated herein and made a part of this Agreement.

AGREED AND APPROVED:

Date: ~~6/22/2021~~ JAN 29 2021

Bank of New York Mellon Trust Company,
N.A. as Trustee for Mortgage Assets
Management Series I Trust by Compu-link
Corporation d/b/a Celink as its attorney in
fact

By: [Signature]
Matt Hund
Its: Manager

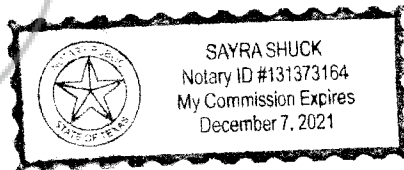
State of Texas)
)
County of Travis)

Before me Sayra Shuck, a notary public, on this day personally appeared Matt Hund, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and the seal of office this JAN 29 2021.

Notarial Seal:

[Signature]
Notary Public
My Commission Expires: 12/07/2021



Date: 02/26/2020

Anne Hill
Anne Hill
Geila Anne Hill
LEILA ANNE HILL

STATE OF Nevada

COUNTY OF Douglas

§
§
§

Before me Lexis L. Hernandez a notary public, on this day personally appeared Leila Anne Hill, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and the seal of office this 26th day of February 2020.



Lexis L. Hernandez
Notary Public, State of Nevada
Print Name: Lexis L. Hernandez
My commission expires: 04/04/2021

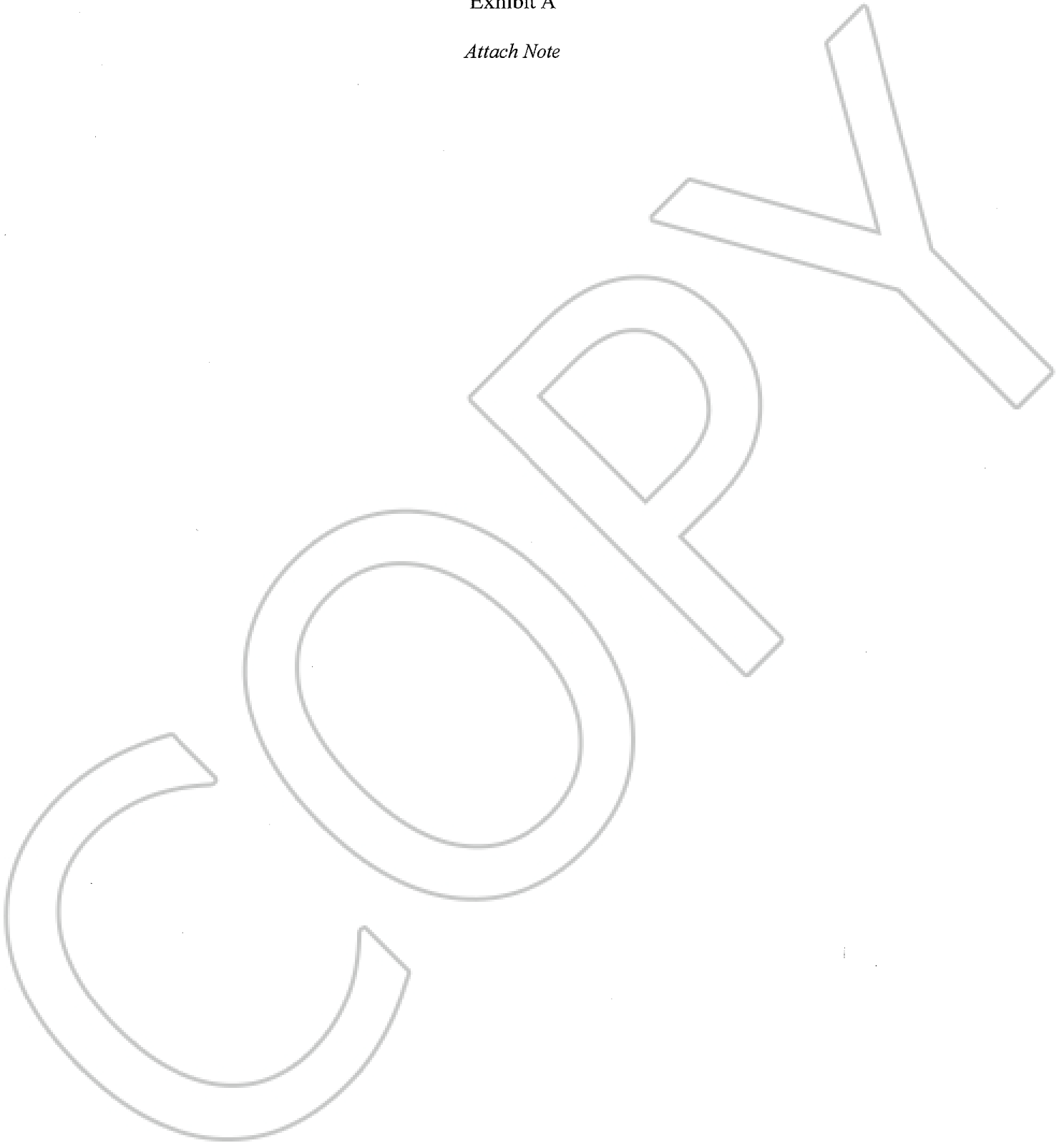
Witness: _____

Witness: _____

Not Required

Exhibit A

Attach Note



**ADJUSTABLE RATE NOTE
(HOME EQUITY CONVERSION)**

FHA Case No. 331-1251427-952/255
3000050945

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE.
THIS NOTE LIMITS THE MAXIMUM RATE I MUST PAY.

OCTOBER 09, 2006

1278 BODIE COURT, GARDNERVILLE, NEVADA 89460
[Property Address]

1. DEFINITIONS

"Borrower" means each person signing at the end of this Note. "Lender" means FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B.

and its successors and assigns. "Secretary" means the Secretary of Housing and Urban Development or his or her authorized representatives.

2. BORROWER'S PROMISE TO PAY; INTEREST

In return for amounts to be advanced by Lender to or for the benefit of Borrower under the terms of a Home Equity Conversion Loan Agreement dated OCTOBER 09, 2006 ("Loan Agreement"), Borrower promises to pay to the order of Lender a principal amount equal to the sum of all Loan Advances made under the Loan Agreement with interest. All amounts advanced by Lender, plus interest, if not paid earlier, are due and payable on JANUARY 13, 2082. Interest will be charged on unpaid principal at the rate of SIX AND 400/1000 percent (6.4000 %) per year until the full amount of principal has been paid. The interest rate may change in accordance with Paragraph 5 of this Note. Accrued interest shall be added to the principal balance as a Loan Advance at the end of each month.

3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by a mortgage, deed of trust or similar security instrument that is dated the same date as this Note and called the "Security Instrument." That Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

4. MANNER OF PAYMENT

(A) Time

Borrower shall pay all outstanding principal and accrued interest to Lender upon receipt of a notice by Lender requiring immediate payment in full, as provided in Paragraph 7 of this Note.

(B) Place

Payment shall be made at FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B., 1660 EAST ROSEVILLE PARKWAY, STE 100, ROSEVILLE, CALIFORNIA 95661, or any such other place as Lender may designate in writing by notice to Borrower.

(C) Limitation of Liability

Borrower shall have no personal liability for payment of the debt. Lender shall enforce the debt only through sale of the Property covered by the Security Instrument ("Property"). If this Note is assigned to the Secretary, the Borrower shall not be liable for any difference between the mortgage insurance benefits paid to Lender and the outstanding indebtedness, including accrued interest, owed by Borrower at the time of the assignment.

5. INTEREST RATE CHANGES

(A) Change Date

The interest rate may change on the first day of JANUARY, 2007, and on that day of each succeeding year the first day of each succeeding month. "Change Date" means each date on which the interest rate could change.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary. Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of ONE AND 500/1000 percentage points (1.50000 %) to the Current Index. Subject to the limits stated in Paragraph 5(D) of this Note, this amount will be the new interest rate until the next Change Date.

(D) Limits on Interest Rate Changes

The interest rate will never increase or decrease by more than two percentage points (2.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate stated in Paragraph 2 of this Note.

The interest rate will never increase above SIXTEEN AND 400/1000 percent (16.40000 %).

(E) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate. The notice must be given at least 25 days before the new interest rate takes effect, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the Current Index and the date it was published, (vi) the method of calculating the adjusted interest rate, and (vii) any other information which may be required by law from time to time.

(F) Effective Date of Changes

A new interest rate calculated in accordance with paragraphs 5(C) and 5(D) of this Note will become effective on the Change Date, unless the Change Date occurs less than 25 days after Lender has given the required notice. If the interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note decreased, but Lender failed to give timely notice of the decrease and applied a higher rate than the rate which should have been stated in a timely notice, then Lender shall recalculate the principal balance owed under this Note so it does not reflect any excessive interest.

6. BORROWER'S RIGHT TO PREPAY

A Borrower has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty. Any amount of debt prepaid will first be applied to reduce the principal balance of the Second Note described in Paragraph 11 of this Note and then to reduce the principal balance of this Note.

All prepayments of the principal balance shall be applied by Lender as follows:

- First, to that portion of the principal balance representing aggregate payments for mortgage insurance premiums;
- Second, to that portion of the principal balance representing aggregate payments for servicing fees;
- Third, to that portion of the principal balance representing accrued interest due under the Note; and
- Fourth, to the remaining portion of the principal balance. A Borrower may specify whether a prepayment is to be credited to that portion of the principal balance representing monthly payments or the line of credit. If Borrower does not designate which portion of the principal balance is to be prepaid, Lender shall apply any partial prepayments to an existing line of credit or create a new line of credit.

7. IMMEDIATE PAYMENT IN FULL

(A) Death or Sale

Lender may require immediate payment in full of all outstanding principal and accrued interest if:

- (i) A Borrower dies and the Property is not the principal residence of at least one surviving Borrower, or
- (ii) All of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple or retains a leasehold under a lease for less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower or retains a life estate (or retaining a beneficial interest in a trust with such an interest in the Property).

(B) Other Grounds

Lender may require immediate payment in full of all outstanding principal and accrued interest, upon approval by an authorized representative of the Secretary, if:

- (i) The Property ceases to be the principal residence of a Borrower for reasons other than death and the Property is not the principal residence of at least one other Borrower;
- (ii) For a period of longer than 12 consecutive months, a Borrower fails to physically occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other Borrower; or
- (iii) An obligation of the Borrower under the Security Instrument is not performed.

(C) Payment of Costs and Expenses

If Lender has required immediate payment in full as described above, the debt enforced through sale of the Property may include costs and expenses, including reasonable and customary attorneys' fees, associated with enforcement of this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

(D) Trusts

Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Secretary, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragraph. A trust shall not be considered an occupant or be considered as having a principal residence for purposes of this Paragraph.

8. WAIVERS

Borrower waives the rights of presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

9. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the Property Address above or at a different address if Borrower has given Lender a notice of Borrower's different address.

Any notice that must be given to Lender under this Note will be given by first class mail to Lender at the address stated in Paragraph 4(B) or at a different address if Borrower is given a notice of that different address.

10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note only through sale of the Property.

11. RELATIONSHIP TO SECOND NOTE

(A) Second Note

Because Borrower will be required to repay amounts which the Secretary may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to grant a Second Note to the Secretary.

(B) Relationship of Secretary Payments to this Note

Payments made by the Secretary shall not be included in the debt due under this Note unless:

- (i) This Note is assigned to the Secretary; or
- (ii) The Secretary accepts reimbursements by the Lender for all payments made by the Secretary.

If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments, shall be included in the debt.

(C) Effect on Borrower


Where there is no assignment or reimbursement as described in (B)(i) or (ii), and the Secretary makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under this Note until the Secretary has required payment in full of all outstanding principal and accrued interest under the Second Note held by the Secretary, notwithstanding anything to the contrary in Paragraph 7 of this Note; or
- (ii) Be obligated to pay interest or shared appreciation under this Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accrued interest has been included in the principal balance of this Note, notwithstanding anything to the contrary in Paragraphs 2 or 5 of this Note or any Allonge to this Note.

12. SHARED APPRECIATION

If Borrower has executed a Shared Appreciation Allonge, the covenants of the Allonge shall be incorporated into and supplement the covenants of this Note as if the Allonge were a part of this Note.

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



RICHARD L HILL (Seal)
-Borrower

Date: 10-9-06

(Seal)
-Borrower

Exhibit B

Attach Loan Agreement

COPY

HOME EQUITY CONVERSION LOAN AGREEMENT

FHA Case No. 331-1251427-952/255
3000050945

THIS AGREEMENT is made this 09TH day of OCTOBER, 2006, among
RICHARD L HILL

FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDY MAC BANK, F.S.B. ("Borrower"),
("Lender") and the Secretary of Housing and Urban Development ("Secretary").

Article 1 - Definitions

- 1.1. **Expected Average Mortgage Interest Rate** means the amount indicated on the attached payment plan (Exhibit 1). It is a constant interest rate used to calculate monthly payments to the Borrower throughout the life of the loan.
- 1.2. **Loan Advances** means all funds advanced from or charged to Borrower's account under conditions set forth in this Loan Agreement, whether or not actually paid to Borrower.
- 1.3. **Loan Documents** means the Note, Second Note, Security Instrument and Second Security Instrument.
- 1.4. **Maximum Claim Amount** means the lesser of the appraised value of the Property or the maximum dollar amount for an area established by the Secretary for a one-family residence under Section 203(b)(2) of the National Housing Act (as adjusted where applicable under section 214 of the National Housing Act). Both the appraised value and the maximum dollar amount for the area shall be as of the date the conditional commitment is issued. Closing costs shall not be taken into account in determining appraised value.
- 1.5. **Note** means the promissory note signed by Borrower together with this Loan Agreement and given to Lender to evidence Borrower's promise to repay, with interest, Loan Advances by Lender or Lender's assignees.
- 1.6. **Principal or Principal Balance** means the sum of all Loan Advances made as of a particular date, including interest and mortgage insurance premiums.
- 1.7. **Principal Limit** means the amount indicated on the attached payment plan (Exhibit 1) when this Loan Agreement is executed, and increases each month for the life of the loan at a rate equal to one-twelfth of the mortgage interest rate in effect at that time, plus one-twelfth of one-half percent per annum. The Principal Limit is calculated using factors provided by the Secretary, which take into account the age of the youngest Borrower, the mortgage interest rate, and the Maximum Claim Amount.
- 1.8. **Principal Residence** means the dwelling where the Borrower maintains his or her permanent place of abode, and typically spends the majority of the calendar year. A person may have only one principal residence at any one time. The Property shall be considered to be the Principal Residence of any Borrower who is temporarily or permanently in a health care institution as long as the Property is the Principal Residence of at least one other Borrower who is not in a health care institution.
- 1.9. **Property** means Borrower's property identified in the Security Instrument.
- 1.10. **Second Note** means the promissory note signed by Borrower together with this Loan Agreement and given to the Secretary to evidence Borrower's promise to repay, with interest, Loan Advances by the Secretary secured by the Second Security Instrument.
- 1.11. **Second Security Instrument** means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Second Note.
- 1.12. **Security Instrument** means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Note.

Article 2 - Loan Advances

- 2.1. **General.** Lender agrees to make Loan Advances under the conditions set forth in this Loan Agreement in consideration of the Note and Security Instrument given by Borrower on the same date as this Loan Agreement.
- 2.2. **Initial Advances.**
 - 2.2.1. Loan Advances shall be used by Lender to pay, or reimburse Borrower for, closing costs listed in the Schedule of Closing Costs (Exhibit 2) attached to and made a part of this Loan Agreement, provided that Loan Advances will only be used to pay origination fees in an amount not exceeding the greater of \$2,000 or 2 percent of the Maximum Claim Amount, nor shall the Lender charge the Borrower an origination fee in excess of this amount.
 - 2.2.2. Loan Advances shall be used by Lender to discharge the liens on the Property listed in the Schedule of Liens (Exhibit 2) attached to and made a part of this Loan Agreement.

- 2.2.3. Lender shall pay an initial Loan Advance to Borrower in the amount indicated on the attached payment plan (Exhibit 1).
- 2.2.4. Initial advances required by this Section 2.2. shall be made as soon as such advances are permitted by the applicable provisions of 12.CFR Part 226 (Truth in Lending) governing Borrower's right of rescission, but not before that time.
- 2.3. Set Asides.
- 2.3.1. Amounts set aside from the Principal Limit shall be considered Loan Advances to the extent actually disbursed or earned by Lender.
- 2.3.2. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) for repairs to be made in accordance with a Repair Rider attached to and made a part of this Loan Agreement (Exhibit 3).
- 2.3.3. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payments due for first year property charges consisting of taxes, hazard insurance, ground rents and assessments.
- 2.3.4. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payment due for a fixed monthly charge for servicing activities of Lender or its servicer. Such servicing activities are necessary to protect Lender's interest in the Property. A servicing fee set aside, if any, is not available to the Borrower for any purpose, except to pay for loan servicing.
- 2.4. Charges and Fees. Borrower shall pay to Lender reasonable and customary charges and fees as permitted under 24 CFR 206.207(a). Such amounts shall be considered Loan Advances when actually disbursed by Lender.
- 2.5. Monthly Payments.
- 2.5.1. Loan Advances paid directly to the Borrower shall be made in equal monthly payments if requested by Borrower.
- 2.5.2. Monthly payments shall be calculated for either the term payment plan or the tenure payment plan, as requested by Borrower.
- 2.5.3. Monthly payments under the term payment plan are made only during a term chosen by Borrower and shall be calculated so that the sum of (i) or (ii) added to (iii), (iv), (v) and (vi) shall be equal to or less than the Principal Limit at the end of the term:
- (i) Initial Advances under Section 2.2, plus any initial servicing fee set aside under Subsection 2.3.4, or
 - (ii) The Principal Balance at the time of a change in payments under Sections 2.8. and 2.9. plus any remaining servicing fee set aside under Subsection 2.3.4., and
 - (iii) The portion of the Principal Limit set aside as a line of credit under Section 2.7., including any set asides for repairs (Subsection 2.3.2.) and first year property charges (Subsection 2.3.3.), and
 - (iv) All monthly payments due through the payment term, including funds withheld for payment of property charges under Section 2.10., and
 - (v) All mortgage insurance premiums, or monthly charges due to the Secretary in lieu of mortgage insurance premiums, which are due through the payment term (Subsection 2.13.), and
 - (vi) All interest through the payment term. The Expected Average Mortgage Interest Rate shall be used for this purpose.
- 2.5.4. Monthly payments under the tenure payment plan shall be calculated as in Subsection 2.5.3. as if there were a payment term with the number of months in the term equal to the sum of 100 minus the age of the youngest Borrower multiplied by 12, but payments shall continue until the loan becomes due and payable as provided in the Loan Documents.
- 2.5.5. Monthly payments shall be paid to Borrower on the first business day of a month.
- 2.5.6. If Borrower has requested monthly payments, payments shall be indicated on the attached payment plan (Exhibit 1). The payment plan may be changed by Borrower as provided in Sections 2.8. and 2.9.
- 2.6. Line of Credit without Monthly Payments.
- 2.6.1. Borrower can request Loan Advances under a line of credit payment plan in amounts and at times determined by Borrower, if the Principal Balance of the loan after the Loan Advance is made is less than or equal to the applicable Principal Limit, excluding any portion of the Principal Limit set aside under Section 2.3.2. or 2.3.4. The line of credit amount increases at the same rate as the total Principal Limit increases under Section 1.7.
- 2.6.2. Line of credit payments shall be paid to Borrower within five business days after Lender has received a written request for payment by Borrower.
- 2.6.3. Lender may specify a form for line of credit payment requests.

- 2.6.4. Lender shall provide Borrower with a statement of the account every time a line of credit payment is made. The statement shall include the current interest rate, the previous Principal Balance, the amount of the current Loan Advance, the current Principal Balance after the Loan Advance, and the current Principal Limit.
- 2.7. **Line of Credit with Monthly Payments.**
- 2.7.1. Borrower may receive monthly payments under either a term or tenure payment plan combined with a line of credit, as indicated on the attached payment plan (Exhibit 1).
- 2.7.2. Subsections 2.6.2., 2.6.3. and 2.6.4. apply to a line of credit combined with term or tenure payments.
- 2.7.3. If Borrower combines a line of credit with a term or tenure payment plan, the Principal Limit is divided into: (a) an amount for the line of credit payments, including repair and property charge set asides, (b) an amount for monthly payments which shall be calculated under Subsection 2.5.3. or 2.5.4. and (c) an amount for a servicing fee set aside, if required by Lender under Subsection 2.3.4. Amounts designated for line of credit payments and monthly payments increase independently at the same rate as the total Principal Limit increases under Section 1.7. Borrower can request Loan Advances in amounts and at times determined by Borrower, if the requested amount is less than or equal to the difference between (a) the Principal Limit applicable to the line of credit set aside and (b) the portion of the outstanding Principal Balance attributable to draws on the line of credit, including accrued interest and mortgage insurance premium or monthly charge due to the Secretary, but excluding any portion of the Principal Limit set aside under Subsections 2.3.2. and 2.3.4.
- 2.7.4. A Borrower receiving monthly payments in combination with a line of credit may prepay the outstanding mortgage balance in accordance with the terms of the Note.
- 2.8. **Change in Payments Generally.**
- 2.8.1. Whenever the Principal Balance of the loan is less than the Principal Limit, Borrower may change from any payment plan allowable under this Loan Agreement to another.
- 2.8.2. If Borrower requests that monthly payments be made after a change in payment plan, Lender shall recalculate future monthly payments in accordance with Subsections 2.5.3. or 2.5.4.
- 2.8.3. Lender may charge a fee not to exceed an amount determined by the Secretary, whenever payments are recalculated and in any other circumstances in which Borrower is required to sign a form acknowledging a change in payment plan as provided in Subsection 2.8.5.
- 2.8.4. Loan Advances under a new payment plan shall be paid to Borrower in the same manner and within the time period required under Sections 2.5., 2.6. or 2.7.
- 2.8.5. Changes in the payment plan must be acknowledged by Borrower by signing a form containing the same information as the attached payment plan (Exhibit 1). Lender shall provide a copy of the completed form to Borrower.
- 2.9. **Change in Payments Due to Initial Repairs.**
- 2.9.1. If initial repairs after closing, made in accordance with the Repair Rider, are completed without using all of the repair set aside, Lender shall inform Borrower of the completion and the amount then available to the Borrower to be drawn under a line of credit.
- 2.9.2. If initial repairs after closing, made in accordance with the Repair Rider, cannot be fully funded from the repair set aside, any additional Loan Advances needed to complete repairs shall be made in the manner provided under Section 2.16.
- 2.9.3. If initial repairs are not completed when required by the Repair Rider, Borrower shall not request and Lender shall not make any further payments, except as needed to pay for repairs required by the Repair Rider and mandatory Loan Advances under Section 4.5. In order to complete the required repairs, Loan Advances shall be made first from the repair set aside, and then in the manner provided under Section 2.16.
- 2.10. **Payment of Property Charges.**
- 2.10.1. Borrower has elected to require Lender to use Loan Advances to pay property charges consisting of taxes, hazard insurance premiums, ground rents and special assessments if indicated on the attached payment plan (Exhibit 1). Borrower may change this election by notifying Lender and at that time Lender shall pay to Borrower any amounts withheld from the Loan Advances to pay property charges.
- 2.10.2. If Borrower has made the election under Subsection 2.10.1. and Borrower is receiving monthly payments, Lender shall withhold amounts from each monthly payment and use the amounts withheld to make timely payments of property charges. The amounts withheld shall be calculated as provided in Subsection 2.10.3. Amounts withheld from monthly payments shall not be treated as Loan Advances and shall not bear interest except to the extent actually disbursed by Lender.

- 2.10.3. Lender shall withhold from each monthly payment an amount to pay (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for fire, flood and other hazard insurance required by the Security Instrument. Each monthly withholding for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender. The full annual amount for each item shall be paid by Lender before an item would become delinquent. Lender shall add the amounts for items (a), (b) and (c) to the Principal Balance when paid. If at any time the withholding for item (a), (b) or (c) exceeds the amount of actual property charges, Lender shall pay the excess withholding to Borrower and add it to the Principal Balance. If the total of the withholding for item (a), (b), or (c) is insufficient to pay the item when due, the amount necessary to make up the deficiency on or before the date the item becomes due shall be paid as a Loan Advance in the manner provided under Section 2.16.
- 2.10.4. If Borrower has made the election under Subsection 2.10.1 and Borrower is not receiving monthly payments, Lender shall make Loan Advances under the line of credit payment plan as needed to make timely payments of property charges, provided that no such Loan Advance shall exceed the amount permitted by Section 2.6.1.
- 2.10.5. If Borrower fails to pay the property charges in a timely manner, and has not elected to have Lender make the payments, Lender shall pay the property charges as a Loan Advance as required under Section 2.16. If a pattern of missed payments occurs, Lender may establish procedures to pay the property charges from Borrower's funds as if Borrower elected to have Lender pay the property charges.
- 2.10.6. Lender shall immediately notify any Borrower who has made the election under Subsection 2.10.1, whenever Lender determines that amounts available from monthly payments or line of credit payments will be insufficient to pay property charges.
- 2.11. **Insurance and Condemnation Proceeds.** If insurance or condemnation proceeds are paid to Lender, the Principal Balance shall be reduced by the amount of the proceeds not applied to restoration or repair of the damaged Property and the available loan funds shall be recalculated. At the same time, the Principal Limit also shall be reduced by the amount of the proceeds applied to reduce the Principal Balance.
- 2.12. **Interest.**
- 2.12.1. Interest shall be calculated as provided in the Loan Documents.
- 2.12.2. Interest shall accrue daily and be added to the Principal Balance as a Loan Advance at the end of each month.
- 2.13. **Mortgage Insurance Premium (MIP); Monthly Charge.**
- 2.13.1. Monthly MIP shall be calculated as provided in 24 CFR Part 206. If the Security Instrument is held by the Secretary or if the Secretary makes Loan Advances secured by the Second Security Instrument, a monthly charge shall be due to the Secretary and shall be calculated in the same manner as MIP.
- 2.13.2. The full amount of monthly MIP or monthly charge, including any portion of the MIP retained by a Lender under 24 C.F.R. 206.109, shall be considered to be a Loan Advance to Borrower on the later of the first day of the month or the day Lender pays the MIP to the Secretary, if any MIP is due to the Secretary. In the event that the Note becomes due and payable or the Note is prepaid in full after the first day of the month, Lender may add the accrued MIP to the Principal Balance or the Secretary may add the accrued monthly charge to the Principal Balance.
- 2.14. **Manner of Payment.** For purposes of this Section "Borrower" shall not include any person who signed this Loan Agreement but who has a Principal Residence different from the Property. Only a Borrower has a right to receive Loan Advances. Borrowers shall choose to receive Loan Advances by either electronic funds transfer to a bank account designated by all Borrowers or by check mailed to an address designated by all Borrowers, except where all Borrowers agree that payment should be made directly to a third party for the benefit of the Borrowers. Borrowers may change the manner of payment by notifying Lender.
- 2.15. **Protection of Property.**
- 2.15.1. If Borrower vacates or abandons the Property, or if Borrower is in default under the Security Instrument, then Lender may make reasonable expenditures to protect and preserve the Property and these expenditures will be considered Loan Advances as required under Section 2.16.
- 2.15.2. If Borrower fails to pay governmental or municipal charges, fines or impositions that are not included in Section 2.10, or if there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property. These expenditures will be considered Loan Advances as required under Section 2.16.
- 2.16. **Unscheduled Payments.** Loan Advances made pursuant to Sections 2.4, 2.9.2., 2.9.3., 2.10.3., 2.10.5., and 2.15. shall be made from a line of credit under Section 2.6. or 2.7. to the extent possible. If no line of credit sufficient to make the Loan Advances exists, any future monthly payments must be recalculated in accordance with Subsection 2.5.3. or 2.5.4. to create a line of credit sufficient to make the Loan Advances.

Article 3 - Late Charge

- 3.1. **Amount Due.** Lender shall pay a late charge to Borrower for any late payment. If Lender does not mail or electronically transfer a scheduled monthly payment to Borrower on the first business day of the month or mail or electronically transfer a line of credit payment to Borrower within 5 business days of the date Lender received the request, the late charge shall be 10 percent of the entire amount that should have been paid to the Borrower for that month or as a result of that request. For each additional day that Lender fails to make payment, Lender shall pay interest on the late payment at the interest rate stated in the Loan Documents. If the Loan Documents provide for an adjustable interest rate, the rate in effect when the late charge first accrues shall be used. In no event shall the total late charge and interest exceed five hundred dollars. Any late charge shall be paid from Lender's funds and shall not be added to the unpaid Principal Balance.
- 3.2. **Waiver.** The Secretary may waive a late charge where the Secretary determines that the late payment resulted from circumstances beyond Lender's control and that no act or omission of Lender contributed to the late payment. At the time Lender requests a waiver, Lender shall inform Borrower that a waiver of late charge has been requested from the Secretary and that the late charge will be sent to Borrower if the waiver is denied. If the Secretary denies the waiver, Lender shall pay to Borrower the late charge and interest that accrued from the date the payment was late until the date the waiver was requested.

Article 4 - Termination of Lender's Obligation to Make Loan Advances

- 4.1. **Loan Due and Payable.** Lender shall have no obligation to make Loan Advances if Lender has notified Borrower that immediate payment in full to Lender is required under one or more of the Loan Documents unless and until the notice is rescinded by Lender.
- 4.2. **Loan Advances by Secretary.** If the Security Instrument has been assigned to the Secretary or the Secretary notifies Lender and Borrower that Loan Advances are secured by the Second Security Instrument, Lender shall have no further obligation to make Loan Advances under this Loan Agreement, unless the Secretary accepts later reimbursement by the Lender for all Loan Advances made, earned or disbursed by the Secretary. The Secretary may establish procedures for handling requests for payments and changes in payment plans during the interval between Lender's notification of intent to assign the Security Instrument to the Secretary and completion of the assignment. Borrower shall be informed of such procedures by Lender and/or the Secretary, and Borrower shall comply with such procedures.
- 4.3. **Lien Status Jeopardized.** Lender shall have no obligation to make further Loan Advances if the Lender or the Secretary determines that the lien status of the Security Instrument or the Second Security Instrument is jeopardized under State laws as described in Paragraph 12(a) of the Security Instrument or Second Security Instrument and the lien status is not extended in accordance with Paragraph 12(a).
- 4.4. **Bankruptcy.** Lender shall have no obligation to make further Loan Advances on or following the date that a petition for bankruptcy of Borrower is filed.
- 4.5. **Mandatory Loan Advances.** Notwithstanding anything in Sections 4.1. through 4.4., all Loan Advances under Sections 2.10. (property charges), 2.12. (interest), 2.13. (MIP or monthly charge), 2.15. (protection of Property) or 2.3.4. (servicing fee) shall be considered mandatory Loan Advances by Lender.
- 4.6. **Prepayment in Full.** Lender shall not make Loan Advances if Borrower has paid the Note in full (or the Second Note, if the Secretary has assumed the Lender's rights and obligations under Article 5).

Article 5 - HUD Obligation

If the Lender has no further obligation to make payments to Borrower because of Section 4.2., the Secretary shall assume the rights and obligations of Lender under this Loan Agreement, except the Secretary shall not assume any obligation of paying flood, fire and other hazard insurance from Loan Advances. If the Secretary makes Loan Advances to Borrower under the Second Security Instrument, the portion of the Principal Limit available for Loan Advances shall be the difference between the current Principal Limit and the combined Principal Balances on the Security Instrument less accrued interest and the Second Security Instrument.

Article 6 - Miscellaneous

- 6.1. **Forbearance Not a Waiver.** 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.
- 6.2. **Successors and Assigns Bounds, Joint and Several Liability; Co-Signers.** The covenants and agreements of this Loan Agreement shall bind and benefit the successors and assigns of Lender. An assignment made in accordance with the regulations of the Secretary shall fully relieve the Lender of its obligations under this Loan Agreement. Borrower may not assign any rights or obligations under this Loan Agreement. Borrower's covenants and agreements shall be joint and several.
- 6.3. **Notices.** Any notice to Borrower provided for in this Loan Agreement 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 shown in the Security Instrument or any other address all Borrowers jointly designate. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice to the Secretary shall be given by first class mail to the HUD Field Office with jurisdiction over the Property or any other place designated by the Secretary. Any notice provided for in this Loan Agreement shall be deemed to have been given to Borrower, Lender or the Secretary when given as provided in this Section.

6.4. **Governing Law; Severability.** This Loan Agreement 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 Loan Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Loan Agreement which can be given effect without the conflicting provision. To this end the provisions of this Loan Agreement are declared to be severable.

6.5. **Copies.** Lender, Borrower and the Secretary shall each receive one original executed copy of this Loan Agreement when signed by the Secretary.

6.6. **When Agreement Becomes Binding.** This Loan Agreement shall bind Lender and Borrower when both Lender and Borrower have signed, whether or not the Secretary signs this Loan Agreement. This Loan Agreement shall bind the Secretary only when and if the Secretary has signed and a Mortgage Insurance Certificate is issued for the Security Instrument.

BY SIGNING BELOW the parties accept and agree to the terms contained in this Loan Agreement and the exhibits.

Richard L Hill (Seal)
RICHARD L HILL Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

____ (Seal)
Borrower

FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A
SUBSIDIARY OF INDYMAC BANK, F.S.B. (Name of Lender)

By: JR
Auditor

By: _____ (Seal)
Secretary of Housing and Urban Development

By: _____ (Seal)

HOME EQUITY CONVERSION MORTGAGE PAYMENT PLAN

Date of Payment Plan: 10/09/06
 FHA Case Number: 331-1251427-952/255
 Name of Lender: FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDYMAC BANK, F.S.B.

Name of Borrower(s)
 RICHARD L HILL

Birthdate
 01/13/32

Expected Average Mortgage Interest Rate

6.1000% ✓

1. Principal Limit		\$ 241,045.00 ✓
2. Initial Payments (if Completed at closing)		
3. Closing Costs	\$ 17,161.50 ✓	
4. Discharge of Liens	\$ 2,403.24 ✓	
5. Outstanding Balance (if completed after closing)	\$	
6. Loan Advance	\$ 20,000.00 ✓	
7. Servicing Fee Set Aside	\$ 4,426.47 ✓	
7. Total Deductions from Principal Limit (Lines 2 + 3 + 4 + 5 + 6)	\$ 43,991.21	

8. Principal Limit for Line of Credit	\$ 82,500.00	
9. Funds in Line of Credit Designated for: Repairs	\$ 2,500.00 ✓	
10. First Year Property Charges	\$	
11. Outstanding Balance on Line of Credit from previous payments	\$	
12. Total Deductions from Principal Limit for Line of Credit (Lines 9 + 10 + 11)	\$ 2,500.00	
13. Funds Available to Borrower in Line of Credit (Lines 8 - 12)	\$ 80,000.00 ✓	

14. Net Principal Limit (Lines 1 - 7 - 9 - 10) \$ 194,553.79

15. Net Principal Limit Available for Monthly Payments (Lines 14 - 13) \$ 114,553.79 ✓

Scheduled Payments:

16. Term (Remaining) _____ Yrs. _____ Mos.
 or

17. Tenure (Check only one: Term or Tenure) ✓
 18. Monthly Payment (Total) \$ 776.38
 19. Monthly Withholding (T & I) \$ N/A
 20. Net Monthly Payment (Lines 18 - 19) \$ 776.38

(For graduated monthly payments from a Line of Credit, see attached schedule.)

By signing below, the borrower(s) agree(s) that this document accurately describes the principal features of the current payment plan chosen by the borrower(s).

Richard L Hill 10/09/06
 Signature Date
 RICHARD L HILL

Signature Date

Exhibit 2

Schedule of Closing Costs

See HUD-1 Settlement Statement for Schedule of Closing Costs.

Schedule of Liens

<u>Item</u>	<u>Amount</u>
CitiMortgage _____	\$ 2,060.77 _____
3rd Install Taxes Due _____	\$ 342.47 _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

REPAIR RIDER TO LOAN AGREEMENT

FHA Case Number: 331-1251427-952/255

Loan No:

3000050945

THIS REPAIR RIDER is made on OCTOBER 09, 2006, and is incorporated into and shall be deemed to supplement the Loan Agreement of the same date made by the undersigned Lender and the undersigned Borrower and the Secretary of Housing and Urban Development ("Secretary").

I. Lender's Promises

A. The Lender shall set aside TWO THOUSAND FIVE HUNDRED AND 00/100 ----- Dollars (\$ 2,500.00) from the initial Principal Limit under the Loan Agreement to be used for the purpose of bringing the Property up to the property standards required by the Secretary by repairing: Scrape/paint ext trim & fascia

[Use an additional page if needed]

- B. The Lender may charge a repair administration fee not to exceed the greater of fifty dollars (\$50) or 1.5% of the amounts advanced by Lender under this Repair Rider. This fee shall be added to the Principal Balance as each Loan Advance is made.
C. The Lender shall require one or more inspections by a HUD-approved inspector during the course of the repair work. The Lender shall not release any funds for work which is not complete and which is not approved by a HUD-approved inspector.
D. The Lender shall ensure that all mechanic's liens and materialmen's liens are released of record prior to an advance of funds under this Repair Rider.
E. Until a HUD-approved inspector finds that all repairs required by Section I.A. of this Repair Rider have been completed in a satisfactory manner, the Lender shall not release funds in excess of (i) the total value of work satisfactorily completed, and (ii) the value of materials or equipment delivered to, and suitably stored at, the site but not yet incorporated in the work, less (iii) ten percent holdback, less (iv) prior advances under this Repair Rider.
F. Lender shall release the funds to Borrower and the contractor(s) jointly when permitted by Section I.C. of this Repair Rider and shall add the cost of the repairs to the Principal Balance under the Loan Agreement.

II. Borrower's Promises

- A. The Borrower will complete all repairs required by Section I.A. of this Repair Rider so that the Property meets the property standards required by the Secretary as determined by a HUD-approved inspector.
B. Borrower shall cause work to begin on 10/09/06. Borrower shall have work completed by 07/09/07. Work is to be performed with reasonable diligence. Should Borrower fail to comply with these terms, until all repair work is satisfactorily completed Borrower shall not request and Lender shall not make any further payments under the Loan Agreement except for payment of repairs required by Section I.A. of this Repair Rider and Loan Advances required under Section 4.5. of the Loan Agreement.
C. Borrower will cause all improvements to be made in a workmanlike manner and in accordance with all applicable statutes and regulations. All licenses, permits and privileges required by local governmental authorities to rehabilitate the property will be obtained by the Borrower(s) or his/her contractor.
D. Borrower will furnish such records, contracts, bills and other documents relating to the Property and improvements as the Lender or the Secretary may require.
E. Without prior written consent of Lender, no materials, equipment, fixtures or any part of improvements financed with this loan shall be purchased or installed subject to conditional sales contracts, security agreements, lease agreements or other arrangements whereby title is retained or the right is reserved or accrues to anyone to remove or repossess any item, or to consider it as personal property.



Richard L Hill
RICHARD L HILL

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Signature]
FINANCIAL FREEDOM SENIOR FUNDING CORPORATION,
A SUBSIDIARY OF INDY MAC BANK, F.S.B. (Lender)

By: Lender Representative
Title: *Auditor*

Secretary of Housing and Urban Development

By: _____
Title: _____

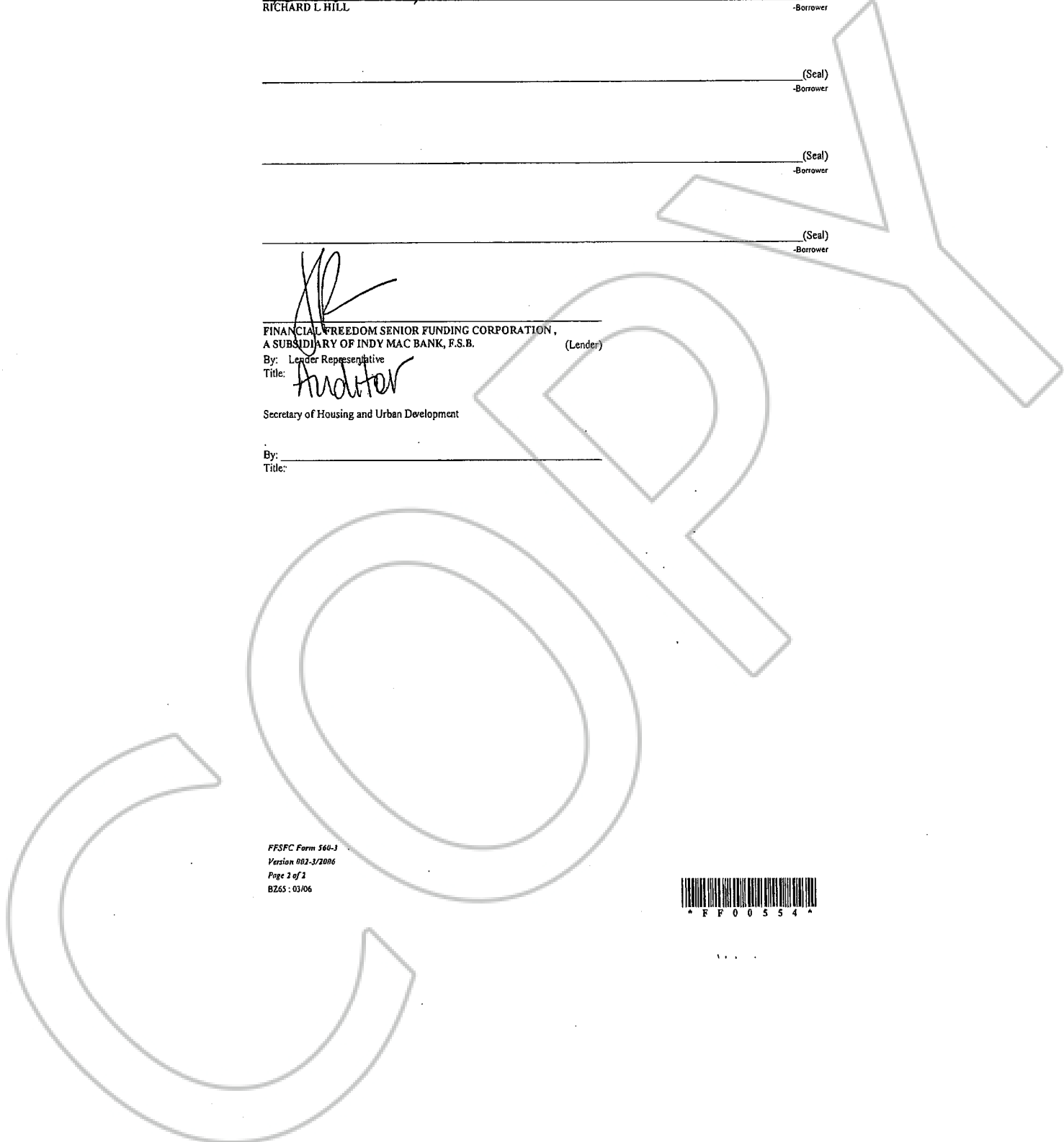


Exhibit C

Attach Security Instrument

COPY

cc

3000050945

PLEASE CONFORM

DOC # 0689681
11/30/2006 08:34 AM Deputy: GB
CONFORMED COPY
Requested By:
LENDERS FIRST CHOICE

Parcel Number:

Record and Return to: *Prepared by:*
FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A
SUBSIDIARY OF INDY MAC BANK, F.S.B.
ATLANTA, GEORGIA 30350
500 NORTH RIDGE ROAD STE. 500

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 9 Fee: 22.00
BK-1106 PG-10248 RPTT: 0.00

Return to:
Lenders First Choice
3850 Royal Ave
Simi Valley, CA 93063



61-00729306

[Space Above This Line For Recording Data]

State of Nevada

FHA Case No. 331-1251427-952/255
3000050945

ADJUSTABLE RATE HOME EQUITY CONVERSION DEED OF TRUST

NOTICE: This Deed of Trust is governed by the provisions of Nevada Revised Statutes 106.300 to 106.400.

THIS DEED OF TRUST ("Security Instrument") is made on **OCTOBER 09, 2006**. The grantor is
RICHARD L. HILL, A MARRIED MAN, AS HIS SOLE AND SEPARATE PROPERTY

whose address is **1278 BODIE CT
GARDNERVILLE, NEVADA 89460
ALLIANCE TITLE COMPANY, NV**
("Trustee"). The beneficiary is

("Borrower"). The trustee is

**FINANCIAL FREEDOM SENIOR FUNDING CORPORATION, A SUBSIDIARY OF INDY
MAC BANK, F.S.B.**
organized and existing under the laws of **THE STATE OF DELAWARE**, which is
1660 EAST ROSEVILLE PARKWAY, STE 100, ROSEVILLE, CALIFORNIA 95661, and whose address is

("Lender"). Borrower has agreed to repay to Lender amounts which Lender is obligated to advance, including future advances, under the terms of a Home Equity Conversion Loan Agreement dated the same date as this Security Instrument ("Loan Agreement"). The agreement to repay is evidenced by Borrower's Note dated the same date as this Security Instrument ("Note"). This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest at a rate subject to adjustment, and all renewals, extensions and modifications of the Note, up to a maximum principal amount of
FIVE HUNDRED THIRTY TWO THOUSAND FIVE HUNDRED AND 00/100 -----

(U.S. \$ **532,500.00**); (b) the payment of all other sums, with interest, advanced under Paragraph 5 to protect the security of this Security Instrument or otherwise due under the terms of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. The full debt, including amounts described in (a), (b), and (c) above, if not paid earlier, is due and payable on **JANUARY 13 2082**. 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:



* F F 8 0 1 6 0 *

1st Security Instrument - Recorded

See Legal Description attached on exhibit "A".

which has the address of 1278 BODIE COURT

GARDNERVILLE
[City]

NEVADA
[State]

[Street]

89460
[Zip Code]

("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, 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. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

1. Payment of Principal and Interest. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note.

2. Payment of Property Charges. Borrower shall pay all property charges consisting of taxes, ground rents, flood and hazard insurance premiums, and special assessments in a timely manner, and shall provide evidence of payment to Lender, unless Lender pays property charges by withholding funds from monthly payments due to the Borrower or by charging such payments to a line of credit as provided for in the Loan Agreement.

3. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire. This insurance shall be maintained in the amounts, to the extent and for the periods required by Lender or the Secretary of Housing and Urban Development ("Secretary"). Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss to Lender instead of to Borrower and to Lender jointly. Insurance proceeds shall be applied to restoration or repair of the damaged Property, 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 first to the reduction of any indebtedness under a Second Note and Second Security Instrument held by the Secretary on the Property and then to the reduction of the indebtedness under the Note and this Security Instrument. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

4. 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 after the execution of this Security Instrument, and Borrower (or at least one Borrower, if initially more than one person are Borrowers) shall continue to occupy the Property as Borrower's principal residence for the term of the Security Instrument. "Principal residence" shall have the same meaning as in the Loan Agreement.

Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. 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 the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

5. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument in the manner provided in Paragraph 12(c).

If Borrower fails to make these payments or the property charges required by Paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

To protect Lender's security in the Property, Lender shall advance and charge to Borrower all amounts due to the Secretary for the Mortgage Insurance Premium as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities as defined in the Loan Agreement. Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower as provided for in the Loan Agreement and shall be secured by this Security Instrument.

6. Inspection. Lender or its agent may enter on, inspect or make appraisals of the Property in a reasonable manner and at reasonable times provided that Lender shall give the Borrower notice prior to any inspection or appraisal specifying a purpose for the inspection or appraisal which must be related to Lender's interest in the Property. If the property is vacant or abandoned or the loan is in default, Lender may take reasonable action to protect and preserve such vacant or abandoned Property without notice to the Borrower.

7. 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 place of condemnation shall be paid to Lender. The proceeds shall be applied first to the reduction of any indebtedness under a Second Note and Second Security Instrument held by the Secretary on the Property, and then to the reduction of the indebtedness under the Note and this Security Instrument. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Due and Payable. Lender may require immediate payment in full of all sums secured by this Security Instrument if:

- (i) A Borrower dies and the Property is not the principal residence of at least one surviving Borrower; or
- (ii) All of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple or retains a leasehold under a lease for less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower or retains a life estate (or retaining a beneficial interest in a trust with such an interest in the Property).

(b) Due and Payable with Secretary Approval. Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Secretary, if:

- (i) The Property ceases to be the principal residence of a Borrower for reasons other than death and the Property is not the principal residence of at least one other Borrower; or
- (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other Borrower; or
- (iii) An obligation of the Borrower under this Security Instrument is not performed.

(c) Notice to Lender. Borrower shall notify Lender whenever any of the events listed in this Paragraph (a) (ii) or (b) occur.

(d) Notice to Secretary and Borrower. Lender shall notify the Secretary and Borrower whenever the loan becomes due and payable under Paragraph 9 (a) (ii) or (b). Lender shall not have the right to commence foreclosure until Borrower has had thirty (30) days after notice to either:

- (i) Correct the matter which resulted in the Security Instrument coming due and payable; or
- (ii) Pay the balance in full; or
- (iii) Sell the Property for the lesser of the balance or 95% of the appraised value and apply the net proceeds of the sale toward the balance; or
- (iv) Provide the Lender with a deed in lieu of foreclosure.

(e) Trusts. Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Secretary, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragraph 9. A trust shall not be considered an occupant or be considered as having a principal residence for purposes of this Paragraph 9.

(f) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the Note not be eligible for insurance under the National Housing Act within **SIXTY DAYS** from the date hereof, if permitted by applicable law Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to **SIXTY DAYS** from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. No Deficiency Judgments. Borrower shall have no personal liability for payment of the debt secured by this Security Instrument. Lender may enforce the debt only through sale of the Property. Lender shall not be permitted to obtain a deficiency judgment against Borrower if the Security Instrument is foreclosed. If this Security Instrument is assigned to the Secretary upon demand by the Secretary, Borrower shall not be liable for any difference between the mortgage insurance benefits paid to Lender and the outstanding indebtedness, including accrued interest, owed by Borrower at the time of the assignment.

11. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full. This right applies even after foreclosure proceedings are instituted. To reinstate this Security Instrument, Borrower shall correct the condition which resulted in the requirement for immediate payment in full. Foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure

proceeding shall be added to the principal balance. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the Security Instrument.

12. Lien Status.

(a) Modification. Borrower agrees to extend this Security Instrument in accordance with this Paragraph 12(a). If Lender determines that the original lien status of the Security Instrument is jeopardized under state law (including but not limited to situations where the amount secured by the Security Instrument equals or exceeds the maximum principal amount stated or the maximum period under which loan advances retain the same lien priority initially granted to loan advances has expired) and state law permits the original lien status to be maintained for future loan advances through the execution and recordation of one or more documents, then Lender shall obtain title evidence at Borrower's expense. If the title evidence indicates that the Property is not encumbered by any liens (except this Security Instrument, the Second Security Instrument described in Paragraph 13(a) and any subordinate liens that the Lender determines will also be subordinate to any future loan advances), Lender shall request the Borrower to execute any documents necessary to protect the lien status of future loan advances. Borrower agrees to execute such documents. If state law does not permit the original lien status to be extended to future loan advances, Borrower will be deemed to have failed to have performed an obligation under this Security Instrument.

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

(c) Prior Liens. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to all amounts secured by 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.

13. Relationship to Second Security Instrument.

(a) Second Security Instrument. In order to secure payments which the Secretary may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to execute a Second Note and a Second Security Instrument on the Property.

(b) Relationship of First and Second Security Instruments. Payments made by the Secretary shall not be included in the debt under the Note unless:

- (i) This Security Instrument is assigned to the Secretary; or
- (ii) The Secretary accepts reimbursement by the Lender for all payments made by the Secretary.

If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments; but excluding late charges paid by the Secretary, shall be included in the debt under the Note.

(c) Effect on Borrower. Where there is no assignment or reimbursement as described in (b)(i) or (ii) and the Secretary makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under the Note, or pay any rents and revenues of the Property under Paragraph 19 to Lender or a receiver of the Property, until the Secretary has required payment in full of all outstanding principal and accrued interest under the Second Note; or
- (ii) Be obligated to pay interest or shared appreciation under the Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accrued interest has been included in the principal balance under the Note.

(d) **No Duty of the Secretary.** The Secretary has no duty to Lender to enforce covenants of the Second Security Instrument or to take actions to preserve the value of the Property, even though Lender may be unable to collect amounts owed under the Note because of restrictions in this Paragraph 13.

14. Forbearance by Lender Not a Waiver. 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.

15. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender. Borrower may not assign any rights or obligations under this Security Instrument or under the Note, except to a trust that meets the requirements of the Secretary. Borrower's covenants and agreements shall be joint and several.

16. 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 all Borrowers jointly designate. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any 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 16.

17. 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.

18. Borrower's Copy. Borrower shall be given one conformed copy of the Note and this Security Instrument.

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

19. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by this Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 19.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by this Security Instrument is paid in full.

20. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender at its option, and without further demand, may invoke 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 20, 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 to 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 in the manner prescribed by

applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

21. Lien Priority. The full amount secured by this Security Instrument shall have the same priority over any other liens on the Property as if the full amount had been disbursed on the date the initial disbursement was made, regardless of the actual date of any disbursement. The amount secured by this Security Instrument shall include all direct payments by Lender to Borrower and all other loan advances permitted by this Security Instrument for any purpose. This lien priority shall apply notwithstanding any State constitution, law or regulation, except that this lien priority shall not affect the priority of any liens for unpaid State or local governmental unit special assessments or taxes.

22. Adjustable Rate Feature. Under the Note, the initial stated interest rate of **6.4000 %** which accrues on the unpaid principal balance ("Initial Interest Rate") is subject to change, as described below. When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance. Each adjustment to the interest rate will be based upon the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board in Statistical Release H.15 (519) ("Index") plus a margin. If the Index is no longer available, Lender will use as a new Index any index prescribed by the Secretary. Lender will give Borrower notice of the new Index.

Lender will perform the calculations described below to determine the new adjusted interest rate. The interest rate may change on the first day of **JANUARY, 2007**, and on that day of each succeeding year the first day of each succeeding month ("Change Date") until the loan is repaid in full.

The value of the Index will be determined, using the most recent Index figure available thirty (30) days before the Change Date ("Current Index"). Before each Change Date, the new interest rate will be calculated by adding a margin to the Current Index. The sum of the margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date. The Calculated Interest Rate will be compared to the interest rate in effect immediately prior to the current Change Date (the "Existing Interest Rate").

(Annually Adjusting Variable Rate Feature) The Calculated Interest Rate cannot be more than 2.0% higher or lower than the Existing Interest Rate, nor can it be more than 5.0% higher or lower than the Initial Interest Rate.

(Monthly Adjusting Variable Rate Feature) The Calculated Interest Rate will never increase above **SIXTEEN AND 400/1000** percent (**16.40000 %**).

The Calculated Interest Rate will be adjusted if necessary to comply with these rate limitation(s) and will be in effect until the next Change Date. At any Change Date, if the Calculated Interest Rate equals the Existing Interest Rate, the interest rate will not change.

23. 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 and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

24. 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.

25. Cure Period. The cure period that will be provided to Borrower pursuant to Sections 15(D) and 22 of this Security Instrument shall be 35 days.

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

- Condominium Rider
- Shared Appreciation Rider
- Planned Unit Development Rider
- Other (Specify)

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

Richard L Hill (Seal)
 RICHARD L HILL -Borrower

Leila A. Hill (Seal)
 LEILA A. HILL -Borrower

[Space Below This Line For Acknowledgment]

STATE OF NEVADA

, DOUGLAS

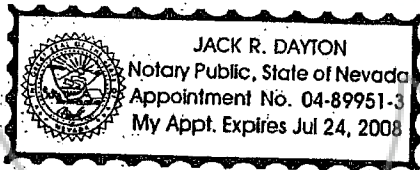
COUNTY SS:

On OCT. 9, 2006 person, as the case may be),

, personally appeared before me, JACK R. DAYTON a notary public (or judge or other authorized

RICHARD L. HILL
LEILA A HILL

personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that THEY executed the instrument.



Jack R. Dayton
 (Signature) 775-246-7033

EXHIBIT "A"

THE FOLLOWING DESCRIBED PROPERTY:

**LOT 20, BLOCK B, AS SAID LOT AND BLOCK ARE SHOWN ON THE AMENDED
MAP OF RANCHOS ESTATES, FILED IN THE OFFICE OF THE COUNTY
RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON OCTOBER 30, 1972,
AS DOCUMENT NO. 62493.**

**FOR INFORMATIONAL PURPOSES ONLY: THE APN IS SHOWN BY THE COUNTY
ASSESSOR AS 1220-16-210-058; SOURCE OF TITLE IS BOOK 0898, PAGE
4119 (RECORDED 08/20/98)**

Exhibit "D"

Attach Legal Description

COPY

EXHIBIT "A"

THE FOLLOWING DESCRIBED PROPERTY:

LOT 20, BLOCK B, AS SAID LOT AND BLOCK ARE SHOWN ON THE AMENDED
MAP OF RANCHOS ESTATES, FILED IN THE OFFICE OF THE COUNTY
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FOR INFORMATIONAL PURPOSES ONLY: THE APN IS SHOWN BY THE COUNTY
ASSESSOR AS 1220-16-210-058; SOURCE OF TITLE IS BOOK 0898, PAGE
4119 (RECORDED 08/20/98)

Exhibit E

Eligible Surviving Non-Borrowing Spouse Certification:

I hereby agree, acknowledge, and certify that I was married to and remained married to Richard L Hill, at the time the Loan was originated and throughout the remainder of his life. I certify that the information provided in this agreement, acknowledgement and certification is true and correct. I acknowledge that my spouse's Loan is currently eligible to be called due and payable under the original terms of the mortgage contract as a result of his death and that the loan servicer is electing to retain my spouse's loan. I further acknowledge and agree that if this option is elected, the mortgage will not be called due and payable until my death or such time as I cease to be eligible for a deferral. As a result, I acknowledge that I will be permitted to remain in the property until my death provided I continue to comply with the terms of this agreement and certification. I further understand and agree that in order to qualify for a deferral of due and payable status, I must:

1. disclose and provide consent to the verification of my Social Security Number;
2. continue to occupy the property securing my spouse's Reverse Mortgage as my principal residence;
3. maintain, at all times, an established legal ownership or some other ongoing legal right to remain (e.g., executed lease, court order, etc.) in the property securing the Reverse Mortgage;
4. acknowledge and agree that I will receive no disbursements from my spouse's Reverse Mortgage;
5. ensure that all obligations of the borrower continue to be satisfied without reliance on any disbursement from the Mortgagee, including the obligation to pay property charges and insurance even if the Mortgage would have allowed for the payment of these charges from the available proceeds;
6. ensure the Reverse Mortgage is not and will not become eligible to be due and

payable for any reason other than the death of the last surviving borrower;

7. annually certify that all conditions necessary for retention are and continue to be met;
and
8. provide any documentation required by the mortgagee to evidence my compliance with the requirements of the retention and deferral of due and payable status.

I agree and acknowledge that should any of these obligations cease to be met the Deferral Period shall cease, my spouse's Reverse Mortgage will immediately become due and payable and as a result I must satisfy the mortgage in accordance with existing Loan Servicer's policy in order to remain in the property further.

WARNING: Federal law provides that anyone who knowingly or willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry may be criminally prosecuted and may incur civil or administrative liability.

YOU MUST SIGN AND PRINT NAME YOUR NAME

Date: 02/26/2020

Eligible Surviving Non-Borrowing Spouse (SIGNATURE):

Leila Anne Hill

Eligible Surviving Non-Borrowing Spouse (PRINT NAME):

LEILA ANNE HILL

Home Phone Number:

775 265-6018

Cell Phone Number:

775 751-1321

Email Address:

hillada@frontier.com