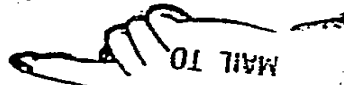




Chase Manhattan Financial Services, Inc.  
Known as Chase Manhattan of Illinois

This document prepared by  
and should be returned to:  
Chase Manhattan Financial Services, Inc.  
1900 Corporate Blvd., NW, Suite 110  
Boca Raton, FL 33431  
Title Order # 1213896  
LOAN # 995585-2

91220002



[Space Above This Line For Recording Date]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on April 25th  
1991. The mortgagor is GLORIA JEAN HOPPERT and HERSCHEL M. HOPPERT, HUSBAND & WIFE

("Borrower"). This Security Instrument is given to CHASE MANHATTAN  
FINANCIAL SERVICES, INC., which is organized and existing  
under the laws of Delaware, and whose address is 707 SKOKIE BLVD., SUITE  
105, NORTHBROOK, IL 60062 ("Lender").

Borrower owes Lender the principal sum of TWO HUNDRED TWENTY-EIGHT THOUSAND EIGHT HUNDRED AND  
NO/100 Dollars (U.S. \$ 228,800.00). This debt is evidenced by Borrower's note  
dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not  
paid earlier, due and payable on MAY 1, 2021. This Security Instrument  
secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and  
modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of  
this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security  
Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following  
described property located in COOK County, Illinois:

300728

LOT 93 IN PLUM GROVE ESTATES, UNIT NO. 4, BEING A SUBDIVISION IN THE SOUTH  
1/2 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL  
MERIDIAN, AND IN SECTIONS 1 AND 12, TOWNSHIP 41 NORTH, RANGE 10, EAST OF  
THE THIRD PRINCIPAL MERIDIAN, AND IN SECTION 6, TOWNSHIP 41 NORTH, RANGE  
11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

91220002

COOK COUNTY RECORDS  
DEPT-01 RECORDING  
1991 APR 28 05/09/91 12:05:00  
COOK COUNTY RECORDER

91220002

which has the address of 343 N. ELMWOOD LANE PALATINE  
[Street] [City]  
Illinois 60067 ("Property Address"); P.I.N. 02-35-406-004  
[Zip Code]

Together With all the improvements now or hereafter erected on the property, and all easements, rights,  
appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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 seised of the estate hereby conveyed and has the right to mortgage,  
grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower  
warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances  
of record.

This Security Instrument combines uniform covenants for national use and non-uniform covenants with limited  
variations by jurisdiction to constitute a uniform security instrument covering real property.

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

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. If required in writing by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payment. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall name Lender as "loss-payee" and shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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

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If Lender required ~~monthly~~ insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

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

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

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

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

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

17. Transfer of the Property or a Beneficial Interest in Borrower. Borrower shall not sell, convey, transfer or assign (a) the Property or any interest therein or any part thereof, or (b) the beneficial interest in Borrower if Borrower is not a natural person whether by operation of law or otherwise, without the prior written consent of Lender. In the event of such a sale, conveyance, transfer or assignment, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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# UNOFFICIAL COPY

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

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees, and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

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

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify]

24. Waiver of Right of Redemption. Borrower hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this instrument, on its own behalf and in behalf of each and every person except decree or judgment creditors of Borrower acquiring any interest in or title to the Property subsequent to the date of this instrument.

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

SIGNATURE GUARANTEED  
VALLEY BANK OF NEWADA

Gloria Jean Hoppert  
GLORIA JEAN HOPPERT

Herschel M. Hoppert  
HERSCHEL M. HOPPERT

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

[Space Below This Line For Acknowledgment]

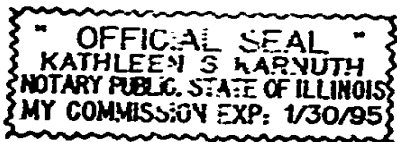
State of Illinois )  
County of Cook ) SS:)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT GLORIA JEAN HOPPERT, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 30th day of April, 1991

Kathleen S. Karnuth  
Notary Public

My commission expires:



00000000

UNOFFICIAL COPY

31230002

STATE OF NEVADA

COUNTY OF Clark } ss.

on April 25, 1991

personally appeared before me, a Notary Public in and for said County

and State — HOSCHEL M HOPPERT ONLY —

known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Stacy Lynette Pullum  
Notary Public

RESIDENTIAL MORTGAGE



NOTARY PUBLIC  
STATE OF NEVADA  
County of Clark  
Stacy Lynette Pullum  
My Appointment Expires Sept. 4, 1994

ACKNOWLEDGEMENT

M-007-01-005 (1/84)

31230002

Property Clerk's Office

(Extended/Initial Fixed Rate Period)

(One Year Index - Interest Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 30TH day of APRIL, 1991, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to CHASE MANHATTAN FINANCIAL SERVICES, INC. (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 343 N. ELMWOOD LANE, PALATINE, IL 60067 (Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.  
 IF MY INTEREST RATE INCREASES, MY MONTHLY PAYMENTS WILL BE HIGHER.  
 IF MY INTEREST RATE DECREASES, MY MONTHLY PAYMENTS WILL BE LOWER.  
 THE NOTE LIMITS THE MAXIMUM RATE THE BORROWER MUST PAY.

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

#### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.125 percent. The Note provides for changes in the interest rate and the monthly payments as follows:

#### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

##### (A) Change Dates

Unless I have exercised my conversion option under Section 5 of this Note, the initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of MAY, 1998, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

##### (B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is 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. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index." The Index most recently available is the index published in the standard statistical release issued by the Federal Reserve Board with the closest date prior to the 45th day before the Change Date.

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

##### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 3.000 percentage points to the Current Index. The Note Holder will then round the result of this addition to the nearest 1/8 of 1 percentage point (0.125%). Subject to the limits stated in Section 4(D) this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

##### (D) Limit on the Interest Rate Changes

On the first Change Date the interest rate may not increase or decrease more than 4 percentage points from the initial interest rate.

On the second Change Date, and on each Change Date thereafter, the interest rate may not increase or decrease more than 2 percentage points from the interest rate in effect immediately prior to the Change Date. Also, the interest rate may not increase or decrease over the entire term of the loan more than 4 percentage points from the initial interest rate.

My interest rate will never be greater than 13.125 percent.

##### (E) Effective Date of Changes

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

##### (F) Notice of Changes

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

#### B. CONVERSION TO FIXED INTEREST RATE

The Note provides Borrower an option to convert the adjustable rate loan into a fixed interest rate loan, as follows:

#### 5. FIXED INTEREST RATE OPTION

##### (A) Option to Convert to a Fixed Rate

I have a "Conversion Option" which I can exercise if I satisfy the conditions described in this Section 5(A) and I am not in default. The Conversion Option is my option to convert the interest rate I am required to pay under Sections 2 and 4 of this Note from an adjustable rate to a fixed rate.

The conversion can only take place on the first day of the month in which my 6th monthly payment under this Note is due or on the first day of each month thereafter until and including the first day of the month in which my 60th monthly payment is due. The date on which my interest rate converts from an adjustable rate to a fixed rate is called the "Conversion Date."

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If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are:

- (i) I must give notice to the Note Holder at least 15 days before the Conversion Date of my intention to exercise the Conversion Option;
- (ii) I must not have been over 30 days delinquent in paying any of my scheduled monthly payments when they were due under this Note;
- (iii) As of the Conversion Date, I am not in default under this Note or the Security Instrument (as that term is described below in section 12);
- (iv) On or before the Conversion Date, I must pay the Note Holder a conversion fee as described below in Section 5(B); and
- (v) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

### (B) Calculation of Fixed Rate

In order to exercise the Conversion Option I will choose one of the following two methods to determine the calculation of my new, fixed interest rate:


- (i) My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield for 30-year fixed rate mortgages covered by 60-day mandatory delivery commitments that was in effect as of the date 15 days before the Conversion Date, plus 5/8th of 1 percentage point, rounded to the nearest 1/8th of 1 percentage point. This option requires my payment of a conversion fee of 1 percent of the unpaid principal plus \$ 350.00
- (ii) My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield for 30-year fixed rate mortgages covered by 60-day mandatory delivery commitments that was in effect as of the date 15 days before the Conversion Date, plus 7/8th of 1 percentage point, rounded to the nearest 1/8th of 1 percentage point. This option requires my payment of a conversion fee of \$ 350.00


Information about the 30-year net yield is available through the Federal National Mortgage Association, 3900 Wisconsin Avenue, N.W., Washington D.C. 20015. If this required 30-year net yield is not available, the Note Holder will choose a new index which is based upon comparable information to determine the fixed interest rate.

### (C) Determination of New Payment Amount


If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe at the Conversion Date in full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date.

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

  
 \_\_\_\_\_ (Seal)  
 GLORIA JEAN HOPPERT - Borrower

  
 \_\_\_\_\_ (Seal)  
 HERSCHEL H. HOPPERT - Borrower

SIGNATURE GUARANTEED  
VALLEY BANK OF NEVADA

  
 \_\_\_\_\_ (Seal)  
 - Borrower

\_\_\_\_\_  
 \_\_\_\_\_ (Seal)  
 - Borrower

20000002

Clerk's Office