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PREPARED BY MR. PETER W. ...
THE MORTGAGE ...
ALABAMA MORTGAGE SERVICES, INC.
1300 HENRY DRIVE, SUITE 240
HARRISVILLE, MISSISSIPPI 39063
(601) 292-7777

(Space Above This Line For Recording Data)

MORTGAGE

338

THIS MORTGAGE ("Security Instrument") is given on MAY 27, 1992 The mortgagor is JOHN C. KLINAK AND SHEPPA A. FLINAK, HUSBAND AND WIFE

("Borrower") This Security Instrument is given to ALABAMA MORTGAGE SERVICES, INC.

which is organized and existing under the laws of ALABAMA, and whose address is 1300 HENRY DRIVE, SUITE 240, HARRISVILLE, MISSISSIPPI 39063

Lender. Borrower owes Lender the principal sum of ONE HUNDRED FIFTY THOUSAND AND NO/100 (\$150,000.00) Dollars (U.S. \$ 150,000.00)

This debt is evidenced by Borrower's note, dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full 90% if not paid earlier, due and payable on 06/21, 1997

This Security Instrument secures to Lender, for the repayment of the debt evidenced by the Note, with interest, and all reasonable extensions and modifications of the Note, for the payment of all other sums, with interest, advanced under paragraph 1 to protect the security of this Security Instrument, and for 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:

LOT 165 IN H. ROY HENRY COMPANY'S FARM BLDG. TRACT No. 1, A PART OF PART OF PART OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD TIER TOWN OF HARRISVILLE, IN COOK COUNTY, ILLINOIS.

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which has the address of 1200 NORTH FAIRMERE AVENUE, DEPT 641 OF Illinois 60641 Property Address

(Borrower, Co)

BOX 333

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73629442
alexander

Property of Cook County Clerk's Office

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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All 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 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 the encumbrances of record, and will defend generally the title to the Property against all claims and demands, subject to the encumbrances of record, and will defend generally the title to the Property against all claims and demands, subject to the encumbrances of record.

1. Payment of Principal and Late Charges. Borrower shall promptly pay when due the principal amount of the loan, together with all interest, late charges, and other charges due under the Note. Payment of Principal and Late Charges. Borrower shall promptly pay when due the principal amount of the loan, together with all interest, late charges, and other charges due under the Note. Payment of Principal and Late Charges. Borrower shall promptly pay when due the principal amount of the loan, together with all interest, late charges, and other charges due under the Note.

2. Funds for Taxes and Insurance. Borrower shall pay to a written trustee by the date specified in the Note, funds for taxes and insurance. Funds for Taxes and Insurance. Borrower shall pay to a written trustee by the date specified in the Note, funds for taxes and insurance. Funds for Taxes and Insurance. Borrower shall pay to a written trustee by the date specified in the Note, funds for taxes and insurance.

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to effect. Lender will accept, own and retain these payments as a loss reserve in lieu of mortgage insurance. Lender reserves the right to require the Borrower to purchase mortgage insurance coverage in the event of a loss of coverage. Lender shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender ceases to be in effect, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender ceases to be in effect, Borrower shall pay the premium required to maintain the mortgage insurance in effect.

8. Mortgage Insurance. If Lender requires the Borrower to purchase mortgage insurance, the Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender ceases to be in effect, Borrower shall pay the premium required to maintain the mortgage insurance in effect.

9. Lender's Right to Accelerate. Lender reserves the right to accelerate the maturity of the Loan if the Borrower fails to pay any installment when due or if the Borrower fails to comply with any other obligation under the Loan. Lender may, at its discretion, accelerate the maturity of the Loan if the Borrower fails to pay any installment when due or if the Borrower fails to comply with any other obligation under the Loan.

10. Lender's Right to Assign. Lender reserves the right to assign the Loan to another lender or to a trust or other entity. Lender may, at its discretion, assign the Loan to another lender or to a trust or other entity. Lender may, at its discretion, assign the Loan to another lender or to a trust or other entity.

11. Lender's Right to Foreclose. Lender reserves the right to foreclose on the Property if the Borrower fails to pay any installment when due or if the Borrower fails to comply with any other obligation under the Loan. Lender may, at its discretion, foreclose on the Property if the Borrower fails to pay any installment when due or if the Borrower fails to comply with any other obligation under the Loan.

12. Lender's Right to Sue. Lender reserves the right to sue the Borrower for any amount due under the Loan, including interest, fees, and costs. Lender may, at its discretion, sue the Borrower for any amount due under the Loan, including interest, fees, and costs. Lender may, at its discretion, sue the Borrower for any amount due under the Loan, including interest, fees, and costs.

13. Lender's Right to Insure. Lender reserves the right to require the Borrower to purchase insurance to protect the Property. Lender may, at its discretion, require the Borrower to purchase insurance to protect the Property. Lender may, at its discretion, require the Borrower to purchase insurance to protect the Property.

14. Lender's Right to Enforce. Lender reserves the right to enforce the terms of the Loan. Lender may, at its discretion, enforce the terms of the Loan. Lender may, at its discretion, enforce the terms of the Loan.

15. Lender's Right to Amend. Lender reserves the right to amend the Loan. Lender may, at its discretion, amend the Loan. Lender may, at its discretion, amend the Loan.

16. Lender's Right to Waive. Lender reserves the right to waive any provision of the Loan. Lender may, at its discretion, waive any provision of the Loan. Lender may, at its discretion, waive any provision of the Loan.

17. Lender's Right to Assign. Lender reserves the right to assign the Loan to another lender or to a trust or other entity. Lender may, at its discretion, assign the Loan to another lender or to a trust or other entity. Lender may, at its discretion, assign the Loan to another lender or to a trust or other entity.

18. Lender's Right to Sue. Lender reserves the right to sue the Borrower for any amount due under the Loan, including interest, fees, and costs. Lender may, at its discretion, sue the Borrower for any amount due under the Loan, including interest, fees, and costs. Lender may, at its discretion, sue the Borrower for any amount due under the Loan, including interest, fees, and costs.

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payments may be changed or repaid, at the option of Lender, in whole or in part, in the amount and for the period that Lender requires provided by an insurer approved by Lender upon becoming available and is obtained. Borrower shall pay the premiums required to maintain its fire insurance in effect, or to provide such coverage, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender, or applicable law.

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

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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not they also apply to any sums paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. A balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, and is Borrower's election, the proceeds shall be applied to the sums secured by this Security Instrument, or the proceeds shall be applied to the sums secured by this Security Instrument and the sums paid to Borrower.

If the Property is a homestead, Borrower or its attorney-in-fact, or Lender or its attorney-in-fact, or both, offer to make an award or settle a claim for damages, Borrower shall be required to pay to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds of a total or partial taking of the Property or to the sums secured by this Security Instrument, whichever is 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 paragraph 1 and shall not change the amount of such payments.

11. **Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification or amortization of the sums secured by this Security Instrument granted by Lender to any borrower 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 to enforce payment of the sums secured by this Security Instrument, or to sue for or sue to enforce payment or to sue for or sue to enforce 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 connection with this Security Instrument shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability.** Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements in this Security Instrument shall bind and benefit any Borrower who signs this Security Instrument but does not execute this Note, and shall bind and benefit the heirs, assigns, personal representatives and assigns of Borrower's interest in the Property under the terms of this Security Instrument, whether personally obligated to pay the sums secured by this Security Instrument, whether or not Lender and Borrower are in privity of contract, jointly, jointly and severally, or make any assignment of the sums secured by this Security Instrument, or the Borrower's interest.

13. **Loan Charges.** This loan is subject to the security instrument, and to a law which imposes a maximum loan charge, and that law is hereby interpreted so that the maximum loan charge imposed by such law shall be the maximum loan charge with the loan except the permitted front-end charges and other charges which are not subject to the maximum loan charge. In the event of the charge to the permitted front-end charges, and other charges, which are not subject to the maximum loan charge, shall be included in the loan. Lender may choose to make this refund by either the proceeds secured by the loan or by making a direct payment to Borrower. If a refund reduces principal, the refund will be treated as a partial prepayment without any prepayment charge under this Note.

14. **Notices.** Any notices to Borrower provided by this Security Instrument shall be given by first class mail or by mailing it by first class mail unless applicable law requires a different method. Notices shall be directed to the Property Address or any other address Borrower designates to receive notices. Notices to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates to receive notices. Borrower. Any notice provided for in this Security Instrument shall be deemed to have been properly given even if the notice is not 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 the Security Instrument or the Note which can be given effect without the conflicting provision. In that event the provisions of this Security Instrument and the Note are intended to be severable.

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

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17. **Transfer of the Property or a Beneficial Interest in Borrower's Property.** If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. **Borrower's Right to Reinstatement.** 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. These conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note if no acceleration had occurred, (b) cures any default of any other covenants or agreements, and (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, and costs such as a title search. 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, are cleared in whole. Upon reinstatement by Borrower of this Security Instrument and the obligations secured hereby, shall remain fully effective and no acceleration shall occur. However, this right to reinstatement shall not apply in the case of a default under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (in connection with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in a conformed copy of paragraph 14 above as applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The prohibitive sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affects the Property, in any case, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined by local or hazardous substances by Environmental Law and the following additional substances: asbestos, lead-based paint, radon, radon progeny products, toxic pesticides and herbicides, volatile organic materials, and non-halogenated or halogenated materials. As used in this paragraph 20, "Environmental Law" means any state, local, and federal law, regulation, or ordinance of any Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender first agree that the following covenants:

21. **Acceleration, Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, 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 21, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

22. **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 reconveyance costs.

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

Form 301A 9/99

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24. 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))

- | | | |
|---|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input checked="" type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> V.A. Rider | <input type="checkbox"/> Other(s) [specify] | |

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

Witnesses

[Handwritten signature]

[Handwritten signature] (Seal) Borrower

[Handwritten signature] (Seal) Borrower

(Seal) Borrower (Seal) Borrower

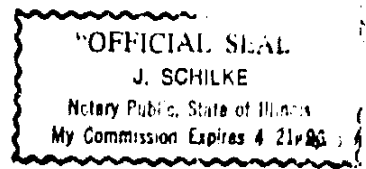
STATE OF ILLINOIS, County of Cook
I, THE UNDERSIGNED, a Notary Public in and for said County and State do hereby certify that JOHN C. KLIMAH AND CHERYL A. KLIMAH, HUSBAND AND WIFE

personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that the Y signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27th day of MAY, 1992

My Commission Expires:

[Handwritten signature]
Notary Public



This Instrument was prepared by

52382649 Form 3-91 9/92

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BAALLOON RIDER (CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS)

THIS BALLOON RIDER (include this BALLOON RIDER) (MAY) (1992), and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed of Some Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note to MULTISTATE MORTGAGE CORPORATION (the "Lender")

(the "Lender") of the same date and covering the Note and the property described in the Security Instrument and located at: 1427 1/2 WEST CARROLL AVENUE, FAIRFIELD, CALIFORNIA 94504

[Property Address]

The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, Security Instrument and this Rider by transfer and who is entitled to receive payment under the Note is called the "Note Holder."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

1. CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS

At the maturity date of the Note and Security Instrument (the "Note Maturity Date"), I will be able to extend the Note Maturity Date to (the "Extended Maturity Date") and modify the Note Rate to the "Modified Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Modification and Extension Option"). If these conditions are not met, I understand that the Note Holder is under no obligation to refinance the Note or to modify the Note, reset the Note Rate or extend the Note Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

2. CONDITIONS TO OPTION

If I want to exercise the Conditional Modification and Extension Option, certain conditions must be met as of the Note Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (2) I must be current in my monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Note Maturity Date; (3) there are no liens, debts, or encumbrances against the Property, or other adverse matter relating to the Property (except for taxes and special assessments not yet due and payable) arising after the Security Instrument was recorded; (4) the Modified Note Rate cannot be more than 5 percentage points above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

3. CALCULATING THE MODIFIED NOTE RATE

The Modified Note Rate will be a fixed rate of interest equal to the Federal Home Loan Mortgage Corporation's required net yield for 30 year fixed rate mortgages subject to a 60-day mandatory delivery commitment, plus one-half of one percent (0.5%), rounded to the nearest one-eighth of one percent (0.125%), (the "Modified Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that I notify the Note Holder of my election to exercise the Conditional Modification and Extension Option. If this required net yield is not available, the Note Holder will determine the Modified Note Rate by using comparable information.

4. CALCULATING THE NEW PAYMENT AMOUNT

Provided the Modified Note Rate as calculated in Section 3 above is not greater than 5 percentage points above the Note Rate and all other conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Note Maturity Date assuming my monthly payments then are current, as required under Section 2 above, over the remaining extended term, at the Modified Note Rate in equal monthly payments. The result of this calculation will be the new amount of my principal and interest payment every month until the Note is fully paid.

5. EXERCISING THE CONDITIONAL MODIFICATION AND EXTENSION OPTION

The Note Holder will notify me at least 60 calendar days in advance of the Note Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Note Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Modification and Extension Option if the conditions in Section 2 above are met. The Note Holder will provide my payment record information, together with the name, title and address of the person representing the Note Holder that I must notify in order to exercise the Conditional Modification and Extension Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Modification and Extension Option by notifying the Note Holder no earlier than 60 calendar days and no later than 45 calendar days prior to the Note Maturity Date. The Note Holder will calculate the fixed Modified Note Rate based upon the Federal Home Loan Mortgage Corporation's applicable published required net yield in effect on the date and time of day notification is received by the Note Holder and as calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder with acceptable proof of my required ownership, occupancy and property lien status. Before the Note Maturity Date the Note Holder will advise me of the new interest rate (the Modified Note Rate), new monthly payment amount and a date, time and place at which I must appear to sign any documents required to complete the required Note Rate modification and Note Maturity Date extension. I understand the Note Holder will charge me a \$250 processing fee and the costs associated with the exercise of the Conditional Modification and Extension Option, in addition, but not limited to the cost of updating the title insurance policy.

By SIGNING BELOW, BORROWER accepts and agrees to the terms and covenants contained in this Balloon Rider:

JOHN C. FLETCHER

CHESTER A. FLETCHER

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower
(Sign Original Only)

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