

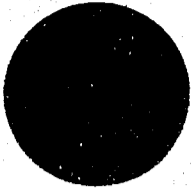
APN 1220-22-310-141

Prepared By

Edna Brown

Source One Mortgage Services Corp.

Kim Hayth  
LandAmerica OneStop  
101 Gateway Centre Pkwy.  
Richmond, VA 23235  
800-704-7047 ext. 8173



When Recorded Mail To:  
SOMC#: 20033005-2  
FNMA#: 165877882

82500-LCP

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**BALLOON LOAN REFINANCING INSTRUMENT**

This Balloon Loan Refinancing Instrument ("Refinancing Instrument"), entered into and effective as of the 1<sup>st</sup> day of September 1999, (the "Refinancing Date"), between Michael J. St. Martin, ("Borrower") and Source One Mortgage Corporation, ("Lender") supersedes and satisfies the Note (the "Balloon Note") dated August 17, 1992, in the original principal sum of U.S. \$93,500.00, executed by Michael J. St. Martin, payable to the order of Central Pacific Mortgage Company, secured by the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument," which term includes all riders thereto) that is dated August 17, 1992, that secures the original principal sum stated in the Balloon Note, and is recorded in Book 892, Page 3556, in the Official Records of Douglas County, State of Nevada, and that covers the property defined therein as the "Property," located at 661 Long Valley Road Gardnerville, NV 89410, and is described as follows:

Lot 742, as shown on the map of Gardnerville Ranchos Unit No. 7, filed for record in the Office of the County Recorder of Douglas County, Nevada, on March 27, 1974 in Book 374, Page 676, as File No. 72456.

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The Balloon Note includes a Balloon Note Addendum and the Security Instrument includes a Balloon Rider. Borrower has elected to exercise the Conditional Right to Refinance as provided in the Balloon Note Addendum and the Balloon Rider. This Refinancing Instrument is executed and delivered to effectuate the Conditional Right to Refinance in the manner most convenient to Borrower and Lender:

(a) This Refinancing Instrument, duly executed by Borrower and delivered by Borrower to Lender, supersedes and satisfies the Balloon Note (including the Balloon Note Addendum).

(b) As further provided below (see "Security Instrument Amendment"), the Security Instrument is supplemented, converted and extended to secure repayment of the debt evidenced by this Refinancing Instrument, by delivery hereof to the Lender in recordable form in all respects, and recordation of same in the land records identified above.

(c) Borrower acknowledges that immediately prior to execution of this Refinancing Instrument, the lien of the Security Instrument is valid and subsists against the Property, and secures repayment of the amount (the "payoff balance") of U.S. \$86,282.69.

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Notwithstanding anything to the contrary contained in the Balloon Note or Security Instrument, Borrower undertakes as follows:

### **FULLY AMORTIZING NOTE**

#### **1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$86,282.69 (this amount is called "principal") plus interest, to the order of Lender, I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder".

#### **2. INTEREST**

Interest will be charged on unpaid principal on and after the Refinancing Date until the full amount of principal has been paid. I will pay interest at a yearly rate of 8.125%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6 (B) of this Note.

#### **3. PAYMENTS**

##### **(A) Time and Place of Payments**

I will pay principal and interest by making payments every month.

I will make my monthly payments on the 1<sup>st</sup> day of each month beginning on October 1, 1999. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on September 1, 2022, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my monthly payments at 27555 Farmington Road, Farmington Hills, MI 48334-3357, or at a different place if required by the Note Holder.

##### **(B) Amount of Monthly Payments**

My monthly payment of principal and interest will be in the amount of U.S. \$691.61.

#### **4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayment without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

#### **5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. **BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charges for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.0% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

**(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

**(D) No Waiver by Note Holder**

Even if, at a time which I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. **GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. **OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. **WAIVERS**

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. **SECURITY INSTRUMENT**

In addition to the protections given to the Note Holder under this Note, the Security Instrument protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Security



Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or 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 the Security Instrument without further notice or demand on Borrower.

### SECURITY INSTRUMENT AMENDMENT

#### A. **RENEWAL AND EXTENSION OF LIEN**

It is the intention of the parties that the lien of the Security Instrument shall secure the debt evidenced by this Refinancing Instrument and that the Security Instrument shall be hereby renewed and extended, as of the Refinancing Date, so long as required to secure such debt until it is paid in full. In connection with the foregoing:

(i) The maturity date of the debt evidenced by this Refinancing Instrument is set forth in Paragraph 3(A) above.

(ii) Lender is expressly subrogated to all rights and liens to which the holder of the Balloon Note was entitled by reason of the Security Instrument.

(iii) In the event that any portion of the debt evidenced by this Refinancing Instrument cannot be lawfully secured by the Security Instrument as so renewed and extended, principal payments shall be applied first to that portion not so secured.

(iv) Borrower acknowledges that the lien securing the Balloon Note is hereby renewed and extended, amended as provided immediately below, and in full force and effect until the debt evidenced by this Refinancing Instrument is paid in full.

#### B. **AMENDMENT OF THE SECURITY INSTRUMENT**

All of the terms of the Balloon Rider are forever cancelled, null, and void as of the Refinancing Date.

#### C. **CO-GRANTOR LIABILITY**

Any party that signs below as a "co-grantor" did not execute the Balloon Note but signs below to grant and convey, under the terms of the Security Instrument, such interest as that party may have in the Property. Such party is not personally obligated to pay the debt evidenced by this Refinancing Instrument and secured by the Security Instrument (as renewed, extended, and amended hereby), and agrees that Lender and Borrower may agree to extend, modify, forbear or make any accommodations with regard to such debt or the Security Instrument (as renewed, extended, and amended hereby) without such party's consent.

\*\*\*\*\*

THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN (ORAL) AGREEMENTS BETWEEN THE PARTIES

Shirley J. Willoughby  
Witness:

Michael J. St. Martin  
Michael J. St. Martin

Typed name: **SHIRLEY J. WILLOUGHBY**

Bev L. Fricke  
Witness:

Witness: **BEV L. FRICKE**

Typed name:

Lender does not, by its execution of this Balloon Loan Refinancing Instrument, waive any right it may have against any person not a party hereto.

**ACCEPTED BY LENDER: Source One Mortgage Corporation**

By: Joyce Boka

Typed name: Joyce Boka

Title: Assistant Vice President

\_\_\_\_ (Space Below This Line Available for Endorsements) \_\_\_\_

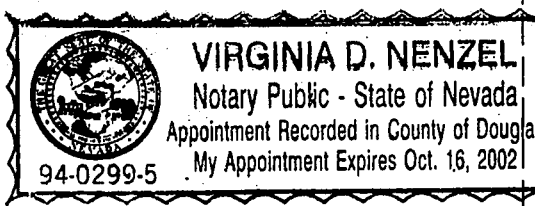
\_\_\_\_ (Space Below This Line for Acknowledgments) \_\_\_\_

State of **NEVADA**  
County of **DOUGLAS**

On 19 AUGUST 1999, before me, **VIRGINIA D. NENZEL**, a Notary Public in and for said County and State, personally appeared **MICHAEL J. ST. MARTIN**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person () whose name () is/~~are~~ subscribed to the within instrument and acknowledged that they executed the same in the their capacity (~~XXXX~~), and that by their signature on the instrument the person () or entity upon behalf of which the person () acted, executed the instrument.

WITNESS my hand and seal.

Virginia D. Nenzel  
Signature

-----  
Notary seal or stamp  
-----  


VIRGINIA D. NENZEL  
Name (typed or printed)  
My commission expires 16 OCT. 2002

Prepared by: Karen Aune  
Return to: Source One Mortgage Corporation  
P.O. Box 1800 Farmington Hills, MI 48333

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STATE OF MICHIGAN

SS.

COUNTY OF OAKLAND

On August 24, 1999, before me, Dona J. Douglas, a Notary Public in and for said County and State, personally appeared, Joyce Boka, Assistant Vice President, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that they executed the same in their authorized capacity(ies), and that by their signature on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and seal.

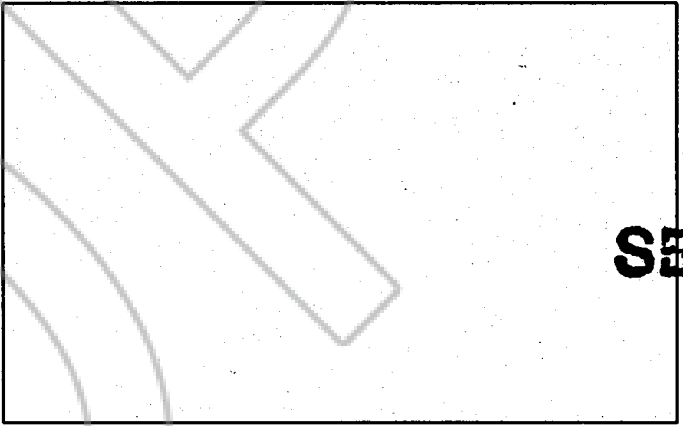
*Dona J. Douglas*  
Signature

**DONA J. DOUGLAS**

**Notary Public, Wayne County MI**

**My Commission Expires Aug. 27, 2002**

Name (typed or printed) **Acting in Oakland County, MI**



**SEAL**

My commission expires \_\_\_\_\_

Notary seal or stamp

REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2000 JAN -3 P.M 1:04

LINDA SLATER  
RECORDER

\$12 PAID *KZ* DEPUTY

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