

Fax 7142476122

Feb 25 2008 04:14pm P003/063

# ADJUSTABLE RATE NOTE

(1 Month LIBOR Payment and Rate Caps)

Loan # 123627231-PERM

THIS NOTE CONTAINS PROVISIONS THAT WILL CHANGE THE INTEREST RATE AND THE MONTHLY PAYMENT. THERE MAY BE A LIMIT ON THE AMOUNT THAT THE MONTHLY PAYMENT CAN INCREASE OR DECREASE. THE PRINCIPAL AMOUNT TO REPAY COULD BE GREATER THAN THE AMOUNT ORIGINALLY BORROWED, BUT NOT MORE THAN THE LIMIT STATED IN THIS NOTE.

August 25, 2006  
[Date]

PASADENA  
[City]  
15 LINDSEY STREET  
MARBLEHEAD, MA 01945

California  
[State]

[Property Address]

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 612,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is INDYMAC BANK, F.S.B., a federally chartered savings bank.

I will make all payments under this Note in the form of cash, check or money order. 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

### (A) Construction & Permanent Phases

This Note, as amended by the attached Residential Construction Loan Addendum Amending Note (the "Addendum"), represents both a construction/home improvement loan and a permanent mortgage loan. During the Construction Period of the loan, the Note Holder will advance funds in accordance with the Residential Construction Loan Agreement. The "Construction Period" is defined as the period beginning on the date of the Note and ending on the first day of the month preceding the due date of the first monthly payment of principal and interest stated in the Note ("Permanent Loan Commencement Date") if Completion (as defined in the Residential Construction Loan Agreement) has occurred before that date in accordance with the Residential Construction Loan Agreement. If Completion has not occurred by that date, I will be in default under the Addendum and under this Note. If Completion has occurred prior to the Permanent Loan Commencement Date, then the loan evidenced by this Note will automatically become a permanent mortgage loan on the Permanent Loan Commencement Date, and the provisions of the Addendum will cease to be in effect and all terms and conditions of the loan will be as set forth in this Note on the Permanent Loan Commencement Date.

### (B) Interest Rate

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest beginning on the Permanent Loan Commencement Date at the Initial Interest Rate. The "Initial Interest Rate" will be calculated by adding the Index described in Section 2(E) of this Note that is most recently available as of the day that is 15 days prior to the Permanent Loan Commencement Date, to the Margin that is described in Section 2(F), except that the Initial Interest Rate may not be more than the Maximum Rate shown in Section 2(D) of this Note. The interest rate I pay may change.

The interest rate required by Section 2 is the rate I will pay both before and after any default described in Section 7(B) of this Note.

Indymac Bank  
MULTISTATE 1 MONTH LIBOR ADJUSTABLE RATE NOTE

8480926 (0804)

Page 1 of 5  
VIM Mortgage Solutions, Inc.

Form HCL 1022  
04/06

This is a good example of a Note properly endorsed in blank by the originator.

Fax 7142476122

Feb 25 2008 04:14pm P004/063

**(C) Interest Rate Change Dates**

The interest rate I will pay may change on the 1st day of April, 2007, and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date.

**(D) Interest Rate Limit**

My interest rate will never be greater than 12.950 %.

**(E) Index**

The Index is the average of interbank offered rates for one-month U.S. dollar-denominated deposits in the London market ("LIBOR") as published in *The Wall Street Journal*. The most recent Index figure available as the date 15 days before each Interest Rate Change Date is called the "Current Index."

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

**(F) Calculation of Interest Rate Changes**

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding Three and Seven Eighths percentage point(s) ( 3.875 %) (the "Margin") to the Current Index. Subject to the limit stated in Section 2(D) above, the result of this addition will be my new interest rate until the next Interest Rate Change Date.

**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 1st day of each month beginning on April 1, 2007. I will make these payments every month until I have paid all the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before principal. If, on March 1, 2037, I still owe amounts under this Note, I will pay these amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 155 NORTH LAKE AVENUE  
PASADENA, CA 91101

or at a different place if required by the Note Holder.

**(B) Amount of My Initial Monthly Payments**

Following the Permanent Loan Commencement Date, each of my initial monthly payments will be in the amount calculated as follows (the "Initial Payment Amount"). After determining the Initial Interest Rate, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Permanent Loan Commencement Date in full on the maturity date at my Initial Interest Rate in substantially equal payments. My Initial Payment Amount will change in accordance with Sections 3(C) and 3(D) of this Note.

**(C) Payment Change Dates**

My monthly payment may change as required by Section 3(D) below beginning on the 1st day of April, 2008, and on that day every 12th month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment also will change at any time Section 3(F) or 3(G) below requires me to pay a different monthly payment.

I will pay the amount of my new monthly payment each month beginning on each Payment Change Date or as provided in Section 3(F) or 3(G) below.

**(D) Calculation of Monthly Payment Changes**

Before each Payment Change Date, the Note Holder will calculate the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Payment Change Date in full on the Maturity Date in substantially equal installments at the interest rate effective during the month preceding the Payment Change Date. The result of this calculation is called the "Full Payment." Unless Section 3(F) or 3(G) below requires me to pay a different amount, my new monthly payment will be in the amount of the Full Payment, except that my new monthly payment will be limited to an amount that will not be more than 7.5% greater or less than the amount of my last monthly payment due before the Payment Change Date.

MC  
AL

**(E) Additions to My Unpaid Principal**

My monthly payment could be less than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid principal I owe at the monthly payment date in full on the Maturity Date in substantially equal payments. If so, each month that my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid principal. The Note Holder also will add interest on the amount of this difference to my unpaid principal each month. The interest rate on the interest added to principal will be the rate required by Section 2 above.

**(F) Limit on My Unpaid Principal; Increased Monthly Payment**

My unpaid principal can never exceed a maximum amount equal to one hundred Ten percent ( 110.000 %) of the principal amount I originally borrowed. Because of my paying only limited monthly payments, the addition of unpaid interest to my unpaid principal under Section 3(E) above could cause my unpaid principal to exceed that maximum amount when interest rates increase. In that event, on the date that my paying my monthly payment would cause me to exceed that limit, I will instead pay a new monthly payment. The new monthly payment will be in an amount that would be sufficient to repay my then unpaid principal in full on the Maturity Date in substantially equal installments at the interest rate effective during the preceding month.

**(G) Required Full Payment**

On the 5th Payment Change Date and on each succeeding 5th Payment Change Date thereafter, I will begin paying the Full Payment as my monthly payment until my monthly payment changes again. I also will begin paying the Full Payment as my monthly payment on the final Payment Change Date.

**4. NOTICE OF CHANGES**

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

**5. 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 not designate a payment as a prepayment if I have not made all the monthly payments due under this Note.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use my prepayments to reduce the amount of principal that I owe under this Note. However, the Note Holder may apply my prepayment to the accrued and unpaid interest on the prepayment before applying my prepayment to reduce the principal amount of this Note. If I make a partial prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to these changes. My partial prepayment may reduce the amount of my monthly payments after the first Payment Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

**6. 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 that exceed 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.

**7. BORROWER'S FAILURE TO PAY AS REQUIRED****(A) Late Charges for Overdue Payments**

If the Note Holder has not received the full amount of my 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 3.000 % 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.

Fax 7142476122

Feb 25 2008 04:15pm P006/063

**(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 that 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 mailed to me or delivered by other means.

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

Even if, at a time when 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 of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

**8. 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.

Unless the Note Holder requires a different method, 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 notice of that different address.

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

If more than one person signs this Note, each person is fully and personally obligated to keep all 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 the amounts owed under this Note.

**10. 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.

**11. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That 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 these 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 if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

Fax 7142476122

Feb 25 2008 04:16pm P007/063

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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 given in accordance with Section 15 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.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

  
 \_\_\_\_\_ (Seal)  
 -Borrower  
 Michael Church

  
 \_\_\_\_\_ (Seal)  
 -Borrower  
 Allison Church

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

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

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

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

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

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

Pay To The Order Of

Without Recourse (Original Only)

IndyMac Bank, F.S.B.

By

  
 Vartan Derbedrossian  
 Vice President



Fax 7142476122

Feb 25 2008 04:16pm P008/063

DATE: August 25, 2006

LOAN #: 123627231-PERM

**RESIDENTIAL CONSTRUCTION LOAN  
ADDENDUM AMENDING NOTE  
(Multistate)**

THIS Addendum is incorporated into and shall be deemed to amend and supplement the Note ("Note"), of even date herewith, given by the undersigned Borrower ("Borrower" whether one or more) to evidence Borrower's indebtedness to the Note Holder, which indebtedness is secured by that certain Security Instrument, of even date herewith, covering the premises described in the Security Instrument. Notwithstanding anything to the contrary set forth in the Note, Borrower hereby agrees to the following:

**1. CONSTRUCTION/PERMANENT LOAN**

This Note, as amended, represents both a construction/home improvement loan and a permanent mortgage loan. During the Construction Period of the loan, the Note Holder will advance funds in accordance with the Residential Construction Loan Agreement. The "Construction Period" is defined as the period beginning on the date of the Note and ending on the first day of the month preceding the due date of the first monthly payment of principal and interest stated in the Note ("Permanent Loan Commencement Date") if Completion (as defined in the Residential Construction Loan Agreement) has occurred before that date in accordance with the Residential Construction Loan Agreement. If Completion has not occurred by that date, I will be in default under this Addendum and under the Note. If Completion has occurred prior to the Permanent Loan Commencement Date, then the loan evidenced by the Note will automatically become a permanent mortgage loan on the Permanent Loan Commencement Date, and the provisions of this Addendum will cease to be in effect and all terms and conditions of the loan will be as set forth in the Note on the Permanent Loan Commencement Date.

**2. INTEREST**

**(A) Interest During the Construction Period**

I will pay interest only on the amount advanced at the yearly rate of 8.750 %. The interest rate I will pay may change. The interest rate I will pay may change on the 1st day of October, 2006 and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date. Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding Three and Seven Eighths percentage points ( 3.875 %) to the Current Index, as defined below. The result of this addition will be my new interest rate until the next Interest Rate Change Date. The Index shall be the average of interbank offered rates for one-month U.S. dollar-denominated deposits in the London market ("LIBOR") as published in the Wall Street Journal. The most recent Index figure available as of the date 15 days before each Interest Rate Change Date is called the "Current Index." If the Index is no longer available, the Note Holder will choose a new index that is based on comparable information. The Note Holder will give me notice of this choice. Note Holder will calculate interest by applying a daily interest rate (determined by dividing the yearly rate by 360) to the actual outstanding balance for each day (calculating each day's outstanding balance by taking the beginning balance for that day and adding any advances made that day and subtracting any payments received or credits for that day) in the billing period, and by adjusting each billing period to equal 30 days as follows: (i) for billing periods of 31 days, Note Holder will calculate interest only for the first 30 days and will ignore the 31st day, and (ii) for a billing period of 28 or 29 days, Note Holder will calculate interest for the first 28 or 29 days in the normal manner, and will calculate interest for the remaining one or two days of the balance for such remaining one or two days of the billing period. Note Holder will calculate the interest due for each month and will mail to me a statement of the amount of interest due. I can determine the amount of interest due at any time by calling the number given to me for such inquiries by the Note Holder or Note Holder may permit me to access an Internet site designated by the Note Holder for such information. I will make payments each month in the amount of the interest accrued for the prior month on or before the first (1st) day of each month. Interest will accrue on a daily basis until payment is received, and all accrued but unpaid interest for the Construction Period shall be due and payable on the Permanent Loan Commencement Date. I agree that to the extent the Loan Budget Worksheet/Line Item Cost Breakdown, as defined in the Residential Construction Loan Agreement, includes undisbursed funds allocated to interest reserve, Note Holder is authorized, in its discretion, to establish a interest reserve from the proceeds of the loan evidenced by the Note, or from the Borrower's Funds Account (as defined in the Residential Construction Loan Agreement), the amount of which interest reserve shall be established by Note Holder in its sole and absolute discretion, and Note Holder shall use such interest reserve to pay interest on the Note as it becomes due.

IndyMac Bank

Residential Construction Loan Addendum Amending Note - 1 Month LIBOR - Multistate

8480935 (0512)

Page 1 of 3  
VVP Mortgage Solutions

HCL 1024  
12/05

*mc*  
*dc*

Fax 7142476122

Feb 25 2008 04:17pm P009/063

I may, in my sole option, pay accrued interest each month by check made payable directly to Note Holder, but in the event such payment is not received from me by the scheduled payment date, I will be deemed not to have exercised such option for such interest payment, and Note Holder shall pay such interest payment from the interest reserve. Amounts advanced by Note Holder from the interest reserve shall accrue interest at the rates from time to time in effect hereunder.

#### (B) Option to Choose Alternative Permanent Product

I have a one-time option to choose an alternative permanent loan product at any time during the 30-day period immediately preceding the Permanent Loan Commencement Date if Completion (as defined in the Residential Construction Loan Agreement) has occurred before that date in accordance with the Residential Construction Loan Agreement and if there is no default under the Note, this Addendum or the Residential Construction Loan Agreement. If I choose to exercise this option, I may select another permanent phase loan product offered at the time I choose to exercise the option at the rates and under the terms and conditions that product is then being offered. If I exercise this option, I will sign a loan modification agreement and, if requested by Note Holder, a new Note reflecting the terms and conditions of the product that I have chosen. I understand that the terms and conditions, including interest rates of products that are offered change from time to time, and the terms and conditions, including interest rates of products that are offered at the time my option is effective may not be as attractive to me as the terms and conditions, including interest rates of products that are available at the time I sign this Addendum. If I want to exercise this option, I will notify the Note Holder in writing prior to the end of my option period, and if I do not so notify the Note Holder or if I fail for any reason to execute the required modification documents prior to the end of my option period, then the original terms and conditions of the Note will be the terms and conditions of the permanent phase of my loan beginning on the Permanent Loan Commencement Date.

### 3. ADVANCES

In the event Completion has not occurred for any reason prior to the required Completion Date specified in the Residential Construction Loan Agreement, I will be in default under the Note and this Addendum, and the Note Holder may choose any of the remedies available to it under applicable law. In such event, however, Note Holder shall have the option, in its sole and absolute discretion, to permit the loan to convert to a permanent loan as follows: (i) Note Holder shall make any remaining advances of construction funds under the Residential Construction Loan Agreement into an escrow or pledge account established for such purpose, (ii) funds may be transferred from such escrow or pledge account to the Direct Cost Disbursement Account upon Note Holder's approval and in accordance with Note Holder's instructions and upon satisfaction of any conditions for such disbursement in accordance with the Residential Construction Loan Agreement, (iii) the terms and conditions of the Residential Construction Loan Agreement shall continue until Completion has occurred, (iv) I will make payments of principal and interest on the entire amount advanced (not just on the amount disbursed) beginning on the scheduled Permanent Loan Commencement Date as if Completion had occurred as scheduled. Note Holder may require me to sign any documents it deems necessary or appropriate to effect such an arrangement, including documents granting Note Holder a security interest in the funds advanced, as a condition to agreeing to permit the conversion of my loan to a permanent loan.

### 4. LATE CHARGES

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 3.000 % of my overdue payment. I will pay this late charge promptly but only once on each late payment.

### 5. EVENTS OF DEFAULT AND ACCELERATION OF THE DEBT

Note Holder may declare the entire unpaid principal balance and accrued interest due and payable under the terms of the Note, as amended by this Addendum if any payment of interest is not made when due during the Construction Period or if default should occur under any covenant, condition or agreement contained in the Loan Documents. The definition of Loan Documents includes the Note, as amended by this Addendum, Security Instrument securing the Note as amended and the Residential Construction Loan Agreement. Even if, at a time I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Addendum to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

### 6. CONFLICTS

If any term or provision of this Addendum shall be in conflict with any term or provision of the Note, the term or provision of this Addendum shall control. This Addendum shall be interpreted under the laws of Massachusetts. Any provisions of this Addendum adjudged to be invalid shall be deemed amended from it, with the remainder of the provisions to be in full force and effect. Any remedies or rights of Note Holder expressed in this Addendum are cumulative of, and not exclusive of any other remedies and rights. Except as amended or supplemented hereby, the terms and provisions of the above referenced Note shall remain unchanged and in full force and effect.

mc  
AC

Fax 7142476122

Feb 25 2008 04:17pm P010/063

**7. TERMINATION**

After the advance of all funds as necessary to complete the improvements, completion of the improvements, and the satisfaction of all conditions as described in the Residential Construction Loan Agreement, this Addendum will be null and void and no longer in effect, and any funds remaining in any construction account will be refunded to the Borrower or credited to the principal balance.

**8. NOTICE OF NO ORAL AGREEMENT**

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.

**9. OBLIGATIONS OF PERSONS UNDER THIS ADDENDUM**

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

**10. WAIVERS**

I and any other person who has obligations under the 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.


**11. 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 that 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 Addendum or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

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

EXECUTED this 25 day of Aug 2006

  
Borrower Date  
MICHAEL CHURCH

  
Borrower Date  
ALLISON CHURCH

Borrower Date

Borrower Date

Borrower Date

Borrower Date

Borrower Date

Borrower Date

[Sign Original Only]