

DO NOT DESTROY THIS ORIGINAL NOTE: When paid, said original note, together with the Deed of Trust securing same, must be surrendered to the Trustee for cancellation and retention before reconveyance will be made.

**NOTE SECURED BY DEED OF TRUST
(BALLOON PAYMENT)**

\$ _____, California

Date: _____

ON OR BEFORE _____ and after date received, I/we promise to pay to _____

_____ or order, at place designated by the holder hereof, the sum of \$ _____

DOLLARS, with interest thereon from _____ at the rate of _____ percent (_____%) per annum, interest payable _____

LATE FEE: If any installment due hereunder is delinquent more than _____ days, the payor(s) shall pay a late charge equal to \$5.00 or 6% of the installment due, whichever is greater.

THE FOLLOWING PARAGRAPH IS ONLY APPLICABLE ON ONE TO FOUR RESIDENTIAL UNITS:

BALLOON PAYMENT NOTICE: This note is subject to Section 2966 of the California Civil Code, which provides that the holder of this note shall give written notice to the payor(s) or his/her/their successor(s) in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due.

Each payment shall be credited first to interest then due, and the remainder applied to principal; and interest shall thereupon cease upon the principal so credited. Should interest not be so paid, it shall thereafter bear like interest as the principal; but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law. Should default be made in payment of any installment of principal or interest when due, the whole sum of principal and accrued interest shall become immediately due, without notice, at the option of the holder of this note. Principal and interest are payable in lawful money of the United States. If any action be instituted on this note, the undersigned promise(s) to pay such sum as the Court may fix as attorney's fees. This note is secured by a deed of trust to United Title Company, a California corporation, as Trustee.

