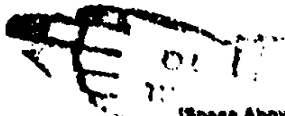


UNOFFICIAL COPY

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RETURN RECORDED DOCUMENT TO:  
LOAN AMERICA FINANCIAL CORP.  
8100 OAK LANE  
MIAMI LAKES, FL 33016  
LOAN NO: 50-501865-0



[Space Above This Line For Recording Date]

MS/MS/MS

# MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **FEBRUARY 27TH** 19 **91**. The mortgagor is **TERRENCE A. GILHOOLY AND MAUREEN E. GILHOOLY, HIS WIFE**

(**"Borrower"**). The Security Instrument is given to **LOAN AMERICA FINANCIAL CORPORATION**, which is organized and existing under the laws of the state of **FLORIDA**, and whose address is **8100 OAK LANE, MIAMI LAKES, FL 33016** (**"Lender"**). Borrower owes Lender the principal sum of **ONE HUNDRED THIRTY THOUSAND AND NO/100**

Dollars (U.S. \$ **130,000.00**). 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 debt, if not paid earlier, due and payable on **APRIL 1ST, 1998**. 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:

ATTACHED HERETO AND MADE A PART HEREOF.

PIN #10-32-124-002  
#10-32-124-003

91105159

1729

which has the address of **6848 N. MOSELLE** (**Street**) **CHICAGO** (**City**)  
Illinois **60646** (**"Property Address"**);  
[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 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 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.

# UNOFFICIAL COPY

requesting payment.

the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower. Security instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Lender may take action under this paragraph 7, Lender does not have to do so.

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 attorney's 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.

8. Preservation and Maintenance of Property; Leasehold. 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.

9. 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 18 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.

10. 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 requests, Borrower 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.

11. 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 amount 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.

12. 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 requests, Borrower 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.

13. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

14. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

15. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

16. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

17. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

18. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

19. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

20. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

21. 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; (b) secures from the holder of the lien an agreement subordinating the lien to this Security Instrument; (c) Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument; Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of (a) or more of the actions set forth above within 10 days of the giving of notice.

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LEGAL DESCRIPTION RIDER

9 1 1 0 5 1 5 9

Parcel 1:

That part of the South Easterly  $\frac{1}{4}$  of Lot 22 in the Assessor's Division of Victoria Pothier's Reservation in Township 41 North, Range 13, East of the Third Principal Meridian described as follows: Commencing at a point in a line that is 531 feet North Westerly of the Southerly line of Victoria Pothier's Reservation (measured at right angles to said line) and 386 feet North Easterly of the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation (measured at right angles to said line) thence running in a North Easterly direction in a line 531 feet North Westerly of and parallel to the Southerly line of said reservation a distance of 72 feet for a place of beginning; thence in a North Westerly direction in a line parallel to the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation, a distance of 125 feet; thence in a North Easterly direction in a line parallel to the Southerly line of said reservation, a distance of 65 feet; thence in a South Easterly direction in a line parallel to the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation a distance of 125 feet; thence in a South Westerly direction in a line parallel to the Southerly line of said reservation a distance of 65 feet to the place of beginning;

Parcel 2:

That part of the South Easterly  $\frac{1}{4}$  of Lot 22 in the Assessor's Division of Victoria Pothier's Reservation in Township 41 North, Range 13, East of the Third Principal Meridian described as follows: Commencing at a point in a line that is 531 feet North Westerly of the Southerly line of Victoria Pothier's Reservation (measured at right angles to said line) and 386 feet North Easterly of the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation (measured at right angles of said line) thence running in a North Easterly direction in a line 531 feet North Westerly of and parallel to the Southerly line of said reservation, a distance of 137 feet for a place of beginning; thence in a North Westerly direction in a line parallel to the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation, a distance of 125 feet; thence in a North Easterly direction in a line parallel to the Southerly line of said reservation, a distance of 57 feet; thence in a South Easterly direction in a line parallel to the Westerly line of the Easterly  $\frac{1}{4}$  of said reservation, a distance of 125 feet; thence in a South Westerly direction in a line parallel to the Southerly line of said reservation, a distance of 57 feet to the place of beginning all in Cook County, Illinois.

PROPERTY COMMONLY KNOWN AS:

6848 N. MOSELLE  
CHICAGO, IL 60646

PIN# 10-32-124-002  
10-32-124-003

9105159

If Lender required mortgage 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.

(c) 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 or 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 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 include 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 limits; 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 the 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. 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 this 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 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 attorney's 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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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 this 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.

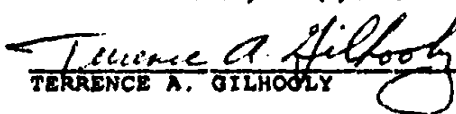
**21. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.


**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) BALLOON RIDER

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.

  
TERRENCE A. GILHOOLY      Seal  
Borrower

  
MAUREEN E. GILHOOLY      Seal  
Borrower

[Space Below This Line For Acknowledgment]

# UNOFFICIAL COPY

BALLOON RIDER  
(CONDITIONAL RIGHT TO REFINANCE)

THIS BALLOON RIDER is made this 27TH day of FEBRUARY, 19 91, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note to LOAN AMERICA FINANCIAL CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

6848 N. MOSELLE, CHICAGO, IL 60646  
[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, the Security Instrument and this Rider by transfer and who is entitled to receive payments 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 RIGHT TO REFINANCE

At the maturity date of the Note and Security Instrument (the "Maturity Date"), I will be able to obtain a new loan ("New Loan") with a new Maturity Date of APRIL 1ST, 2021, and with an interest rate equal to the "New Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Refinancing Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance or modify the Note, or to extend the 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 Refinancing Option at maturity, certain conditions must be met as of the 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 Maturity Date; (3) no lien against the Property (except for taxes and special assessments not yet due and payable) other than that of the Security Instrument may exist; (4) the New 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 NEW NOTE RATE

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

## 4. CALCULATING THE NEW PAYMENT AMOUNT

Provided the New 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 Maturity Date (assuming my monthly payments then are current, as required under Section 2 above), over the term of the New Note at the New Note Rate in equal monthly payments. The result of this calculation will be the amount of my new principal and interest payment every month until the New Note is fully paid.

## 5. EXERCISING THE CONDITIONAL REFINANCING OPTION

The Note Holder will notify me at least 60 calendar days in advance of the Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Refinancing 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 Refinancing Option. If I meet the conditions in Section 2 above, I may exercise the Conditional Refinancing Option by notifying the Note Holder no later than 45 calendar days prior to the Maturity Date. The Note Holder will calculate the fixed New Note Rate based upon the Federal National Mortgage Association'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 Maturity Date the Note Holder will advise me of the new interest rate (the New 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 refinancing. I understand the Note Holder will charge me reasonable fees and the costs associated with exercising the refinance option.

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

Terrence A. Gilhooly (Seal) Maureen E. Gilhooly (Seal)  
TERRENCE A. GILHOOLY Borrower MAUREEN E. GILHOOLY Borrower

(Sign Original Only)