

NEW YORK BALLOON NOTE ADDENDUM
(CONDITIONAL RIGHT TO REFINANCE)

This BALLOON NOTE ADDENDUM is made this _____ day of _____, _____ and incorporated into and shall be deemed to amend and supplement the Balloon Note made by the undersigned (the "Borrower") in favor of _____, (the "Lender") and dated as of even date here with (the "Note").

I (the Borrower) understand the Lender may transfer the Note, and the related Mortgage or Loan Security Agreement (the "Security Instrument") and this Addendum. The Lender or anyone who takes the Note, Security Instrument and this Addendum by transfer and who is entitled to receive payments under the Note is called the "Note Holder".

I understand that the following notice is being given to me under state law:

THE TERM OF THE LOAN IS _____ YEARS. AS A RESULT, YOU WILL BE REQUIRED TO REPAY THE ENTIRE PRINCIPAL BALANCE AND ANY ACCRUED INTEREST THEN OWING _____ YEARS FROM THE DATE ON WHICH THE LOAN IS MADE.

EXCEPT AS DESCRIBED IN THE NOTE, THE LENDER HAS NO OBLIGATION TO REFINANCE THIS LOAN AT THE END OF ITS TERM. THEREFORE, YOU MAY BE REQUIRED TO REPAY THE LOAN OUT OF ASSETS YOU OWN OR YOU MAY HAVE TO FIND ANOTHER LENDER WILLING TO REFINANCE THE LOAN.

ASSUMING THIS LENDER OR ANOTHER LENDER REFINANCES THIS LOAN AT MATURITY, YOU WILL PROBABLY BE CHARGED INTEREST AT MARKET RATES PREVAILING AT THAT TIME AND SUCH RATES MAY BE HIGHER THAN THE INTEREST RATE PAID ON THIS LOAN. YOU MAY ALSO HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW MORTGAGE LOAN.

BY SIGNING BELOW, Borrower agrees that this Balloon Note Addendum amends and supplements the Balloon Note.

_____ (Seal) _____ (Seal)

_____ (Seal) _____ (Seal)

[Sign Original Only]