Renegotiable Rate Mortgage Rider

This Renegotiable Rate Mortgage Rider (Rider) is made this 2nd day of December, 19 80, and is incorporated into and shall be deemed to amend and supplement a Mortgage, Deed of Trust or Deed to Secure Debt (security instrument) dated an even-date herewith, given by the undersigned (Borrower) to secure Borrower's Note to UNITED FEDERAL SAVINGS AND LOAN ASSOCIATION (Lender) and covering the property described in said security instrument and located at Lot 18, Enoree Circle, Enoree Hills Subdivision.

In addition to the covenants and agreements made in said security instrument, Borrower and Lender further covenant and agree as follows:

Any provisions of said security instrument or other instruments executed in connection with said indebtedness which are inconsistent with the provisions of this Rider, including but not limited to, the interest rate, monthly payment, notice to Borrower and prepayment, are hereby amended or negated to the extent necessary to conform such instruments to the provisions of this Rider.

This Rider provides, in part, for an Initial Loan Term and Renewal Loan Terms which will be automatically renewed at equal renewal intervals until the maturity day of said security instrument. The Initial Loan Term is that period of time from and including April 1, 19 81, to and including the day three calendar years hence. The Initial Loan Term may have an Extended Period for up to six (6) months longer at the option of the Lender. The Initial Loan Term, as defined above, shall be increased by the length of any such extension. Renewal Loan Terms are those periods of time beginning on the first day next following the end of the immediately preceding loan term and ending three calendar years later.

The final Renewal Loan Term, which may be shorter than preceding loan terms, shall be that period of time beginning on the first day next following the end of the immediately preceding loan term and ending on the maturity day of said security instrument.

The loan must be repaid in equal monthly installments of principal and interest during the Initial Loan Term and each Renewal Loan Term in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining term of said security instrument.

At least ninety (90) days before the end of the Initial Loan Term and all Renewal Loan Terms, except for the final Renewal Loan Term, the Lender must send the Borrower a Renewal Notice which states, among other things, the Renewal Interest Rate for the next Renewal Loan Term, the monthly payment based on that rate, and the beginning date the new payment is due.

The Renewal Interest Rate for a Renewal Loan Term may increase or decrease based on changes in an Index Rate — the monthly national average mortgage rate index for all major Lenders. Said Index reflects the contract interest rate on the purchase of previously occupied homes as computed by the Federal Home Loan Bank Board and published monthly in the *Federal Home Loan Bank Board Journal* as Table S.5.1. However, any Index Rate being used must reflect the most recent Index made available by the Federal Home Loan Bank Board whether or not said Index has been officially published in the *Federal Home Loan Bank Board Journal.*

To calculate the Renewal Interest Rate for a Renewal Loan Term, a difference must be found between the Renewal Index Rate as determined at the time the Renewal Notice is sent to the Borrower and the Original Index Rate applicable at the beginning of the Initial Loan Term. The difference found must be added to (if an increase) or be subtracted from (if a decrease) the original interest rate in effect at the beginning of the Initial Loan Term. The result of the calculation above shall be the Renewal Interest Rate for the next Renewal Loan Term provided that the difference between said calculation and the interest rate for the current loan term does not exceed the maximum interest rate limitations stated below. Should that difference exceed said maximum interest rate limitations, then the Renewal Interest Rate shall be the interest rate for the current loan term plus (if an increase) or minus (if a decrease) the maximum increase or decrease permitted below.

No matter how much said Index Rate increases or decreases, the maximum interest rate increase or decrease is one half of one percent (½ %) per year multiplied by the number of years in the Renewal Loan Term. At no time during the term of said security instrument may the maximum interest rate increase or decrease exceed a total of five percent (5 %) over or under the original interest rate of the Initial Loan Term.

Interest rate decreases from the previous loan term are mandatory. Interest rate increases from the previous loan term are at the option of the Lender.

Borrower shall not be charged any costs or fees in connection with any renewal of this loan.

Borrower has the right to prepay the unpaid principal balance of this loan in full or in part without penalty at any time after the beginning of the minimum notice period for renewal of the Initial Loan Term.

IN WITNESS WHEREOF, Borrower has executed this Renegotiable Rate Mortgage Rider.

Borrower _____ Borrower Luis F. Moreno

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