

RENEGOTIABLE RATE MORTGAGE AND NOTE RIDER

THIS RENEGOTIABLE RATE MORTGAGE AND NOTE RIDER is made this _____, day of _____, 19 _____, and is incorporated into and shall be deemed to amend and supplement the Mortgage and Note of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's indebtedness to FIDELITY FEDERAL SAVINGS AND LOAN ASSOCIATION, GREENVILLE, SOUTH CAROLINA (herein "Lender") and covering the Property described in the Mortgage and located at 107 Robinwood Drive, Simpsonville, South Carolina 29681.

Property Address

In addition to the covenants and agreements made in the Mortgage and the Note, Borrower and Lender further covenant and agree as follows:

(A) DEFINITIONS. The following definitions shall apply to both the Mortgage and the Note of even date herewith:

(1) INITIAL LOAN TERM. That period of time from and including the date of the execution of the Mortgage and Note to and including the day 3 calendar years from the date of the execution of the Mortgage and Note.

(2) EXTENDED PERIOD OF INITIAL LOAN TERM. That period of time no longer than six (6) calendar months which, for bookkeeping purposes, precedes the day on which the Original Index Rate is determined thereby making such Initial Loan Term mature with other such loans on the same day 3 calendar years from the end of the Extended Period. If an Initial Loan Term has an Extended Period pursuant to this definition, then Initial Loan Term means that period of time from and including the date of the execution of the Mortgage and Note to and including the day 3 calendar years from the date of the execution of the Mortgage and Note, plus the length of any Extended Period.

(3) RENEWAL INTERVAL. That period of time equal to the length of the Initial Loan Term less any Extended Period of such Initial Loan Term.

(4) RENEWAL LOAN TERM. That period of time beginning on the first day next following the end of the Initial Loan Term and ending 3 calendar years later. For purposes of renewals subsequent to the first renewal of this loan, Renewal Loan Term means that period of time beginning on the first day next following the end of the immediately preceding loan term and ending 3 calendar years later. If this loan has an Extended Period of the Initial Loan Term, then as to the final loan term, Renewal Loan Term means that period of time beginning on the first day next following the end of the immediate preceding loan term and ending on the maturing date of the Mortgage and the Note.

(5) RENEGOTIABLE. For purposes of the Mortgage and Note, the term "Renegotiable" in the titles "Renegotiable Rate Mortgage" and "Renegotiable Rate Note" means that the interest rate is subject to adjustment pursuant to the Federal Regulations (Section 545.6-4a, Title 12, Code of Federal Regulations). The Note Holder is not required to bargain with the Borrower as to the interest rate for any Renewal Loan Term.

(6) NOTICE PERIOD FOR RENEWAL. That period of time at least ninety (90) days before the last day of the Initial Loan Term or Renewal Loan Term, except for the final Renewal Loan Term.

(7) RENEWAL NOTICE. Written notice, according to the form prescribed by Federal Regulation [12 C.F.R. §545.6-4a (e) (1980)] to be sent by the Note Holder to the Borrower(s) at least ninety (90) days before the last day of the Initial Loan Term or Renewal Loan Terms, except for the final Renewal Loan Term.

(8) INDEX. The Monthly National Average Mortgage Rate Index For All Major Lenders. This Index reflects the contract interest rate on the purchase of previously occupied homes as computed by the Federal Home Loan Board and published monthly in the *Federal Home Loan Bank Board Journal* (Table S. 5. 1.).

(9) ORIGINAL INDEX RATE. The Index rate as determined on the first day of the Initial Loan Term. If the Initial Loan Term has an Extended Period, the Original Index Rate means the Index Rate as determined on the first day next following the end of the Extended Period. In any case, the Original Index Rate must be the Index rate as reflected in the most recent Index made available by the Federal Home Loan Bank Board whether or not the most recent Index has been officially published in the *Federal Home Loan Bank Board Journal*.

(10) ORIGINAL INTEREST RATE. The interest rate in effect during the Initial Loan Term.

(11) RENEWAL INDEX RATE. The Index rate as determined at the time the Renewal Notice is sent to the Borrower(s) for the next Renewal Loan Term. The Renewal Index Rate must be the Index rate as reflected in the most recent Index made available by the Federal Home Loan Bank Board whether or not the most recent Index has been officially published in the *Federal Home Loan Bank Board Journal*.

(B) GENERAL COVENANTS AND CONDITIONS. The following covenants and conditions shall apply to both the Mortgage and the Note, where applicable:

(1) The Note provides, in part, for an Initial Loan Term and Renewal Loan Terms which will be automatically renewed at equal Renewal Intervals until the maturity date of this Mortgage. Each Renewal Loan Term is the same length as the Initial Loan Term less any Extended Period. If the Initial Loan Term has an Extended Period, then the final Renewal Loan Term is reduced by the length of the Extended Period.

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David P. Bent et al.