**RENOVATION LOAN RIDER TO SECURITY INSTRUMENT**

(To Be Recorded With The Security Instrument)

LENDER: __________________________________________

BORROWER: _______________________________________

PROPERTY: _________________________________________

THIS RENOVATION LOAN RIDER TO SECURITY INSTRUMENT (the “Rider”) shall be deemed to amend and supplement the Mortgage or Deed of Trust, and any and all riders or amendments thereto (the “Security Instrument”) of the same date, to which this Rider is attached, given by the undersigned (the “Borrower”) to secure Borrower’s Promissory Note to Lender of the same date (the “Note”) and covering the property (the “Property”) described in this Security Instrument. All terms defined in the Note and elsewhere in this Security Instrument shall have the same meaning in this Rider.

**AMENDED AND ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in this Security Instrument, Borrower and Lender further covenant and agree as follows:

1. **Renovation Loan Agreement.** Borrower’s Note evidences Borrower’s promise to pay Lender the aggregate amount of all disbursements made and distributed by Lender under the terms and conditions of a Renovation Loan Agreement between Lender and Borrower dated the same date as the Note (the “Loan Agreement”). The Loan Agreement provides for certain improvements (the “Improvements”) on the Property. Borrower agrees to comply with the covenants and conditions of the Loan Agreement. This Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Note, including the aggregate amount of all advances made by Lender from time to time under the terms of the Loan Agreement, (b) the performance of all of Borrower’s covenants and agreements under the Note, this Security Instrument, and the Loan Agreement (the “Loan Documents”), and (c) the payment of all other sums, with interest at the rate set forth in the Note, advanced by Lender to protect the security of this Security Instrument, or to perform any of Borrower’s obligations under the Loan Documents. Upon the failure of Borrower to keep and perform all the covenants, conditions and agreements of the Loan Agreement, the Principal and all interest and other charges provided for in the Loan Documents and secured hereby shall, at the option of the Lender, become immediately due and payable in full.

2. **Assignment of Rights or Claims.** From time to time as Lender deems necessary to protect Lender’s interest, Borrower shall, upon request of Lender, execute, acknowledge before a notary, and deliver to Lender, assignments of any and all rights or claims which relate to the Improvements on the Property.

3. **Breach by Borrower.** In case of breach by Borrower of the covenants and conditions of the Loan Agreement, subject to any right of Borrower to cure Borrower’s default, Lender, at Lender’s option, with or without entry upon the Property (a) may invoke any of the rights or remedies provided in the Loan Agreement, (b) may accelerate the sums secured by this Security Instrument and invoke
any of the remedies provided in this Security Instrument, or (c) may do both. Lender’s failure to
exercise any of its rights and remedies at any one time shall not constitute a waiver by Lender of its
right to exercise that right or remedy, or any other right or remedy, in the future.

4. **Security Agreement and Financing Statement.** The property covered by this Security Instrument
includes the Property previously described or referred to in this Security Instrument, together with
the following, all of which are referred to as the “Property.” The portion of the Property that
constitutes real property is sometimes referred to as the “Real Property.” The portion of the
Property which constitutes personal property is sometimes referred to as the “Personal Property,”
and is described as follows: (i) Borrower’s right to possession of the Property; (ii) any and all
fixtures, machinery, equipment, building materials, appliances, and goods of every nature
whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the
Property or the Improvements, and all replacements of and accessions to those goods; and (iii)
proceeds and products of the Personal Property. Despite any other provision of this Rider or any
other Loan Document, however, Lender is not granted, and will not have, a non-purchase money
security interest in household goods, to the extent that such a security interest would be prohibited
by applicable law.

This Security Instrument is and shall be a security agreement granting Lender a first and prior
security interest in all of Borrower’s right, title and interest in and to the Personal Property, under
and within the meaning of applicable state laws, as well as a document granting a lien upon and
against the Real Property. In the event of any foreclosure sale, whether made by Trustee, or under
judgment of a court, all of the Real Property and Personal Property may, at the option of Lender, be
sold as a whole or in parcels. It shall not be necessary to have present at the place of such sale the
Personal Property or any part thereof. Lender, as well as Trustee on Lender’s behalf, shall have all
the rights, remedies and recourse with respect to the Personal Property afforded to a “Secured
Party” by applicable state laws in addition to and not in limitation of the other rights and remedies
afforded Lender and/or Trustee under this Security Instrument. Borrower shall, upon demand, pay
to Lender the amount of any and all expenses, including the fees and disbursements of Lender’s
legal counsel and of any experts and agents, which Lender may incur in connection with: (i) the
making and/or administration of this Security Instrument; (ii) the custody, preservation, use or
operation of, or the sale of, collection from, or other realization upon any Property, real and/or
personal, described in this Security Instrument; (iii) the exercise or enforcement of any of the rights
of Lender under this Security Instrument; or (iv) the failure by Borrower to perform or observe any
of the provisions or covenants in this Security Instrument.

Borrower also authorizes Lender to sign and file, without Borrower’s signature, such financing and
continuation statements, amendments, and supplements thereto, and other documents that Lender
may from time to time deem necessary to perfect, preserve and protect Lender’s security interest in
the Property. Borrower acknowledges that Lender may require Borrower to sign other documents
necessary to protect Lender’s interest in the Property. Borrower gives Lender permission and grants
it authority to sign such documents for Borrower.

5. **Invalid Provisions.** If any provision of this Security Instrument is declared invalid, illegal, or
unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable
provision shall be severed from this Security Instrument and the remainder enforced as if such
invalid, illegal or unenforceable provision is not a part of this Security Instrument.

6. **Addresses.**

The name and address of the Borrower is: 

________________________________________
The name and address of the Lender/Secured Party is: ________________________________

7. **Relation to Loan Agreement.** This Security Instrument is subject to all of the applicable terms and conditions contained in the Loan Agreement. The Loan Agreement is to be filed in the County Clerk’s Office in the County where the Property is located at the same time this Security Instrument is recorded. If Borrower fails to keep any of the promises Borrower makes in the Loan Agreement, Lender may require that the entire balance of Borrower’s debt to Lender be paid immediately. The terms and conditions of this Rider shall survive the termination of the Loan Agreement and the repayment of the Loan.

8. **Paragraph 6 of the Security Instrument.** Paragraph 6 of the Security Instrument is hereby modified to read as follows:

Borrower shall occupy, establish, and use the Property as Borrower’s principal residence within 60 days after the last disbursement is made and distributed by Lender under the terms and conditions of the Loan Agreement and shall continue to occupy the Property as Borrower’s principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower’s control.

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

DATED this ________ day of ________________________, ____________.

________________________(SEAL)  __________________________(SEAL)
Borrower #1  Borrower #2

________________________
Printed Name

________________________
Witness

________________________(SEAL)
Borrower #3  Borrower #4

________________________
Printed Name

________________________
Witness

STATE OF _____________________ )
COUNTY OF ___________________ ) ss.

On this ________ day of ____________________________, __________, before me the subscriber personally appeared __________________________ (and)
________________________ to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally)
acknowledged to me that (s)he/they executed the same.

________________________________________
Notary Signature

________________________________________
Notary Printed Name

Official Seal:

Notary Public; State of ______________________
Qualified in the County of ____________________
My commission expires: ______________________