

**1 YEAR PREPAYMENT PENALTY
ADDENDUM TO NOTE**

This Addendum is attached to and made part of that Note (the "Note") dated _____ by and between _____ ("Borrower(s)"), and _____ ("Lender" or "Note Holder"). To the extent that this Addendum conflicts with the Note, this Addendum shall control. Unless specifically defined otherwise, all capitalized terms shall have the meanings set forth in the Note.

1. The paragraph of the Note entitled "Borrower's Right to Prepay," is hereby deleted and replaced with the following:

BORROWER'S RIGHT TO PREPAY

(A) Prepayment

I have the right to make payments of principal at any time before they are due. A "prepayment" is a payment of principal before it is due.

(B) Partial or Full Prepayments

I may make partial prepayments or a full prepayment. A "partial prepayment" is any amount paid in a month that is greater than the interest due in such month. A "full prepayment" is a payment of the entire unpaid principal balance.

(C) Prepayment Penalty

If I make a full prepayment during the first year of the loan term, I will pay a prepayment penalty according to the schedule below. If I make a partial prepayment, I will pay a prepayment penalty according to the schedule below if the total of all partial prepayments I have made during the first 12-month period of the loan term exceeds 20% of the original loan amount set forth in the Note (the "20% Threshold"). The partial prepayment penalty will apply only to that portion of the total of all such partial prepayment amounts that exceed the 20% Threshold.

(D) Prepayment Penalty Schedule

The prepayment penalty shall be an amount equal to the following percentage of the prepayment amount I pay on the date of the prepayment:

First Loan Year (1st month through the 12th month)	2%
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(E) Notice

When I make a full or partial prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a prepayment if I have not made all the monthly payments due under this Note.

(F) Effect of a Prepayment

The Note Holder will use my prepayments to reduce my unpaid principal balance after deducting any prepayment penalty assessed, any applicable fees and amounts past due, and any accrued and unpaid interest. If I make a partial prepayment, there will be no change in my monthly payment due date.

2. Other than as expressly set forth in this Addendum, the Note remains in full force and effect, according to its terms.

Date

Date

Date

Date