

for the next Calendar Quarter. All interest rate adjustments will be made to the nearest one-eighth (1/8) of one (1) percentage point.

CHANGES IN MONTHLY INSTALLMENTS: The monthly installments provided for hereinabove will be changed in amount every sixty (60) months in the event that the monthly installments, if unchanged, will not repay in full in substantially equal monthly installments the remaining unpaid principal balance, the Interest Balance and all interest to be earned in the future over the remaining term of the Note. The first monthly installment change, if necessary, will occur on the first day of January, 19 87, and subsequent monthly installment changes will occur on that anniversary date each succeeding fifth (5th) year. (Each date on which the amount of subsequent monthly installments will be subject to change is referred to herein as the "Change Date"). Subject to the limitations on the change in the amount of the monthly installments set out below, the amount of the monthly installments will be adjusted on each Change Date to an amount which will repay in full in substantially equal installments over the remaining term of the Note: (i) the remaining unpaid principal balance (ii) the Interest Balance, and (iii) all interest to be earned in the future over the remainder of the term of the Note at an interest rate equal to the average of the interest rate established for the Calendar Quarter in which the Change Date occurs and the interest rates established pursuant hereto for each of the previous seven Calendar Quarters. In no event shall any change (except on the last Change Date) increase or decrease the amount of the monthly installment in excess of twenty-five percent (25%) of the amount of the monthly installment that last became due and payable immediately prior to the Change Date.

MAXIMUM LIABILITY OF BORROWER FOR INTEREST BALANCE: At the last Change Date, and at Maturity, or at an earlier payoff of this Note, Borrower's maximum liability for the unpaid amount of negative amortization then represented by the Interest Balance will be limited to the total of 20% of the original purchase price of the real estate given as security for this Note (the "Home") plus any appreciation in value in excess of the original purchase price.

The original purchase price of the Home is \$180,000.00 ("Original Purchase Price").

If Borrower at any time during the term of this Note elects to sell the Home and make payment of this Note in full and if the current Interest Balance is less than the total of 20% of the Original Purchase Price of the Home plus any appreciation as determined by using Borrower's then current sales price less the Original Purchase Price, Lender will not have an appraisal of the Home performed and the then-current sales price of the Home will be used to compute the amount of appreciation. Otherwise, the amount of any appreciation above the Original Purchase Price of the Home will be calculated by subtracting the Original Purchase Price from the current appraised value of the Home as determined by a written appraisal performed by an independent appraiser selected by the Lender ("Current Appraised Value"). The Current Appraised Value will be determined at the Lender's expense within the 45 days preceding either the last Change Date or Maturity (or the date of an involuntary sale of the Home through Bankruptcy proceedings; default, acceleration and foreclosure hereunder; or otherwise); or in the event of an earlier payoff, within 15 days following the Lender's receipt of Borrower's written notice requesting the amount necessary to pay this Note in full (along with an executed original of Borrower's Sales Contract in the case of a sale of the Home so that Lender might determine whether an appraisal is required).

If Borrower disagrees with the Current Appraised Value and furnishes Lender with another written appraisal of the Home which has been prepared at Borrower's expense by an independent, Lender-approved appraiser selected by Borrower within 15 days after notification from Lender of the Current Appraised Value, Lender will use the average of these two appraised values in calculating