

security of this Mortgage; (c) the performance of the covenants and agreements of Borrower herein contained; and (d) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph 21 hereof (herein "Future Advances"). Adjustments to the interest rate and to the monthly installments under the Note shall be made as follows:

A. Interest Rate Changes

The Note has an initial interest rate of 12.175 %. The interest rate on the Note may be increased or decreased on the first day of the month beginning on January 1, 19 83, and on that day of the month every twelve months thereafter. The dates on which the interest rate may change are called the "Interest Rate Change Dates."

Change in the interest rate will be based on:

- Plan A Index: Lender's prime lending rate as established monthly no later than the second week of each month. The results are available at each office of the Lender the day following the setting of the rate.
- Plan B Index: The monthly average U.S. Treasury Securities yield adjusted to a constant maturity of one year (rounded up to the nearest one-eighth of one percent), based on daily closing bid prices, published monthly in the Federal Reserve Board Statistical Release G.13 (415), the Federal Reserve Bulletin, and usually announced during the first week of each month.
- Plan C Index: The monthly average yield on the U.S. Treasury Securities adjusted to a constant maturity of five (5) years (rounded up to the nearest one-eighth of one percent) based on daily closing bid prices, published monthly in the Federal Reserve Board Statistical Release G.13 (415), the Federal Reserve Bulletin and are usually available during the first week of each month.

The Lender may substitute a new measure of the cost of money as the Index if at any time the Index being used ceases to be publicly announced by its source. The substituted Index will be used to determine changes in the interest rate beginning with the first interest rate change after the substitution. Any substituted Index will be beyond the control of the Lender and readily verifiable by Borrower.

To set each new interest rate, the Lender will first determine the "Current Index" figure. The Current Index figure is the figure most recently available on each Interest Rate Change Date; provided, however, if the Borrower's monthly payment is also scheduled to change, the Current Index figure used to determine the new interest rate will be the most recently available figure for the Index on the date the notice of the monthly payment adjustment is mailed, as provided in the Note.

The Lender will round up the Current Index figure to the nearest one-eighth of one percent (.125%). The Lender will add 2.625 percentage point(s) (the "Margin") to the Current Index figure. The result of this addition will be the new interest rate.