

I will make my month payments at

or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 616.54 The Note Holder will change my monthly payment as required by Section 4(C) below on the 6th Interest Change Date and on that day every 36th month thereafter. Each of these dates is called a "Payment Change Date." The Note Holder will also change my monthly payment on any Interest Change Date if Section 5(B) below requires me to pay the Full Monthly Amount.

(C) Calculation of Monthly Payment Changes

Before each Payment Change Date, the Note Holder will calculate a new monthly payment sufficient to repay the unpaid principal balance on my loan in full on the maturity date at the Payment Rate in substantially equal payments. The "Payment Rate" is the most recently published index at time of notification of payment change, plus a two and one half percentage point (2.50%) margin, rounded to the nearest one-eighth of one percentage point (0.125%).

I will pay the amount of my new monthly payment until the next Payment Change Date unless Section 5(B) below requires me to pay the Full Monthly Amount.

(D) Payment Cap Provision:

This Note does not contain a payment cap provision.

This Note contains a payment cap provision whereby the new monthly payment cannot exceed the previous monthly payment amount by more than 7.50% of the previous monthly payment. This payment cap applies for changes in year(s) Four only. This payment cap will not apply if the limitation would cause the principal balance of the loan to exceed 125% of the original principal amount. (See Section 5(B)).

(E) Effective Date of Payment Changes:

Until my monthly payment is again changed, I will pay the amount of my new monthly payment each month beginning on the first monthly payment date after the Payment Change Date, or Interest Change Date if I am required to pay the Full Monthly Amount.

5. UNPAID PRINCIPAL BALANCE

(A) Changes in My Unpaid Principal Balance

My monthly payment could be less than the amount of the interest portion of my new Full Monthly Amount after an interest Change Date. If so, the Note Holder will subtract the amount of my monthly payment from the amount of interest I owe and will add the difference to my unpaid principal balance each month. The Note Holder will also charge interest at the rate determined in Section 2 above on the amount of this difference and will add the interest to my unpaid principal balance each month.

My monthly payment could be more than the amount of the Full Monthly Amount. If so, the Note Holder will subtract the difference from the unpaid principal balance of my loan each month until the next Interest Change Date as if I had made a partial prepayment under Section 7 below.

(B) Limit on Unpaid Principal Balance; Required Full Monthly Amount

My unpaid principal balance can never exceed a maximum amount equal to one hundred twenty five percent (125%) of the principal amount I originally borrowed. For that reason, if the continued payment of my regularly scheduled monthly payment after any Interest Change Date would cause my unpaid principal balance to exceed that maximum amount at any time prior to the next Payment Change Date, I will be required to begin paying the Full Monthly Amount, determined as of the Interest Change Date, on the first payment date following the Interest Change Date and I will continue to pay that Full Monthly Amount each month until my monthly payment is changed again pursuant to Section 4(E) above or this Section 5(B).

6. NOTICE OF CHANGES

The Note Holder will mail or deliver to me a notice of any changes in the Full Monthly Amount and my monthly payment before the effective date of any payment change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.

B. CHARGES; LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

4. Charges; Liens. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

