

ADDENDUM TO ARM NOTE AND RIDER

Conversion Feature -

Borrower may, at borrower's option and provided borrower has been current with respect to all payments due on this note for 12 months prior to the months of January, April, July, and October, modify the repayment terms of the indebtedness evidenced hereby. At that time, borrower may convert the adjustable rate loan evidenced by this note into a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of this loan. A fee equal to 1% of the original loan amount plus \$250.00 to be charged at the time of conversion.

(a) Note holders "NOTICE OF PERIODIC ADJUSTMENT" to borrower given prior to any change date, shall contain the following information pertaining to borrower's option to convert:

- i) The approximate fixed interest rate payable by borrower, if borrower converts into a fixed interest rate loan (the actual rate will be .375% over the FNMA/FHLMC 60 day delivery price for the 30 year fixed rate mortgage, in effect on the date the conversion is registered).
- ii) The approximate amount of borrower's new payment at the fixed rate of interest: and
- iii) A date at least 15 days from the date that the notice is given, by which borrower must "lock in" an interest rate by forwarding by registered mail, a lock in sheet to the note holder, and a subsequent date, not later than the applicable change date by which borrower must complete, execute and deliver to the note holder a document in the form required by the note holder evidencing the modification of the note to provide a fixed interest rate.

(b) The fixed rate of interest payable by the borrower will be .375% over the FNMA/FHLMC 60 day mandatory delivery price for a 30 year fixed rate mortgage, in effect at the change date. The new fixed interest rate will become effective on the applicable change date.

Borrower's monthly payment at the new fixed interest rate will begin as of the first monthly payment after the applicable change date. The monthly payment will be the amount that is necessary to repay, in full, the principal borrower will owe (assuming timely payment of all amounts due prior to that date) on that change date in substantially equal payments by the final payment date at the fixed interest rate.

(c) Borrower must register the loan for conversion and must complete, execute and deliver to the note holder by registered mail the document evidencing the modification of the note prior to the applicable date set forth in the note holder's "NOTICE OF PERIODIC ADJUSTMENT". If borrower fails to do so within the specified time frames or if borrower is not then current with respect to all payments due on this note borrower can no longer exercise the option to convert. In this case, the term of this note will continue to be in effect without any change.

DATE: June 8, 1984

Debra Lynn Lawless  
Borrower Debra Lynn Lawless

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Borrower

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