

**4. PAYMENTS****(A) Time and Place of Payments**

I will pay principal and interest by making payments every month. My monthly payments will be applied to interest before principal.

I will make my monthly payments on the first day of each month beginning on February 1, 1985. I will make these payments every month until I have paid all the principal and interest and any other charges described below that I may owe under this Note. If I still owe amounts under this Note on the maturity date, I will pay those amounts in full on that date.

I will make my monthly payments at P.O. Box 250-C, Montgomery, Alabama 36142  
 or at a different place if required by the Note Holder.

**(B) Amount of My Initial Monthly Payments**

Each of my initial monthly payments will be in the amount of U.S. \$ 743.90. The Note Holder will change my monthly payment as required by Section 4(C) below on the 5th Interest Change Date and on every fifth anniversary of that date. Each of these dates is called a "Payment Change Date."

**(C) Calculation of Monthly Payment Changes**

Before each Payment Change Date, the Note Holder will calculate my Scheduled Payment. The "Scheduled Payment" is the 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 sum of the interest rate figures calculated under Section 2(C) above for the Payment Change Date and the four preceding Interest Change Dates, divided by the number 5, rounded to the nearest one-eighth of one percentage point (0.125%).

**(D) Effective Date of Payment Changes**

I will pay the Scheduled Payment each month beginning on the first monthly payment date after the Payment Change Date, until my Scheduled Payment changes again in accordance with this Section 4 or Section 5 below.

**5. BORROWER'S RIGHT TO LIMIT MONTHLY PAYMENT****(A) Calculation of Graduated Limited Payment**

I may choose to limit the amount of my new monthly payment following a Payment Change Date if the monthly payment I have been paying otherwise would increase by more than twenty percent (20%). If I choose to limit the amount of my monthly payment, I must give the Note Holder notice that I am doing so at least 15 days before my first new monthly payment is due. When I do so, on the first monthly payment date after the Payment Change Date I will begin paying a new monthly payment which will be equal to the amount I have been paying each month multiplied by the number 1.20. Thereafter, on each of the first four anniversaries of my new monthly payment effective date, my monthly payment will increase to an amount equal to the amount I have been paying each month for the preceding twelve months multiplied by the number 1.075. These amounts are called the "Graduated Limited Payments."

*Even if I have chosen to limit my monthly payment, Section 5(B), 5(C) or 5(D) may require me to pay a different amount.*

**(B) Reduced Monthly Payment**

A Graduated Limited Payment could be greater than the Scheduled Payment. If so, on the date my paying a Graduated Limited Payment would cause me to pay more than the Scheduled Payment, I will instead then begin paying the Scheduled Payment as my monthly payment until the next Payment Change Date or until I am required to increase my payment under Section 5(C) below.

**(C) Increased Monthly Payment**

If my paying a Graduated Limited Payment or a Scheduled Payment would cause my unpaid principal to exceed the limit stated in Section 6(C) below at any time after an Interest Change Date, I will instead begin paying a new monthly payment until the next Interest Change Date. The new monthly payment will be in an amount which will be sufficient to prevent my unpaid principal balance from exceeding the Section 6(C) limit. Thereafter, I will pay as my monthly payment until the next Payment Change Date the greater of: (i) the Scheduled Payment; or (ii) an amount which will be sufficient to prevent my unpaid principal balance from exceeding the Section 6(C) limit.

**(D) Required Full Payment**

Unless I exercise my option under Section 7 below, I will pay the Full Payment as my monthly payment beginning with the first monthly payment after the final Payment Change Date.

**6. CHANGES IN MY UNPAID PRINCIPAL****(A) Additions to My Unpaid Principal**

My monthly payment could be less than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid principal I owe at the monthly payment date in full on the maturity date in substantially equal payments. If so, each month that the amount of my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid principal. The Note Holder will also add interest on the amount of this difference to my unpaid principal each month. The interest rate on the interest added to principal will be the rate required by Section 2(C) above.

**(B) Reductions in My Unpaid Principal**

My monthly payment could be greater than the amount of a monthly payment which then would be sufficient to repay my unpaid principal balance in full on the maturity date at my current rate of interest in substantially equal payments. 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 9 below.

**(C) Limit on My Unpaid Principal**

My unpaid principal can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of the principal amount I originally borrowed.