

the Original Index, the Note Holder will subtract the difference from the Initial Rate of Interest, then add 3%. The resulting rate in each case shall hereinafter be referred to as the "Adjusted Rate of Interest." Notwithstanding the above provisions, the Adjusted Rate of Interest may not exceed thirteen (13%) per cent per annum. In determining the Adjusted Rate of Interest, the Note Holder may round the resulting percentage to the nearest one-eighth of one percentage point.

The Note Holder will then determine the new amount of my monthly payment, at the Adjusted Rate of Interest, and the new amount of the "Balloon" payment, that would be sufficient to repay the outstanding principal balance in full on the maturity date.

(D) Effective Date of Changes

The Adjusted Rate of Interest will become effective on the Change Date. I will pay the new amount of my monthly payment each month beginning on the first monthly payment date after the Change Date until the amount of my monthly payment is again changed or I have fully repaid the loan.

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice of any change in the amount of my monthly payment before the effective date of such 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 question I may have regarding the notice.

(F) Final Payment

All outstanding principal and accrued interest due under the Note shall be payable in full on April 1, 1998. (15 year Balloon)

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.