

Amount beginning with the first monthly payment due after my election. On the third and on each subsequent anniversary of the date my first monthly payment is due, until the twenty-ninth anniversary date, I may only choose to have my payment adjusted in accordance with Section 5(A) or make the Full Payment Amount. The Note Holder will notify me as provided in Section 6 below, thirty (30) to forty-five (45) days prior to each of the anniversaries of the date my first monthly payment is due and will inform me that I have the options set forth in this Section 5, subject; however, to the limitations imposed by Section 6(I). I must notify the Note Holder of my election prior to the time that the first monthly payment is due after the respective anniversary date. If I do not choose from the options I have under this Section 5(B) prior to my first two anniversary dates, I will make the payments provided for in 5(A). If I do not choose either the payment adjustment provided for in 5(A) or the Full Payment Amount prior to the third and each subsequent anniversary date until the twenty-ninth anniversary date, I will make payments of the Full Payment Amount.

6. CHANGES IN MY UNPAID PRINCIPAL BALANCE

(A) Additions to My Unpaid Principal Balance

Each of my monthly payments could be less than the amount of the interest portion 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, 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 interest portion and will add the difference to my unpaid principal balance. The Note Holder will also add interest on the amount of this difference to my unpaid principal balance each month. The Rate of Interest on the interest added to principal will be the Rate Required by Section 2 above.

(B) Reductions in My Unpaid Principal Balance

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 balance of my loan each month until the next Interest Change Date as if I had made a partial prepayment under Section 8 [of the Note].

(C) Limit on My Unpaid Principal Balance; required Full Payment 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. If my paying the amount of my monthly payment calculated under Section 5 above after any Interest Change Date would cause my unpaid principal balance to exceed that maximum amount at any time, I will instead pay the Full Payment Amount as my monthly payment until the next Payment Change Date.

7. NOTICE OF CHANGES

The Note Holder will mail or deliver to me a notice of any changes in the Full Payment Amount and my monthly payment before the effective date of any 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.

8. CHARGES; LIENS

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