

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 26th day of July, 19 84, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed To Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to CITY FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

Lot 19, Atherton Way, Devenger Pointe Section I  
Property Address

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. IF THE INTEREST RATE INCREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE HIGHER. IF THE INTEREST RATE DECREASES, BORROWER'S MONTHLY PAYMENTS WILL BE LOWER.

Additional Covenants. In addition to the covenant and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES:

The Note provides for an initial interest rate of 9.875%. Section 4 of the Note provides for changes in the interest rate and the monthly payments as follows:

4. Interest Rate and Monthly Payment Changes:

(A) Change Dates

The interest rate I will pay may change on the first day of August, 1985 and on that day of the month every twelve months thereafter. Each date on which my interest could change is called a "Change Date." The interest rate shall not increase more than four (4) percentage points over the initial interest rate during the life of the loan.

(B) The Index

Beginning with the first change Date, my interest rate will be based on an "Index". The Index is the one following the box marked:

The average discount rate on twenty-six week Treasury Bills as announced by the U.S. Treasury Department following its sale of these securities.

The weekly average yield on U. S. Treasury Securities adjusted to a constant maturity of one Years, as made available by the Federal Reserve Board

The most recent Index figure available as of 45 days before such Change Date is called the "Current Index".

If the index is no longer available, the Note Holder will choose a new index which is based on comparable information. The Note Holder will give me notice of its choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will first calculate my new interest rate by adding 250 percentage points (2.50%) to the current index. The Note Holder will then round the result of this addition up the nearest One-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay in full the principal I am expected to owe on the Change Date in substantially equal payments by the maturity date at my new interest rate. The result of this calculation will be the new amount of my monthly payment.

(D) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice before each Change Date. The notice will advise me of: (i) the new interest rate on my loan as of the Change date; (ii) The amount of my monthly payment following the Change Date; (iii) Any additional matters which the Note Holder is required to disclose; and (iv) The title and telephone number of a person who will answer any question I may have regarding the notice.