

round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new rate of interest until the next Interest Change Date.

(D) Interest After Default

The rate of interest required by this Section 2 is the rate I will owe both before and after any default described in Section 10(B) of the Note.

3. CALCULATION OF AMOUNTS OWED EACH MONTH

The Note Holder will calculate my Full Payment Amount annually as set forth in Section 5. The "Full Payment Amount" is the amount of the monthly payment that would be sufficient to repay the amount I originally borrowed, or the unpaid principal balance of my loan as of every other Interest Change Date, in full at the rate of interest I am required to pay by Sections 2(A) and 2(C) above in substantially equal payments on December 1, 2012, which is called the "maturity date." Beginning on the date of this Note, my first Full Payment Amount will be U.S. \$ 745.13 until the first Interest Change Date. Before every other Interest Change Date, the Note Holder will calculate the new Full Payment Amount which I will owe each month beginning on the first monthly payment date after such Interest Change Date.

The Full Payment Amount I owe may be more or less than the amount I am required to pay each month. Section 5 below states the amount of my monthly payment and how it will change. Section 6 describes how my unpaid principal balance will change if the amount of my monthly payment and the Full Payment Amount are different.

4. 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 January 1, 19 82 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. Those amounts could be greater than the amount of my last monthly payment before the maturity date.

I will make my monthly payments at Charter Mortgage Company, Jacksonville, Florida or at a different place if required by the Note Holder.

5. GRADUATED MONTHLY PAYMENTS.

(A) Regular Increase. My first twelve (12) monthly payments will be in the amount of U.S. \$ 565.96. On each anniversary of the date my first monthly payment is due, I will begin paying a new monthly payment which will be equal to the amount I have been paying multiplied by the number 1.075, unless I exercise the "Monthly Payment Freeze Option" or "Full Payment Option" as described in Section 5(B). I will pay the new amount of my monthly payment until it changes in accordance with this Section 5 or Section 6 or 7 below.

(B) Monthly Payment Freeze Option. Instead of having my monthly payments increase during the second and third years that my loan is outstanding, I may elect to have my monthly payment frozen for the second and/or third years that the loan is outstanding at the monthly payment amount due during each respective preceding year. Alternatively, I may elect to have the Note Holder recalculate my Full Payment Amount as set forth in Section 3, and I will then make payments of the Full Payment