

THIS ADJUSTABLE RATE RIDER is made this 10th day of May, 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 THE BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

RAKESTRAW AND JOHNSON ROAD

CARSON, WASHINGTON 98610

(Property Address)

The Note contains provisions allowing for changes in the interest rate every year. If the interest rate increases, the Borrower's monthly payments will be higher. If the interest rate decreases, the Borrower's monthly payments will be lower. The Borrower's monthly payment increases will be limited to 7½% each year. When monthly payment increases are limited, increases in the Borrower's interest rate are also limited as provided in the Note.

ADDITIONAL COVENANTS. In addition to the covenants 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 10.875%. 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 rate of interest I will pay may change on the first day of MAY, 19 85, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each 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 upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, to calculate my new interest rate, the Note Holder will add TWO AND 000/1000 percentage points (2.000%) to the Current Index. The sum will be my new interest rate, subject to any adjustment in Section 4(E) below, until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Change Date in full on the maturity date at my new interest rate in substantially equal payments subject to the payment limitation in Section 4(D) below.

(D) Limit on Payment Amount

My new monthly payment following a Change Date will be limited to the amount I have been paying multiplied by the number 1.075. This amount is called the "Limited Payment Amount." If at any Change Date the new payment as calculated in Section 4(C) exceeds the Limited Payment Amount, my new monthly payment shall increase to the Limited Payment Amount, until the next Change Date.

(E) Adjustment to Interest Rate

If at any Change Date my new monthly payment is the Limited Payment Amount as calculated in Section 4(D), the interest rate as calculated in Section 4(C) shall be adjusted until the next Change Date so that the Limited Payment Amount at such rate will be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Change Date in full on the maturity date. The Note Holder will then round the adjusted rate to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be the new rate of interest I am required to pay.

(F) Effective Date of Changes

My new rate of interest 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.

(G) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in the amount of 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.

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 of 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.

C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

D. UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY

Uniform Covenant 15 of the Security Instrument is amended to read as follows:

15. Uniform Security Instrument; Governing Law; Severability. This form of Security Instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

E. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or an interest therein is sold or transferred (or a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. However, this option shall not be exercised by Lender if exercise is not authorized by Federal law.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

F. COVENANT DELETED

Non-Uniform Covenant 21 of the Security Instrument ("Future Advances") is deleted.

G. LOAN CHARGES

If the loan secured by the Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

H. LEGISLATION

If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, the Security Instrument or this Adjustable Rate Rider (other than this paragraph H) unenforceable according to their terms, or all or any part of the sums secured hereby uncollectable, as otherwise provided in the Security Instrument and this Adjustable Rate Rider, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Security Instrument to be immediately due and payable.

IN WITNESS WHEREOF, Borrower has executed this Adjustable Rate Rider.

William Henry Cash, Jr. (Seal)
WILLIAM HENRY CASH, JR. Borrower

JUNE E. CASH (Seal)
JUNE E. CASH Borrower

STATE OF WASHINGTON

County of Klickitat

ss.

On this 10th day of May, A. D. 19 84, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

WILLIAM HENRY CASH, JR. and JUNE E. CASH

to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Betty Low Hummel

Notary Public in and for the State of Washington
residing at White Salmon, therein.