

CONSTRUCTION/PERMANENT  
ADJUSTABLE RATE RIDER  
(Interest Rate Limits)

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THIS ADJUSTABLE RATE RIDER is made this 10th day of November, 1984, 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 Ronald C. and Janet T. McDaniel (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

Route 3, Blue Lake Road, Greenville, SC 29611

(Property Address)

The Note contains provisions allowing for changes in the interest rate on a monthly basis during construction every three years thereafter subject to the limits stated in the Note. If the interest rate increases, the monthly payments will be higher. If the interest rate decreases, my monthly payments will be lower.

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

The loan will consist of a construction phase and a permanent phase which are defined as follows.

(A) Construction Phase

The construction phase is the period of time during which my home is to be built. It begins on the date I sign this note and ends on the last day of November, 1985, unless my home is completed earlier and the Note Holder has disbursed the entire principal of my loan.

(B) Permanent Phase

The permanent phase begins on the "Conversion Date". The Conversion Date will be 1 December, 1985 unless construction of my home is completed more than one month before this date. In this event, the Conversion Date will be the first day of the month following completion of my home and disbursement of the entire principal of my loan. The permanent phase begins on the Conversion Date and will run for a period of 360 months.

Sections 2 and 3 of the Note provide information about interest and payments during the construction and permanent phases and Section 4 of the Note provides for changes in the interest rate and the monthly payments. These sections are as follows:

2. INTEREST

(A) Construction Interest Rate

Interest during the construction phase will be computed and charged monthly following the date of first disbursement at a rate which will be based upon an index. The index to be used is the Prime Rate set forth in the "Money Rates" section of the Wall Street Journal, which will be called the "Construction Index". Following the date of the first disbursement of funds from my loan, interest will be computed on all funds disbursed at the rate of one point five (1.5%) percent (margin) above the Construction Index, with the result rounded up to the nearest 1/8 of 1%. The rate determined by this computation is called the "Construction Interest Rate". The initial Construction Interest Rate will be calculated by the Note Holder as of first business day of the month in which the first disbursement is made. The Note Holder will re-calculate the Construction Interest Rate on the first business day of each month thereafter until the Conversion Date. Interest will accrue on all funds disbursed from the date of each disbursement. If the Construction Index becomes no longer available, the Note Holder will select a new Construction Index based upon comparable information. The Note Holder will give me notice of this choice.

(B) Initial Interest Rate (during permanent phase)

Beginning on the Conversion Date, interest will be computed and charged monthly on that part of the principal which has not been paid at a yearly rate of thirteen point three seven five (13.375%), which is called the "Initial Interest Rate". Payments will continue at the Initial Interest Rate until the first "Change Date" as defined in section 4A and thereafter the interest rate I will pay will change in accordance with Section 4 of this Note.

(C) Interest After Default

I will pay interest at the rates determined in accordance with Paragraphs (A) and (B) of this Section 2, both before and after any default described in Section 7 (B) of this Note.

3. PAYMENTS

(A) Payments During Construction Phase

I will pay interest only during the construction phase until the Conversion Date. The Note Holder will calculate the Construction Interest in accordance with Paragraph 2 (A) of this Note. Following the date of the first disbursement, the Note Holder will mail to me a notice of the interest then due. Payment shall be due on receipt of each notice. Any interest not paid as of the Conversion Date shall be immediately due and payable.

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