

**ONE-YEAR CAPPED ADJUSTABLE RATE RIDER  
WITH LIFE CAP**

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THIS ADJUSTABLE RATE RIDER is made this 7th day of December, 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 August Kohn & Company, Inc., a South Carolina corporation (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

708 E. Lee Road, Taylors, South Carolina 29687

(Property Address)

**The Note contains provisions allowing for changes in the interest rate. If the interest rate increases, the Borrower's monthly payment will be higher. If the interest rate decreases, the 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 11.25 %. 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 pay may change on the 1st day of January, 19 86, and on that day of the month every twelve (12) months 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 one (1) years, as made available by the Federal Reserve Board. The most recent Index figure available as of 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 its choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding 3.35 percentage points (3.35 %) to the Current Index and rounding the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate. However, if this results in an interest rate change greater than 2% in any one year, either up or down, or an interest rate change which is more than 6% greater or less than the initial interest rate shown in Section 2 of the Note and the first sentence of Covenant A of this Rider, the interest rate change shall be limited to 2% in any one year and 6% over the life of the loan.

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.

**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; however, Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree

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