

CAPPED ONE-YEAR ARM RIDER  
TO THE MORTGAGE/DEED OF TRUST/DEED TO SECURE DEBT

(1 Year Index - Interest Rate Cap)

THIS CAPPED ARM RIDER is made this 10th day of September, 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 Capped One-Year ARM Note (the "Note") to OTIS BARRY PHILLIPS AND CHARLOTTE C. PHILLIPS, (the "Note Holder") of the same date and covering the property described in the Security Instrument and located at:

101 Duquesne Drive, Greer, S C 29651

(Property Address)

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. IF MY INTEREST RATE INCREASES, MY MONTHLY PAYMENTS WILL BE HIGHER. IF MY INTEREST RATE DECREASES, MY MONTHLY PAYMENTS WILL BE LOWER. ON THE CHANGE DATE(S) SPECIFIED BELOW, I MAY CONVERT THE ADJUSTABLE RATE LOAN INTO A FIXED RATE, LEVEL PAYMENT, FULLY AMORTIZING LOAN.

Additional Covenants: In addition to the covenants and agreements made in the Security Instrument, the Note Holder and I further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 12.00 %. 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 January, 19 86, 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 one year as made available by the Federal Reserve Board in Statistical Release H.15(519). The most recent published Index figure at the time that the "Notice of Periodic Adjustment" is prepared by the Note Holder is called the "Current Index." If the Index is no longer available, the Note Holder will choose a new index which is authorized by the Comptroller of the Currency and which is based upon comparable information. The Note Holder will give me notice of this choice.

C. Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding two & one-half (2½) percentage points (the "Margin") to the Current Index. The Note Holder will then round the result of this addition up to the next highest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Change Date, subject to these interest rate cap limitations: i) Any change in the interest rate in effect on any Change Date shall not exceed 2 percentage points; and ii) the maximum interest rate which may be imposed shall not exceed the initial interest rate plus 5.00 percentage points and the minimum interest rate which may be imposed shall not be less than the initial rate minus 5.00 percentage points.

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