

ADJUSTABLE RATE RIDER
(1 Year Index - Interest Rate Limits)

THIS ADJUSTABLE RATE RIDER is made this 31st day of December, 1984, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, Security Deed, 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 (the "Note") to U.S. Shelter Corporation (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Unit 139, Riverbend, 925 Cleveland Street, Greenville, South Carolina 29601
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE EVERY YEAR SUBJECT TO THE LIMITS STATED IN THE NOTE. MY MONTHLY PAYMENT WILL BE HIGHER IF THE INTEREST RATE INCREASES OR LOWER IF THE INTEREST RATE DECREASES.

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 9.875%. 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, 1986, 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." The initial index is 9.64.

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, the Note Holder will calculate my new interest rate by adding two and three quarters percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate 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 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.

(D) Limits on Interest Rate Changes

The rate of interest I am required to pay shall never be increased or decreased on any single Change Date by more than two percentage points (2%) from the rate of interest I have been paying for the preceding twelve months. My interest rate also shall never be greater than fourteen and seven-eighths (14.7/8).

(E) 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.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and 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 questions I may have regarding the notice.

MULTISTATE ADJUSTABLE RATE RIDER-1 Year Treasury Index-Single Family-FNMA/FHLMC Uniform Instrument
(modified for interest rate limits by adding Section 4(D) and deleting borrower's right to limit monthly payment)

Form 3101 12/83