

ADJUSTABLE RATE CONSTRUCTION/PERMANENT
MORTGAGE RIDER

(1 Year Index — Interest Rate Caps)

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This ADJUSTABLE RATE CONSTRUCTION/PERMANENT MORTGAGE RIDER is made this 3rd day of December, 1984, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Construction/Permanent Note (the "Note") to SECURITY FEDERAL SAVINGS AND LOAN ASSOCIATION OF SOUTH CAROLINA (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Route 10, Smith Hines Road, Greenville, South Carolina 29607
(Property Address)

The Note Contains Provisions Allowing for Changes in the Interest Rate and the Monthly Payment.

ADDITIONAL AND AMENDED 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 10.95%. 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 1st day of January, 1986, and on that day every 12th month thereafter. Each date on which the rate of interest 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 Interest Rate Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding two and one half percentage points (2.50%) to the Current Index. The Note Holder will then round the results of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Change Date; PROVIDED that the change does not increase the interest rate above the maximum interest rate set out in Section 2 of this Note; and PROVIDED FURTHER that the said change in my interest rate, after rounding to the nearest one-eighth of one percentage point (0.125%), shall never increase or decrease my interest rate more than two percentage points (2.0%) at any one Change Date.

The Note Holder will then determine the amount of the monthly principal and interest 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 principal and interest 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 principal and interest payment beginning on the first monthly principal and interest payment date after the Change Date until the amount of my monthly principal and interest payment changes again.

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in my interest rate and the amount of my monthly principal and interest 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. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

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

Transfer of the Property or a Beneficial Interest in Borrower.

If all of any part of the Property or any interest in it is sold or transferred (or if 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 its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

C. CONSTRUCTION LOAN PROVISIONS.

Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, if any, which is hereby incorporated by reference in and made a part of this Security Instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be indebtedness of Borrower secured by this Security Instrument. All sums disbursed by Lender prior to completion of the improvements to protect the security of the Security Instrument up to the principal amount of the Note shall be treated as disbursements pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note and shall be payable upon notice from Lender to Borrower requesting payment therefor.