

ADJUSTABLE RATE RIDER  
(Fixed Rate Conversion Option)

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THIS ADJUSTABLE RATE RIDER is made this 12 day of December 19 84 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 Note to Colonial Mortgage Company (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

203 Chestnut Oaks Circle, Simpsonville, S.C. 29681  
(Property Address)

The Note contains provisions allowing for changes in the interest rate every year, subject to the limits stated in the Note.

The Note also provides for calculations of two separate monthly payment amounts. One will be the amount that the Borrower must actually pay each month. The other will be an amount that the Borrower would pay each month to fully repay the loan on the maturity date.

The principal amount the Borrower must repay could be larger than the original loan amount.

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 10.625%. Sections 2 through 8 of the Note provide for changes in the interest rate and the monthly payments, as follows:

2. INTEREST

(A) Interest Owed

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will owe interest at a yearly rate of 10.625%. The interest rate I will pay will change in accordance with Section 2(C) below on the first day of January 1, 19 86 and on that day every 12th month thereafter. Each date on which my interest rate could change is called an "Interest Change Date."

(B) The Index

Beginning with the first Interest 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 Interest 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 Interest Change Date, the Note Holder will calculate my new interest rate by adding 2.50 percentage points (2.50%) 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 2(D) below, this rounded amount will be my new interest rate until the next Interest Change Date.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay shall never be increased or decreased on any single Interest Change Date by more than two percentage points (2.0%) from the interest rate I have been paying for the preceding twelve months. My interest rate also shall never be greater than 15.125%.

(E) Interest After Default

The interest rate required by this Section 2 is the rate I will owe both before and after any default described in Section 11(B) below.

3. CALCULATION OF AMOUNTS OWED EACH MONTH

The Note Holder will calculate my Full Payment. The "Full Payment" is the amount of the monthly payment that would be sufficient to repay the amount I originally borrowed, or the unpaid principal balance of my loan as of an Interest Change Date, in full at the interest rate I am required to pay by Sections 2(A) or 2(C) above in substantially equal payments on January 1, 20 15, which is called the "maturity date". Beginning on the date of this Note, my first Full Payment will be U.S. \$ 743.90 until the first Interest Change Date. Before each Interest Change Date, the Note Holder will calculate the new Full Payment which I will owe each month beginning on the first monthly payment date after the Interest Change Date.

After the first Interest Change Date, the Full Payment I owe may be more or less than the amount I am required to pay each month. Section 4 states the amount of my monthly payment and how it will change. Section 6 describes how my unpaid principal balance will change if the amount of my monthly payment and the Full Payment are different.