

ADJUSTABLE RATE RIDER

(DEFERRED PAYMENT PROVISIONS)

THIS ADJUSTABLE RATE RIDER is made this 10th day of August 1982 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 SECURITY FEDERAL SAVINGS AND LOAN ASSOCIATION OF SOUTH CAROLINA (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

Route 3, Box 328-B, Pelzer, SC 29669
(Property Address)

The Note Contains Provisions Allowing for Changes in the Interest Rate, a Minimum Interest Rate, and for Changes in the Monthly Payment. Deferred Interest Will Be Added to Principal Thereby Increasing the Principal Amount to be Repaid. Interest Will Be Charged on Deferred Interest. Borrower May Defer Payments Under Certain Conditions.

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 Rate of Interest of 14.0%. Section 4 of the Note provides for changes in the interest rate and the monthly payment, as follows:

(A) Interest Change Dates

Beginning in 1983, the rate of interest I will pay may change on the 1st day of the month of April and on that day every 6th 12th 30th 60th [Check only one box] month thereafter. Each date on which the rate of interest could change is called an "Interest Change Date."

(B) The Index

Any changes in the rate of interest will be based on changes in the Index. The "Index" is the monthly average yield on United States Treasury securities adjusted to a constant maturity of 6 months 1 year 3 years 5 years as made available by the Federal Reserve Board, or the "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" as made available by the Federal Home Loan Bank Board.

[Check only one box]

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.

The first Index figure for this Note is 14.48%. It is called the "Original Index."

The most recently available Index figure as of the date 60 days before each Change Date is called the "Current Index."

(C) Calculation of Changes

Changes in Interest Rates: Before each Interest Change Date, the Note Holder will determine any change in my rate of interest. The Note Holder will calculate the amount of the difference, if any, between the Current Index and the Original Index. If the Current Index is higher than the Original Index, the Note Holder will add the difference to the Initial Rate of Interest. If the Current Index is lower than the Original Index, the Note Holder will subtract the difference from the Initial Rate of Interest provided the change does not lower the interest rate below the minimum interest rate set out in Section 2 of this Note if applicable. The Note Holder will then round the result of this addition or subtraction to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be the new rate of interest I am required to pay.

Changes in Monthly Payments: The monthly payments provided for in Section 3 (B) of this Note will be changed in amount every thirty (30) months in the event that the monthly payments, if unchanged, will not repay in full in substantial equal monthly payments the outstanding principal balance (including any deferred interest which has been added to principal) and all interest to be earned in the future over the remaining term of the Note. Each date on which the monthly payment could change is called a "Payment Change Date."

The Note Holder will determine the new amount of my monthly payments that would be sufficient to repay the outstanding principal balance (including any deferred interest which has been added to the principal) in full on the maturity date at my new rate of interest in substantially equal payments. The result of this calculation is called the "Full Payment Amount," and it will be the new amount of my monthly payment unless I choose the amount permitted by Section 4 (D) below.

My first monthly Payment Change Date, if necessary, will occur on the first day of April 1985 and subsequent changes will occur every thirty (30) months thereafter.

Changes in Principal Balance: Increases in the interest rate and changes in the monthly payments, as provided for in this Note, could result in the deferral of the payment of interest during the full term of this Note. Decreases in the interest rate below the initial interest rate, in accordance with the provisions of this Note, could result in a partial prepayment of principal during each affected month. On the first day of each month the deferred interest, if any, for the preceding month shall be added to the unpaid principal balance and shall increase the principal balance accordingly. In the event there is a partial prepayment, then on the first day of each month the partial prepayment from the preceding month shall be credited against the principal balance and shall decrease the principal balance accordingly. Interest at the then current rate shall accrue on either the increased or decreased principal balance from the date due until paid.

(D) Borrower's Right to Defer Payment of Certain Amounts

Unless Sections 4 (E) and 4 (F) below will not permit me to do so, before the first Payment Change Date I may choose to have my new monthly payment amount limited for the next thirty (30) months to the amount I have been paying multiplied by the number 1.075 if the Payment Change Date occurs every 6th or 12th month, or if the Payment Change Date occurs every 30th month, by the number 1.1875. This amount is called the "Limited Payment Amount." I will give the Note Holder notice that I have chosen the Limited Payment Amount at least 15 days before the first Payment Change Date.

The Limited Payment Amount I choose could be less than the amount of the interest portion of the first Full Payment Amount I would have paid after the first Payment Change Date. If so, the Note Holder will subtract the Limited Payment Amount from the amount of interest I would have paid and will add the difference to the outstanding principal balance of my loan each month until the next Payment Change Date. The Note Holder will also add interest on the amount of this difference to my outstanding principal balance each month. Until the next Payment Change Date when the Note Holder determines my new rate of interest on my then outstanding principal balance, the rate of interest on the interest added to principal will be the rate determined in Section 4 (C) above for the period I am paying the Limited Payment Amount.

(CONTINUED ON NEXT PAGE)