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SECURITY FEDERAL SAVINGS AND LOAN ASSOCIATION

EARLY OWNERSHIP MORTGAGE RIDER (DEFERRED INTEREST PAYMENT AND PARTIAL PREPAYMENT PROVISIONS)

THIS EARLY OWNERSHIP MORTGAGE RIDER is made this 25 day of February, 1983, 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 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: 414 Camelot Drive, Simpsonville, S. C. 29681

THE NOTE CONTAINS PROVISIONS INCREASING THE MONTHLY PAYMENT. DEFERRED INTEREST WILL BE ADDED TO PRINCIPAL, THEREBY INCREASING THE PRINCIPAL AMOUNT TO BE REPAYED. INTEREST WILL BE CHARGED ON DEFERRED INTEREST.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. MONTHLY PAYMENT CHANGES:

The Note provides for an initial monthly payment of principal and interest of \$ 562.10 which shall remain constant for twelve (12) months. The Note provides for changes in the monthly payment as follows:

(1) **Monthly Payment Change Dates**
Beginning in 1984, the monthly payment Borrower will pay will change on the 1st day of the month of April and on that day every twelfth (12th) month thereafter for ten (10) years. Each date on which the monthly payment will change is called a "Payment Change Date". The monthly payment will not change from payments 121 through maturity.

(2) **Changes in Principal Balance:** The amount of the initial monthly payment as provided for in the Note, will result in the deferral of the payment of interest during part of the term of this Loan. 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. When 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 accordingly. Interest at the rate provided in said Note shall accrue on either the increased or decreased principal balance from the date due until paid.

(3) **Limit on Outstanding Principal Balance**
The outstanding principal balance can never exceed a maximum amount equal to one hundred fifteen percent (115%) of the original principal amount.

B. NOTICE OF CHANGES:

The Note Holder will mail or deliver to Borrower a notice of any changes in the amount of the monthly payment before the effective date of any change. The notice will include information required by law to be given Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

C. ESCROW ITEMS:

For purposes of this Rider, escrow items are not included in the monthly payments. Borrower acknowledges that the escrow items may change depending on the annual amount of the charges for which escrow contributions are being made.

D. CHARGES: LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

4. **Charges: Liens.** Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and lease-hold payments or ground rents, if any, in the manner, provided in paragraph two (2) hereof by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided that the Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the Holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument. If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of giving of notice.

E. NOTICE:

Uniform Covenant 11 of the Security Instrument is amended to read as follows:

11. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

F. UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY:

Uniform Covenant 15 is amended to read as follows:

15. **Uniform Mortgage; Governing Law; Severability.** This form of Security Instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with the applicable law, such conflict shall not affect other provisions of this Security Instrument and the Note which are declared to be severable.

G. UNIFORM MORTGAGE; TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER:

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

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or an interest therein is sold or transferred by Borrower (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity) without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Security Instrument which does not relate to a transfer of rights of occupancy in the property, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed with which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof. Lender may consent to a sale or transfer if: (1) Borrower causes to be submitted to Lender information required by Lender to evaluate the