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**ADJUSTABLE RATE RIDER
(NO NEGATIVE AMORTIZATION)**

This ADJUSTABLE RATE RIDER is made this 25 day of January and is incorporated into and shall be deemed to amend and supplement the Mortgage, (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate 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:

218 Devon Drive, Mauldin, South Carolina 29662

(Property Address)

The Note Contains Provisions Allowing for Changes in the Interest Rate, Simultaneous Changes in the monthly payment and a Minimum and Maximum Rate.

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

An additional non-uniform covenant 32 is added and it shall read as follows:

32.A. INTEREST RATE AND MONTHLY PAYMENT CHANGES.

The Note provides for an Initial Rate of Interest of 12.60%. Section 4 of the Note provides for changes in the interest rate and the monthly payment, as follows:

(A) Change Dates

The rate of interest I pay may change on the 1st day of the month of February 1987 and on that day every 12th 15th 30th 60th (Check only one box) month thereafter. Each date on which the rate of interest could change is called a "Change Date". Any corresponding change in the monthly payment will occur on the first day of the month following each "Change Date".

(B) The Index

Beginning with the first change date, the rate of interest 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 3 years 5 years as made available by the Federal Reserve Board.

If the Index is no longer available, the Note Holder will choose a new index which will be based upon comparable information. The Note Holder will give me notice of this choice.

The most recently available Index figure as of the date 45 days before each Change Date is called the "Current Index".

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate the new rate of interest by adding two percentage points (2.00%) to the Current Index provided that the change does not raise the interest rate above the maximum interest rate or lower the interest rate below the minimum interest rate as set out in Section 2 of this Note. As of the second change date and continuing at each subsequent change date, no single change in the interest rate will increase or decrease more than two percentage points (2.00%) above or below the previous rate. The sum as, and if, adjusted by the maximum and minimum interest rate and periodic interest rate change restrictions will be my new interest rate.

The Note Holder will then determine the amount of the new monthly principal and interest payment that would be sufficient to repay, in full, the outstanding principal balance that I am expected to owe on the Change Date at the new rate of interest in substantially equal payments by the maturity date. The result of this calculation will be the amount of my new monthly principal and interest payment.

(D) Effective Date of Changes

The new rate of interest will become effective on ~~the~~ the first day of the month following the Change Date. Beginning on each Change Date I will pay the amount of my new monthly payment each month until the amount of my monthly payment is again changed or I have fully repaid the loan.

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in 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 question I may have regarding the notice.

B. 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 leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof, if not paid in such manner, 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 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 the giving of notice.

C. NO BOOKS AND RECORDS REQUIREMENT.

Uniform Covenant 10 of the Security Agreement is deleted.

D. TRANSFER OF PROPERTY OR BENEFICIAL INTEREST IN BORROWER; ASSUMPTION.

Uniform Covenant 19 of the Security Agreement is hereby amended to read as follows:

19. TRANSFER OF PROPERTY OR BENEFICIAL INTEREST IN BORROWER; ASSUMPTION.

If all or any part of the Property, or any interest therein 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, (excluding only (a) the creation of a mortgage or lien subordinate to the Lien of this Mortgage, (b) the grant of any leasehold interest of three years or less not containing an option to purchase, (c) the creation of purchase-money security interests in household appliances, (d) transfers arising by virtue of devise, descent, operation of law, death or divorce, and (e) transfer to a trust when the Borrower remains a beneficiary and which does not transfer the Borrowers' rights of occupancy) then Lender may, at Lender's option, declare all sums secured by this Mortgage to be immediately due and payable, except that Lender will not exercise its right to declare all such sums immediately due and payable in the case of the first transfer or sale by the Borrower executing this Mortgage, provided that the Borrower is not then in default under this Mortgage and the Note and the person to whom the Property is to be sold and transferred (i) executes a written assumption agreement satisfactory to and accepted in writing by Lender, in which event Lender shall release Borrower from all obligations under this Mortgage and the Note and (ii) the credit of such person is satisfactory to Lender. The foregoing exception to Lender's right to declare such sums due and payable shall only apply to such first transfers or sale by the Borrower executing this Mortgage and Lender's right to make such declaration in all other instances shall be in its sole discretion.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 20 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within 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 27 hereof.