

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

1022-764

This ADJUSTABLE RATE RIDER is made this 25th day of August, 1988 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

104 Meyers Drive, Greenville, SC 29605

(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 #2 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 11.22%. Section 2 of the Note provides for change in the interest rate and the monthly payment, as follows:

(A) Change Dates

Beginning in 1988, the rate of interest I pay may change on the 1st day of the month of October and on that day every 12th 9th 9th or 6th. Check only one box. month thereafter. Each date on which the rate of interest could change is called a "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 1 year 3 years 5 years or _____ as made available by the Federal Reserve Board.

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 11.22%. It is called the "Original Index."

The most recently available Index figure as of the date 15 days before each Change Date is called the "Current Index."

(C) Calculation of Changes

Before each 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 provided the change does not raise the interest rate above the maximum interest rate set out in Section 2 of the Note, if applicable. 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 the Note, if applicable. This amount will be the new rate of interest I am required to pay.

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

(D) Effective Date of Changes

The new rate of interest will become effective on each Change Date. Beginning on each Change Date I will pay the new amount of my 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 my 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 1 of the Security Instrument is amended to read as follows:

1. 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 or assignments 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 retention 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 about financing such lien to this Security Instrument.

If Lender determines that there is any part of the Property 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 receipt of notice.

C. NO BOOKS AND RECORDS REQUIREMENT

Uniform Covenant 12 of the Security Agreement is deleted.

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

Uniform Covenant 13 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 my interest therein is sold or transferred, or a beneficial interest in Borrower is sold or transferred and Borrower is not an actual party thereto and Lender agrees in writing to 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 where the Borrower remains a beneficiary and which does not transfer the Borrower's 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 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 or then made a party to this Mortgage and the Note and the person to whom the Property is to be sold and transferred is a transferee in good faith, 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 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 transfer 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 its option to declare all sums secured by this Mortgage to be immediately due and payable in accordance with paragraph 19, then Lender shall not be bound by any of the provisions of this Mortgage or the Note which may require the satisfaction of the obligations secured by this Mortgage, except to the extent of any sums due and payable to Lender as well as attorney's fees and costs of collection, and the Borrower shall remain liable for the balance of the debt.

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