GRADUATED PAYMENT RIDER
(With Interest Rate Changes Every 6 Months)

Be it known that on this 14 day of December, in the Year of Our Lord One Thousand Nine Hundred and Eighty, before me Patrick C. Fant, Jr. a Notary Public duly commissioned and qualified in and for the County of Greenville, State of South Carolina, therein residing and in the presence of the undersigned competent witnesses:

PERSONALLY CAME AND APPEARED:

Sterling F. Watts

and

_____, (the "Borrower")

whose address is: 177 Ingleoak Lane, Greenville, S.C. 29615, and who entered into this Graduated Payment Rider this date, which 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 Borrower to secure Borrower's Graduated Payment Note to Alliance Mortgage Company (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

177 Ingleoak Lane, Greenville, S.C. 29615
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND MONTHLY PAYMENTS.

THE NOTE ALSO PROVIDES FOR CALCULATIONS OF TWO SEPARATE MONTHLY PAYMENT AMOUNTS. ONE WILL BE THE AMOUNT 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. AT TIMES, THE TWO MONTHLY PAYMENT AMOUNTS MAY BE IDENTICAL.

THE PRINCIPAL AMOUNT THE BORROWER MUST REPAY WILL BE LARGER THAN THE AMOUNT ORIGINALLY BORROWED, BUT NOT MORE THAN 125% OF THE ORIGINAL 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 Rate of Interest of 12.75 %. Sections 2 through 7 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 that part of principal which has not been paid. Interest will be charged beginning on the date of this Note and continuing until the full amount of principal has been paid.

Beginning on the date of this Note, I will owe interest at a yearly rate of 12.75 %. The rate of interest I will owe will change on the first day of July, 1984, and on that day every 6th month thereafter. Each date on which my rate of interest could change is called an "Interest Change Date." My new rate of interest will become effective on each Interest Change Date.