GRADUATED ITYMENE RIPER (With Interest Rate Changes Every 6 Months)

and

DONALD E. BALTZ

the "borrower":

whose address is: Route 2, 521-A Shelton Road, Travelers Rest, SC 29690, and who entered into this Graduated Payment Rider this date, which is incorporated into and shall be deemed to amend and supplement the Mortgage. Leed 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:

Lot 148, Jacob Brook Court, BROOKSIDE, Sec VI, Phase One, MAULDIN, S.C. (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 SORROWER MUST ACTUALLY PAY EACH MONTH. THE OTHER WILL BE AN AMOUNT THAT THE SORROWER 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 OPIGINALLY BORROWED, BUT NOT MUSE 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

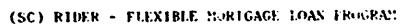
The Note provides for an Initial Rate of Interest of 13.875 _ %. Sections I through 7 of the Note provide for changes in the interest rate and the monthly payments, as follows:

"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 13.875%. The rate of interest I will owe will change on the first day of March . 19.84, 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.



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