

Col. Watson
601 E. North St.
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GRADUATED PAYMENT RISK
(With Interest Rate Changes Every 5 Years)

THIS GRADUATED PAYMENT RISK is made this 30th day of November, 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 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:

7 Courtney Circle, Greenville, South Carolina
[Property Address]

The Note contains provisions allowing for changes in the interest rate and monthly payments.

The Borrower's monthly payment will increase by 7 1/2% each year during the first five years of the Note. The remaining monthly payments also could increase or decrease, depending on changes in the interest rate. The Borrower also may be able to limit monthly payment increases to 7 1/2% each year through Year 20.

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 interest rate of 13.875%. Sections 2 through 7 of the Note provide for changes in the interest rate and the monthly payments, as follows:

"2. INTEREST

(A) Interest on:

Interest will be charged on that part of principal which has not been paid, beginning on the date I receive principal and continuing until the full amount of principal has been paid.

Beginning on the date I receive principal, I will owe interest at a yearly rate of 13.875%. The interest rate I will pay will change in accordance with Section 4(A) of this Note on the first day of

January 1984 and on that day every 6th month thereafter. This date when my interest rate will change is called an "Interest Change Date."

(B) The Index

Beginning with the first Interest Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 5 years, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 7 days before each Interest Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is most appropriate in the circumstances. The Note Holder will give me notice of this choice.

(C) Interest After Default

The interest rate required by this section 2 and section 4(A) below is the rate I will pay both before and after my default described in Section 12 (B) below.

3. TIME AND MANNER OF PAYMENTS

I will pay principal and interest by making payments every month. My monthly payments will be applied first to interest and then to principal.

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