

- (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, prior to the sale or transfer, Mortgagee and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagee shall request.
5. The maker acknowledges and agrees that the rate of interest on this Mortgage shall be adjusted once every five (5) years to reflect any increase or decrease over the present National Mortgage Index at each five (5) year interval, as shown by the Federal Home Loan Bank Board National Mortgage Index. The rate of interest shall remain at least four and one-half (4½) percent below said National Mortgage Index rate, but in no event less than the initial rate herein of (12 3/4%) twelve and three-fourths percent per annum. In the event the note rate is adjusted as provided herein, the monthly installment payments shall likewise be adjusted based upon the outstanding balance owed, the remaining term, and the adjusted rate of interest.
 6. Should any installment become past due for a period in excess of ten (10) days, the Mortgagee may require a late penalty for five (5%) percent of such installment.
 7. In the event the maker shall make a partial payment of the principal, the remaining outstanding balance shall be reamortized based upon the new principal amount, remaining term and interest rate.
 8. The purpose of the within note and mortgage that secures same is being given in substitution for and modification of that certain original purchase money mortgage dated October 7, 1971 between Claudia D. Harbit and R. P. and Wilma F. Porter, said mortgage being recorded in Mortgage Book 1209 at Page 163, on October 7, 1971, and assignment recorded in Mortgage Book 1400 at Page 557. It is the intention of the parties hereto that this be a first purchase money mortgage. Reference is hereby made to that certain subordination agreement regarding the second mortgage on this property recorded in Mortgage Book 1601 at Page 8.

DERIVATION: This being the same property conveyed to Richard G. Waldrop and Curtis D. Hollifield by Lorena H. Sullivan recorded in Deed Book 1170, Page 524 on July 21, 1982. Thereafter Curtis Hollifield conveyed his undivided one-half interest to Richard G. Waldrop by deed dated and recorded simultaneously.



RECORDED APR 6 1983

at 12:34 P.M.

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