

TERMS AND CONDITIONS CONTINUED:

excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (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 of this obligation 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 National Home Loan Bank Board National Mortgage Index. The rate of interest shall remain at least three and one-half (3½) per cent below the said National Mortgage Index rate, but in no event less than the initial rate herein of thirteen and three-fourths (13 3/4) per cent 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, remaining term and adjusted interest rate.

6. Should any installment become past due for a period in excess of ten (10) days, the Payee may require a late penalty of five (5%) per cent of such installment.

*R.T. D.*

RECORDED AUG 23 1982

at 11:30 A.M.

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