

4. Lessor warrants that all heating, air conditioning, plumbing, and electrical equipment is in good working condition.

5. In addition to the monthly rental, lessee agrees to pay all taxes against the subject premises accruing after August 1, 1978, and, to maintain at their own expense, a fire and extended coverage insurance policy on the improvements situate on the demised premises in an amount sufficient to replace such improvements protecting the lessor's interest.

6. At such time as lessor is able to deliver good and marketable title to the demised premises, insured by Lawyers Title Insurance Corporation or Pioneer National Title Insurance Company at lessor's expense, the lessee, within sixty days thereafter, shall purchase the demised premises from lessor; provided that lessee has not terminated this lease by thirty days written notice prior to such time as lessor notifies lessee in writing of his ability to meet this requirement. The purchase price shall be \$98,500.00, lessor to pay for deed and stamps and a six per cent real estate commission to Caine Co. and Phillip T. Bradley Co.; however, this price shall be reduced \$750.00 for each one-fourth of one per cent that the interest rate on the mortgage loan obtained by lessee at that time exceeds nine and one-half (9-1/2%) per cent. The purchase price shall be further reduced by an amount equal to all principal reductions after the date of this agreement on the mortgage loan to Carolina Federal Savings & Loan Association encumbering the subject property. Lessor to pay all pro-rata taxes accruing prior to August 1, 1978, and all assessments due against the subject premises prior to that date.

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