it is understood by and between the parties hereto that presently the policy of insurance on the premises is in the names of seller and this may be continued and seller to pay premium and receive reimbursement for payments in the future with the understanding that the premiums shall be prorated for the balance of current year. The coverage shall always be for no less than the balance due under this agreement. It is further understood and agreed by and between the parties that the purchaser shall provide his own insurance to cover any personal property which the policy of the seller would not cover hereunder.

In the event that purchaser fails to pay any premiums for insurance, taxes or other costs legally assessable to purchaser, then the seller has the right to pay said costs and to add said costs to the balance due under this mortgage with interest thereon at the rate of twelve (12%) per annum.

The parties do hereby acknowledge there is an indebtedness to First Federal Savings and Loan and that, in the event, an adjustment on acceleration is made by said savings and loan, buyer hereby agrees to hold seller harmless by securing refinancing or adjusting the monthly payments due hereunder, as the case may be.

In the event it is necessary for purchaser to refinance and/or assume present loan to First Federal Savings and Loan at an increased or lowered rate of interest, the parties hereto agree that the seller will execute and deliver title of property to purchaser and purchaser will then assume present loan at First Federal Savings and Loan Association or procure a new loan and purchaser will execute and deliver to seller a promissory note and second mortgage reflecting the balance due on the Seven Thousand (\$7,000.00) Dollar principal amount referred to hereinabove.

It is understood by the parties hereto that this property is subject to such easements, restrictions and rights of way as appear of record.

WITNESSETH, whereas the parties have hereunto set their hands and seals this 8th day of July, 1981.

Larry E. McNair, Seller

George R. Wheeler, Purchaser

-3-