

3. The existing escrow arrangement between the Sellers and Carolina National Mortgage Company, Inc. will be continued throughout the term of this agreement. Accordingly, the escrow agent will pay insurance premiums on a hazard policy on the Premises and all ad volorem taxes assessed thereon.

4. The Purchasers shall pay to the Sellers the monthly escrow amount in addition to the monthly payments described in paragraph 2(b). The Sellers will continue to pay the escrow amount directly to the escrow agent. Currently, the monthly escrow amount is \$54.72.

5. The hazard insurance policy covers only the dwelling and does not cover the Purchasers' property located therein. The Purchasers will make arrangements for insurance on their property to the extent they desires and will bear the cost of such insurance.

6. Taxes and insurance for 1980 will be prorated between the Purchasers and the Sellers by the Purchasers' compliance with paragraph 4 above and the Purchasers' assumption of the balance in the escrow account. Failure of the Purchasers to comply with paragraphs 2 and 4 at any time during the term of this agreement will result in a forfeiture of any rights which the Purchasers may have in such escrow account.

7. Upon payment of the purchase price in full and if the Purchasers shall have kept, observed and performed the covenants on their part herein set forth, the Sellers shall convey the Premises to the Purchasers in fee simple, free and clear of all liens and encumbrances except usual type rights-of-way and easements for public utilities and except for any restrictive covenants of record.

8. The Purchasers shall promptly pay when due all dues and assessments of the Peppertree Homeowners Association, and shall have the right to use all facilities as provided by it.

9. The parties specifically agree that time is of the essence, and it is agreed between both parties that if the Purchasers shall default in making any of the payments set forth above, or any part thereof, or shall otherwise fail to keep, observe and perform any of the conditions or covenants on their part under this contract, and such default shall not be cured

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