

the payment of interest and the balance to principal until paid in full, with interest thereon from the date of this agreement at the rate of eight (8%) per cent per annum, computed and paid monthly and all interest not paid when due shall bear interest at the same rate as principal. In this regard, it is understood and agreed that the real property which is the subject of this agreement is presently encumbered by a first (1st) mortgage lien to David L. Griggs and the Seller hereby covenants and agrees to apply toward the reduction of this existing indebtedness according to its terms, all of the monthly installments of principal and interest due from the Purchaser under the terms hereof in order to keep and maintain this pre-existing indebtedness current and will not allow the same to hereafter become in default. In this regard, Purchaser may elect to make such payment directly to David L. Griggs until such mortgage is satisfied.

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(c) The sum of Fourteen Thousand Two Hundred Eighty Two and 12/100 (\$14,282.12) Dollars which the purchaser agrees to pay to the Seller in thirty five (35) equal monthly installments of One Hundred Three and no/100 (\$103.00) Dollars each commencing on June 15, 1982 with like amount due and payable on a like day of each of the thirty four (34) consecutive months thereafter and a final "balloon payment" representing the balance of principal and interest due unto Seller being due and payable by Purchaser on the 15th day of May, 1985. Said installments to be first applied to the payment of interest accrued on the above sum and the balance to be applied to principal with interest thereon being calculated from the date hereof at the rate of eight (8%) per cent per annum computed and paid monthly and all interest not paid when due shall bear interest at the same rate as principal.

(d) Further, the Seller agrees that it will not further encumber the premises without the prior written consent of the Purchaser. Further, in this regard, it is understood and agreed that if any portion of the principal or interest due hereunder shall become past due and unpaid for a period in excess of thirty (30) days, then the whole amount due hereunder shall, at the option of the Seller, become immediately due and payable, and in the event that this Contract be turned over to an