

The Caine Company is hereby instructed to pay to the Seller the \$5,000.00 Option money plus any interest held by it which sum shall be applied to the \$39,000.00 downpayment. The Seller shall pay in the normal fashion closing costs including Real Estate commission, attorney's fees, documentary stamps, recording fees, and an amount shall be paid to the Buyers as and for prorated taxes. All future taxes to be responsibility of Buyers. The note and mortgage as herein referenced, shall be in the principal amount of \$117,000.00 payable as follows:

(a) Thirty-nine thousand (\$39,000.00) dollars of the balance shall be paid on or before three (3) years from the date of closing, with interest at the rate of 9 percent per annum. Interest to be paid to Seller on a <sup>SEMI-ANNUAL</sup> ~~quarterly~~ <sup>6</sup> ~~quarterly~~ basis or every <sup>6</sup> ~~3~~ months.

(b) The remaining balance or seventy-eight thousand (\$78,000.00) dollars to be paid on or before 84 months or seven years from closing computed at a rate of interest of 10 percent per annum based on a 30-year amortization with a balloon payment at the end of the seventh year. Interest to be paid on a <sup>SEMI-ANNUAL</sup> ~~quarterly~~ <sup>6</sup> ~~quarterly~~ basis or every <sup>6</sup> ~~3~~ months. The mortgage shall contain a provision that the Mortgagee, upon written request by the Mortgagor, shall release upon payment by the Buyer to Seller of \$39,000 down payment including \$5,000.00 option money towards the purchase price, such lot to be designated by the Buyer. Upon payment by the Buyer of an additional \$39,000.00 towards the foregoing \$117,000.00 principal of the aforesaid note, the Seller shall release a second lot from the lien of the above referenced mortgage, such lot to be designated by the Buyer. Upon payment by the Buyer of an additional \$39,000.00 on the aforesaid note, or the balance of the principal and interest due upon such note, whichever sum is lesser, the Seller shall release a third lot from the lien of the above referenced mortgage, such lot to be designated by the Buyer. The final lot shall be released from the mortgage upon payment by the Buyer of all outstanding principal and interest due upon the note.

5. The Seller warrants and represents that he is the owner in fee simple of the subject property and, in the event Buyers exercise the within Option, he shall deliver at closing a duly executed and recordable general warranty deed, with dower duly renounced, conveying fee simple marketable title to the subject property, free and clear of all liens and encumbrances. In the event any defects in or objections to the title to