

with extended coverage provisions, shall be maintained and kept in full force and effect, with the payments for such insurance to be paid by the Lessees. Further, that in default of such payment of insurance premiums, the Lessors shall have the right to either terminate this Lease Agreement upon ten (10) days written notice or to pay said insurance premium and add the same to the total rentals due under said Agreement.

4. Lessors represent that the aforesaid property is covered by two (2) certain mortgages by them executed in favor of First Federal Savings and Loan Association of Hendersonville, North Carolina (the same being recorded in said RMC Office in Mortgage Book 490 at page 654 and Mortgage Book 1349 at page 563) upon which said mortgages there is due a balance of approximately \$60,000.00 . Lessors represent and warrant that they will pay when due any and all further payments due under either or both of said mortgage instruments in order to prevent a default in either and so as to prevent disturbing the quiet use and enjoyment of the demise premises by the Lessees. Should the said Lessors default in the payment thereof, Lessees shall have the right to pay directly to said lending institution the balance then due under any mortgage indebtedness of the said Lessors encumbering the aforesaid premises and to deduct from the amount due hereunder by way of rental such moneys so paid upon said mortgages.

5. Lessees shall be responsible for the upkeep and maintenance of all of the improvements upon said demised property during the term of this Lease and shall likewise be responsible for payment of any assessments assessed against the same by any municipal, county, state, or special district authority. Should any portion of said demised premises be condemned by any state or county authority, Lessees shall have the right to negotiate and deal with said condemning authority and to retain for their own use any moneys paid for any portion or all of said property which may be condemned or taken by eminent domain proceedings.

Susan Byrne
James E. Minick