

3.

be prorated between the parties as of the date of the delivery of said deed.

3. If, during the term of this Option, Buyer obtains abstracts of title or a binder for title insurance covering said real estate and upon examination of same by Buyer's attorney title to said real estate, or any part thereof, is found not to be merchantable, the Buyer shall have the right to notify the Seller by registered United States mail addressed to the Seller at the address above stated, specifying the objections to such title and unless Sellers shall proceed with all reasonable diligence to cure and shall cure such defects, prior to the date set for delivery of the general warranty deed, then this agreement and all further rights and obligations of the parties hereunder shall cease and determine. If the notice of defect of title referred to in this paragraph 3 is mailed after the exercise of this Option the date set for delivery of the general warranty deed as aforesaid shall be extended to a date thirty (30) days after the date of mailing said notice at the time and place aforesaid.

4. In the event this Option shall be exercised as aforesaid, Sellers covenant and agree to pay, satisfy and discharge all mortgages and other liens and encumbrances on said real estate or parts of sections thereof, except ad valorem taxes for the then current year, and shall deliver to Buyer prior to delivery of said warranty deed above mentioned proper instruments suitable in form for recording evidencing the payment, satisfaction and/or discharge of said mortgages and other liens and encumbrances.

5. Buyer may enter on the said real estate at any time from and after the date of this Option and use thereon tools, machines and

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