

notice of intent to exercise at least fifteen (15) days ahead of a proposed exercise date.

18. Landlord warrants that plumbing, heating, air conditioning and electrical systems will be in good working order at time when Tenants take possession. Tenants shall have the right to conduct such inspections of the property as may be necessary to determine the condition of the premises.

19. Landlord agrees to pay the cost of obtaining certification by a recognized insect extermination company that the premises are free from infestation by termites or other wood boring insects at the time when Tenants take possession.

20. Upon the exercise date the balance of the purchase price remaining unpaid after deducting the lease payment credits shall be due and payable.

21. Upon the payment by the Tenant to the Landlord of the purchase price, the Landlord shall execute and deliver a general warranty deed conveying good marketable title to the premises in fee simple free and clear of all liens and encumbrances except for protective covenants restricting the property for residential use to the property.

22. In the event that American Federal Savings & Loan Association calls its mortgage due or increases the interest as a condition of allowing the mortgage to remain outstanding, the Tenants shall at their option pay the balance owed upon the purchase price immediately or the monthly payment shall increase by the amount that the monthly payment to American Federal

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