

10. Assurances and Hypothecation. Vendor hereby states, represents and warrants that other than property taxes for 1984, the Land is free and clear of all liens and encumbrances. Vendor hereby agrees not to lease, pledge, hypothecate, encumber, mortgage, or in any other way or manner create or place a lien upon the Land during the term of this Option Agreement (with the exception of property taxes which accrue for any then current property tax year).

11. Expiration Date. Time is of the essence of this option agreement. Unless the Vendee shall tender a deed vesting title in Vendor to the land described in Exhibit B on or before 12:00 midnight, Eastern Standard Time, December 11, 1986, this option shall expire and terminate by limitation, and a failure on the part of the Vendee, its successors or assigns, to perform the conditions provided herein, shall work as a forfeiture of all money paid as a consideration for this option agreement, and the said consideration shall be retained by the Vendor (unless the Vendor is unable to obtain proper zoning as required by paragraph 9 hereinbefore) as full payment and settlement for the option granted by this agreement.

(CONTINUED ON NEXT PAGE)

