

(\$38,000.00) Dollars, to be paid as hereinafter provided, or to lease the above described lands designated as "Tract No. 1" for coal mining purposes on lease in the form attached hereto, marked Exhibit A. and made a part hereof as if in full set out.

✓Second. In the event party of the second part shall elect to purchase the lands above described, ~~or shall elect to purchase the lands above described~~, or shall elect to lease "Tract No. 1," he shall notify party of the first part in writing to that effect by delivering to party of the first part a written notice on or before the time specified or by leaving the same for party of the first part with an officer of the First National Bank of Collinsville, Oklahoma, and failure to serve said notice in one of the ways specified shall be taken as an election not to purchase said lands, or to lease "Tract No. 1."

✓Third. In the event party of the second part shall elect to purchase said lands, party of the first part shall, within five (5) days from the service of notice on him, furnish to party of the second part abstracts of title, brought to date, prepared by responsible abstract companies, showing a good and marketable title in him, free and clear of all liens and encumbrances except certain taxes, not to exceed \$1000, a first mortgage for \$11,000.00 and interest, and a second mortgage which covers the land in question and other lands and properties of party of the first part for the sum of approximately \$53,000; and party of the second part shall have ten (10) days after the furnishing of said abstracts in order to examine the title to said real estate. In the event the title proves marketable the party of the second part shall apply the total consideration of \$38,000.00, less the sum this day paid, which shall be credited to party of the second part, as follows: (1) towards paying the taxes on said land, (2) by paying and satisfying the first mortgage on said lands, and (3) by applying as much of the balance on the second mortgage as is mutually agreed to between the party of the first part and the mortgagee; and as part of the same transaction, with the execution of this option, party of the first part has secured from the holder of said second mortgage an agreement to cancel and release the same upon payment to him of the balance of the consideration paid for said lands after paying the taxes and the first mortgage upon said real estate. Concurrently with the payment of the taxes, the first mortgage, and the amount agreed to be paid on the second mortgage, together with the balance, if any, payable to party of the first part, party of the first part and his wife will execute a warranty deed conveying all of the premises to party of the second part, free and clear of all liens and encumbrances.

Fourth. In the event party of the second part elects to purchase said lands, and the title thereto shall prove defective, other than as specified in paragraph "Third," party of the second part may decline to accept said title, in which event the consideration this day paid for said option shall be returned to party of the second part, and he shall be released from further obligation hereunder; provided that it is understood that in the event the title to the W 1/2 of the SW 1/4 of the SE 1/4 of the SE 1/4 of Section 31, Township 22 North, Range 14 East, and the NE 1/4 of the NE 1/4 of the NW 1/4 of Section 6, Township 21 North, Range 14 East, proves to be defective, such defects shall not relieve party of the second part from his obligation to purchase the lands, but he may exclude from the purchase the 15 acres last described, or any part thereof, and the consideration shall be reduced at the rate of \$100.00 per acre for the part of said 15 acres which he may elect not to purchase.

Fifth. In the event party of the second part shall elect to lease "Tract No. 1," party of the first part shall, within five (5) days from the service of notice on him, furnish to party of the second part abstracts of title, brought to date, prepared by