

understood between the parties hereto that said property is now subject to a first mortgage in the amount of Fifty-eight Hundred Dollars (\$5,800.00) executed by Bates to J. E. Rosamond and H. L. Rosamond, as Trustees for J. P. Rosamond and the payment of Two Hundred Dollars (\$200.00) for a deed conveying any lot as above set forth, shall be applied by Bates to the release of such lot from said mortgage. However, it is further understood that the purchase price and/or release price of any lot is the sum of Three Hundred Dollars (\$300.00) and after payment of the amount of Two Hundred Dollars (\$200.00) and obtaining a deed from Bates and a release from the Rosamond mortgage, Woodfields shall remain indebted to Bates on each lot for the additional amount of One Hundred Dollars (\$100.00). It is also understood that Woodfields proposes to develop the above described property and construct homes on said lots for sale and it will be necessary for Woodfields to obtain financing for such construction. Upon obtaining a deed to any one or more lots, Woodfields agrees to execute a mortgage for the purpose of obtaining funds to construct a house on such lot and simultaneously will execute to Bates a mortgage in the amount of One Hundred Dollars (\$100.00) with interest at the rate of five percent (5%) which mortgage will be junior in lien to such construction mortgage and which mortgage will be payable when said house and lot thereby involved is sold or permanently financed by Woodfields.

Bates agrees that the total option period is understood to be for a term of fifteen months and in the event Woodfields should exercise its option for the additional period prior to the expiration of the initial period of sixty days, then the number of days remaining in the initial sixty day period shall be added to the additional period of thirteen months and thereby make the total option period continue for the total fifteen months period.