

REAL ESTATE OPTION AGREEMENT

755038

THIS PURCHASE OPTION AGREEMENT is made and entered into this 28th day of April, 1984, by and between BERNARD H. SCHENK, hereinafter referred to as the "Owner" and WILLIAM K. WAMPLER and PHYLLIS A. WAMPLER, husband and wife, hereinafter referred to as "Optionee".

1. Consideration and Grant of Option.

In consideration of the payment of One Dollar (\$1.00) to the Owner, the receipt and sufficiency whereof is hereby acknowledged, the Owner hereby grants to the Optionee (and his heirs and assigns) the sole and exclusive right and option to purchase the premises, hereinafter referred to as the "Premises", described in Exhibit A, attached hereto and made a part hereof, together with improvements, easements and appurtenances thereto within the time specified herein.

2. Exercise of Option.

This option may be exercised by the Optionee at any time on or before 6:00 P.M. on the 28th day of April, 1994 by depositing written notice to such effect in the United States mail on or before 6:00 P.M. on the aforesaid date or delivering written notice of the exercise of this option to the Owner at the address hereinafter set forth on or before 6:00 P.M. on the foregoing date, along with a certified check in the sum of Ten Thousand Dollars (\$10,000.00) as earnest money deposit made payable to the Owner. The giving of such notice and paying the earnest money deposit shall result in this agreement becoming a binding contract of purchase and sale between the parties hereto. If the Optionee fails to exercise the option before its expiration, the consideration paid herewith which shall be retained by the Owner.

Contemporaneously with the Owner granting this option, Six-Fourteen Indiana Corporation is granting a real estate option to the Optionee on the factory site adjoining the parcel that is the subject of this option, more particularly described as follows:

Part of the Southeast Quarter of Section 5, Township 34 North, Range 8 West, of the 2nd Principal Meridian, being the North 113.96 feet of the following described described tract: Commencing at a point on the West side of the highway, 198 feet North of the Northeast corner of Lot 5 in Block 21 of Railroad Addition to the Town of Crown Point; recorded in Miscellaneous Record "A" pages 508 and 509, thence running North along the West line of the

STATE OF INDIANA, S. MC  
LAKE COUNTY  
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highway 2 chains 56 links; thence running West to a point which is 4 chains and 88 links East of the center of Thomas Street, being the Northeast corner of a piece of land deeded by Jacob Schaack and wife to Henry Frederick on December 11, 1882; thence running South 2 chains and 56 links to the Southeast corner of said Frederick lot; thence running East to the place of beginning, in the City of Crown Point, Lake County, Indiana.

The use of the two parcels of real property described in the separate options are necessary to each other and must be sold together. Although there are two separate options and two separate sales, they shall be treated as one purchase and the exercise of the option granted in this agreement shall not be valid unless the Optionee exercises both options at the same time for the purchase of both parcels and completes both sales at the same time.

3. Purchase Price.

The purchase price for the purchase of the property shall be determined as follows:

A. The premises described in Exhibit "A", which is attached hereto, by agreement of the parties was appraised by Vernon Lee. Vernon Lee's appraisal is attached hereto as Exhibit "B" and has established the fair market value for the premises as \$66,000.00.

The parties now agree that during the first six (6) years of this option, beginning on date of the execution of this agreement and continuing to the \_\_\_\_\_ day of \_\_\_\_\_, 1990, the fair market value of the property as established by the appraisal of Vernon Lee shall be the purchase price for the property for said period of time. If during the first six (6) years of the option, the Owner adds capital improvements to the premises, and the Optionee agrees to the capital improvements being made, then the value of the premises as established by Vernon Lee's appraisal shall be increased by the cost of the agreed capital improvements added to the premises.

B. In the event the Optionee does not exercise their option to purchase said property before April 28, 1990, then the purchase price at which the Optionee purchases the property shall be determined at the time the Optionee notifies the Owner in writing of their possible desire to exercise their option. After April 28, 1990, the giving of notice required in paragraph 2 to the Owner by the Optionee shall not constitute a binding agreement until the new purchase price for the property has been determined and accepted by the Optionee. The purchase price for the property after April 28, 1990 and

for the remainder of the term of the option shall be determined at the time the Optionee notifies the Owner that they are contemplating exercising their option. Thereupon, the parties shall determine the purchase price by agreement, or in the absence of their agreement, the Owner and the Optionee shall each select a real estate appraiser of their own choice and the two appraisers shall select a third real estate appraiser. The three real estate appraisers shall then appraise said property together and determine the value of the property. The value of the property then determined by the three appraisers shall be the purchase price of the property. In the event the three appraisers cannot mutually agree as to its value then the value shall be determined by adding the three values determined by the appraisers together and dividing by three. The resulting value shall then be the appraised value. After determination of the value, the value so determined shall be the value, unless agreed otherwise, for the remainder of the term of the option. If the Optionee exercises its option within thirty (30) days of the date of the determination of the value, then the parties shall each pay their own appraiser and equally share the cost of the third appraiser. If the Optionee does not exercise their option within thirty (30) days, then the Optionee shall pay the total cost of the appraisals. If after the thirty (30) days, the Optionee decides to exercise the option, then the cost of the appraisal shall be paid in the same manner as if the option had been exercised within the thirty (30) days. All real estate appraisers shall be duly certified Members of American Institute of Real Estate Appraisers (MAI) or Independent Fee Appraisers Senior (IAFS). The Optionee's exercise of the option shall be as provided in paragraph 2.

4. Payment of Purchase Price.

The purchase price for the property shall be paid at the time of closing either in cash or certified funds.

The property is presently encumbered by a lease and assignment of rents and a mortgage to The Commercial Bank of Crown Point and is dated September 21, 1983 and recorded October 28, 1983. Said mortgage is additional security for an economic development loan between Six-Fourteen Indiana Corporation and the City of Crown Point as issuer, and The Commercial Bank as bondholder and Trustee. Said mortgage cannot be assumed without the prior

permission of The Commercial Bank of Crown Point, the Owner shall cooperate with the assumption so long as Bernard H. Schenk and Blanche P. Schenk, his wife, their heirs, personal representatives, successors and assigns are released from any personal obligation under said loan or under the economic development commission loan.

5. Title.

Upon receipt of notice of the exercise of the option, the Owner shall forthwith have a search of the title made and a title insurance binder prepared and cause the same to be provided to each party. The Optionee shall within fifteen (15) days notify the Owner of any objections to the title. Such title will be acceptable when it is capable of being transferred to the name of the Optionee or nominee, subject only to taxes and assessments not then due and payable, and zoning ordinances; such easements, restrictions, reservations, covenants, limitations and other conditions of record; and the outstanding mortgage to The Commercial Bank as additional security from Bernard H. Schenk to The Commercial Bank for \$240,000.00 dated September 21, 1983 and recorded October 28, 1983. Further subject to a lease between Bernard H. Schenk and Hugh J. McLaughlin & Son, Inc. dated January 31, 1983 and further subject to a lease on the residence located at 616 Thomas Street Street, Crown Point, Indiana, all of said leases which have been assigned to The Commercial Bank.

6. Conveyance.

The premises shall be conveyed to the Optionee or his nominee, by general warranty deed, free and clear of all liens and encumbrances whatsoever, except for real estate taxes, general special assessments not then due and payable, zoning ordinances, easements, reservations, limitations, and restrictions contained in plat of subdivision, any mortgages assumed, lease to Hugh J. McLaughlin & Son, Inc. dated January 31, 1983 and the lease on the residence at 616 Thomas Street, Crown Point, Indiana, if any, and any objections showing on the property as evidenced by the mortgage title policy of insurance issued by the Pioneer National Title Insurance Company on October 28, 1983 as Commitment No. 116987-83.

7. Costs paid by the Owner.

On the exercise of the option and closing the transaction, the Owner shall be responsible for the following costs and expenses:

- A. Cost to the owner title insurance policy;
- B. Cost of discharging liens on the premises not assumed by the Optionee;
- C. All debts to be made by reason of the proration of taxes. Taxes and assessments shall be prorated on the basis of the latest tax statement available on the record date of transfer of title to the Optionee; provided, however, that if the tax statement available overstates such charges, any excess funds shall be repaid to the Owner upon a final determination of the actual amount due, or if the statement understates such charges, then the difference shall be paid to the Optionee.

8. Costs Paid by Optionee.

Upon the exercise of the option and the closing of the transaction, the Optionee shall be responsible for the following costs and expenses:

- A. The cost of recording the deed of conveyance;
- B. The later date title charge;
- C. Assumption of mortgage cost, if any.

9. Closing.

The closing of the purchase shall take place within thirty (30) days after the Owner has provided evidence of his title as provided herein. The closing shall take place at such place as is agreeable to both parties.

10. Possession of Premises.

Possession of Premises shall be delivered to the Optionee, or his nominee, upon the record date of transfer of title, subject only to the right of any tenants then in possession. The Owner agrees that after the termination of the present lease and any renewals of the present lease for the residence on said property between the Owner and Gary Crissinger and Karen Crissinger, or any new leases shall not be for a period of more than one year during the term of the option.

11. Delivery of Notice.

All notices provided for herein, if not delivered in person, shall be sent by United States certified mail, return receipt requested, to the Optionee at 0251 North State Road 39, LaPorte, Indiana, 46350, and to the Owner at 69 Long Reach, Salem, South Carolina, 29676. Either party shall have the right to designate a new address for the receipt of said notice by written notice given as aforesaid.

12. Offer by Third Party.

In the event, during the term of this option, the Owner gets a bona fide offer from a third party for the purchase of the property, which offer the Owner wants to accept, the Owner shall transmit said offer to the Optionee who shall then have thirty (30) days within which to exercise his option according to the terms of this agreement. If the purchase price offered by the third party is more than the appraised value established by Vernon Lee to be used during the first six (6) years of this option; or if during the last four (4) years of the option, the purchase price of the offer by a third party is more than the fair market value established by the appraisal of the three appraisers, then the purchase price so determined by Vernon Lee or the three appraisers shall be the sale price for the property from the Owner to the Optionee. In the event that the fair market value as determined by appraisals according to the terms of this agreement is more than the purchase price offered by the third party, then the purchase price offered by the third party and accepted by the Owner subject to the terms of this option, shall be the purchase price paid by the Optionee for the purchase of said property.

In the event that the Optionee does not exercise his option after receiving notice of the offer by the third party, within the time provided, the Owner shall be free to sell the property to the third party. In the event the sale is not completed, and there are subsequent offers by third parties, the same procedure shall follow for subsequent offers by third parties.

The Owner agrees not to sell the property subject to this option to a third party unless Six-Fourteen Indiana Corporation is simultaneously selling the plant

site described in paragraph 2 herein to the same third party.

13. Representations.

Owner and Optionee hereby warrant and represent to each other that no real estate broker has participated in or pursued this transaction. Each of the parties shall indemnify and hold the other harmless with respect to any loss, cost, claim, or liability, including reasonable attorneys' fees, arising by reason of the breach of the warranties and representations contained herein. The warranties and representations contained herein shall survive the closing of this transaction.

14. Additional Covenant of Owner.

As to the residence located on the premises, the Owner hereby covenants that upon the expiration of the present lease on said residence and any renewals thereof as provided in the present lease, that the Owner will not enter into any new leases during the term of this option for more than a one (1) year term.

15. Rights and Remedies.

Except as otherwise provided herein, the rights and remedies of the parties shall be limited to the following:

A. In the event the Optionee exercises their option and this sale is not closed because of or through a default of the Owner, the Optionee may enforce specific performance or demand the return of their earnest money and any other money paid to the Owner. The Optionee shall be presumed to have waived its right to specific performance by accepting the return of the money from the Owner.

B. If the Optionee exercises their option and the sale is not closed because of or through a default of the Optionee, the Owner may be entitled to declare the agreement canceled and keep the earnest money deposit paid by the Optionee as liquidated damages. All right of the Optionee in and to said property by virtue of the abandoned sale under this agreement shall terminate.

16. Attorney Fees.

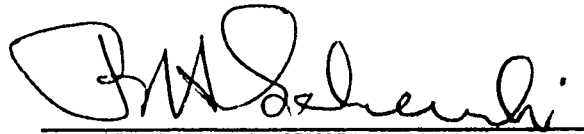
If it is necessary for the Owner to bring legal action against the

Optionee to enforce any of the covenants, terms or conditions of this agreement, or to obtain possession of said real property, either before or after rescission, or for the Optionee to bring legal action against the Owner, the prevailing party shall be entitled to recover from the other party the reasonable expenses, including attorney fees, made necessary by legal action.

17. Benefit of Agreement.

This agreement shall be governed by the laws of the State of Indiana and this agreement shall constitute the entire contract of the parties; when applicable, the singular shall include and mean the plural, and the masculine gender shall include and mean the feminine or neuter gender; time shall be of essence, and this agreement shall extend to and bind the heirs, personal representatives, successors and assigns to the parties.

EXECUTED at Crown Point, Indiana, on the day and year first written above.



BERNARD H. SCHENK

OWNER

  
WILLIAM K. WAMPLER

  
PHYLLIS A. WAMPLER

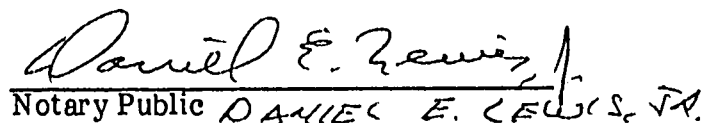
OPTIONEE

STATE OF INDIANA, COUNTY OF <sup>LAPORTE</sup> LAKE, SS:

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Bernard H. Schenk and acknowledged the execution of the foregoing agreement.

WITNESS my hand and Notarial Seal this 28<sup>th</sup> day of APRIL,

1984.

  
Notary Public DANIEL E. LEWIS, JR.

My Commission Expires: 1-21-87  
County of Residence of Notary Public: LAPORTE

STATE OF INDIANA, COUNTY OF <sup>LAPORTE</sup> LAKE, SS:

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared William K. Wampler and Phyllis A. Wampler, who



acknowledged the execution of the foregoing agreement.

WITNESS my hand and Notarial Seal this 20<sup>th</sup> day of APRIL,  
1984.

Daniel E. Lewis, Jr.  
Notary Public DANIEL E. LEWIS, JR.

My Commission Expires: 1-26-87  
County of Residence of Notary Public: LAPORTE

This instrument prepared by Herman Barber, attorney at law.

EXHIBIT "A"

Part of the Northeast 1/4 of the Southeast 1/4 of Section 5, Township 34 North, Range 8 West of the 2nd Principal Meridian, in the City of Crown Point, Lake County, Indiana, described as follows: Beginning at a point in the center line of Thomas Street which is 165 feet North of the center line of Monitor Street; thence North 168.96 feet; thence East 322.08 feet; thence South 168.96 feet; thence West 322.08 feet to the point of beginning.