

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 095061

2004 NOV -8 AM 10:04

MORRIS W. CARTER
RECORDER

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**EXHIBIT A
TO PROPERTY OPTION AGREEMENT
MEMORANDUM OF AGREEMENT**

THIS MEMORANDUM OF AGREEMENT is made this 28 day of July, 2004, by and between Richard S. Hembroff and Janene Hembroff, Trustees, of the Hembroff Living Trust dated May 19, 1995 ("Seller") and David M. Arnold ("Purchaser").

WITNESSETH

THAT, by that certain Property Option Agreement of even date herewith by and between Seller and Purchaser (the "Agreement"), Seller has granted to Purchaser, and Purchaser has acquired from Seller, an exclusive option to acquire with respect to the real estate described on Exhibit 1 attached hereto and made a part hereof (the "Property") upon the terms and subject to the conditions set forth in the Agreement.

THAT, pursuant to and upon the terms and conditions set forth in the Agreement, said option shall expire on May 31, 2014, if not earlier terminated in accordance with the terms of the Agreement.

THAT, no lease, mortgage, lien or other encumbrance affecting the Property which is created or entered into after the date hereof and prior to May 31, 2014, shall be valid or effective without obtaining the prior written consent of Purchaser; all such leases, mortgages, liens and other encumbrances shall be void and of no force or effect against Purchaser or Purchaser's interest in the Property.

THAT, the covenants and agreements of Seller under the Agreement are covenants running with the land and shall be binding upon Seller and Seller's successors and assigns.

THAT, this Memorandum of Option Agreement is executed and recorded in accordance with the terms of the Agreement solely for the purpose of giving notice of the existence thereof and shall not supersede or in any way modify the terms or conditions of the Agreement.

7/22/2004

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IN WITNESS WHEREOF, Seller and Purchaser have caused this Memorandum of Option Agreement to be executed as of the date first above written.

SELLER:

PURCHASER:

HEMBROFF LIVING TRUST,

Richard S. Hembroff Trustee
Richard S. Hembroff, Trustee

David M. Arnold
David M. Arnold

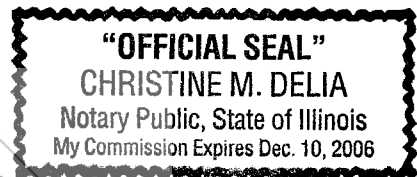
Janene Hembroff Trustee
Janene Hembroff, Trustee

SUBSCRIBED AND SWORN TO
before me this 28 day of
July 2004

SUBSCRIBED AND SWORN TO
before me this 30th day of
July 2004

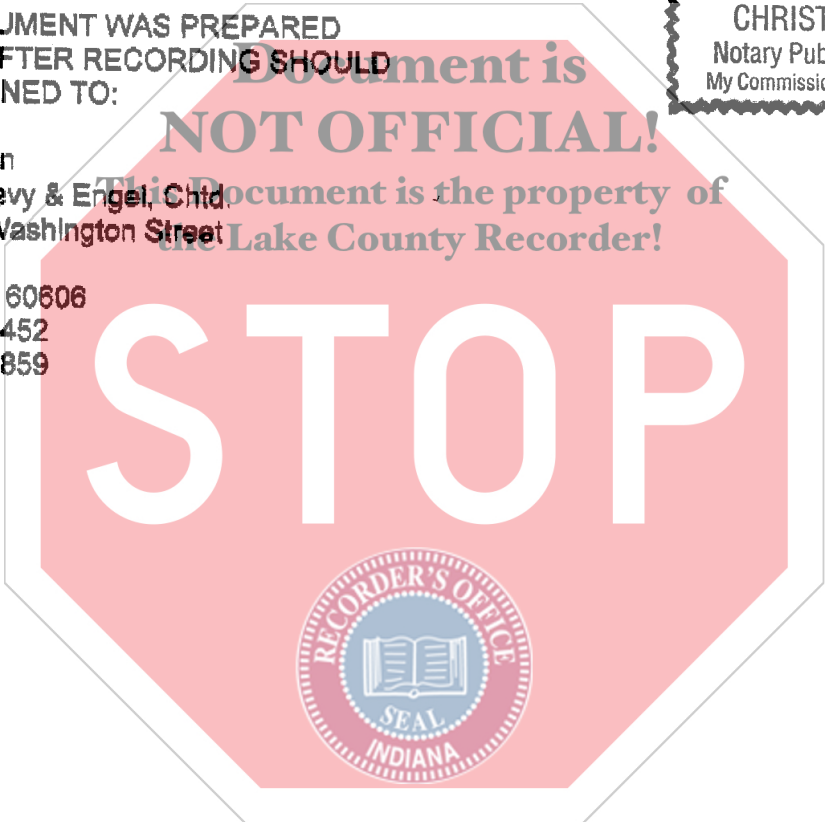
[Signature]
Notary Public
Witness

Christine M. Delia
Notary Public



THIS DOCUMENT WAS PREPARED
BY, AND AFTER RECORDING SHOULD
BE RETURNED TO:

Joel A. Stein
Deutsch, Levy & Engel, Chtd.
225 West Washington Street
Suite 1700
Chicago, IL 60606
(312) 853-8452
(312) 346-1859



[Handwritten mark]

ASW

**EXHIBIT 1
TO OPTION AGREEMENT**

THE PROPERTY

Legal Description:

THAT PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND P.M., IN LAKE COUNTY, INDIANA, LYING NORTH OF LINCOLN HIGHWAY AND BETWEEN LOTS 6 AND 7, OF LINCOLN WOODS, A SUBDIVISION AS SHOWN IN PLAT BOOK 27, PAGE 85 IN LAKE COUNTY, INDIANA.

Property Address: 1275 Joliet Street
Dyer, IN 46311

Property Number: 12 14 0003 0002

