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DELRWARE CO. S. O.

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DELRWARE CO. S. O.
WILMINGTON, DEL.

OPTION

THIS OPTION, made as of June 1, 1964 (herein termed this Option) by CHARLESTON PROPERTIES, INC., a Delaware corporation, having an address in care of The Corporation Trust Company, 100 West Tenth Street, Wilmington 99, Delaware (herein termed Grantor).

WHEREAS, Grantor owns the premises described in Schedule A attached hereto and made a part hereof (herein termed the Premises), which Premises are subject to a lease, dated as of June 1, 1964 (herein termed the Lease), between Grantor, as lessor, and The Louis Allis Company, a Wisconsin corporation, as lessee (herein termed Lessee), for a Primary Term ending on the last day of June, 1989, and to the matters set forth in Schedule A as exceptions to the Grantor's title to the Premises;

WHEREAS, pursuant to a note purchase agreement (herein termed the Note Purchase Agreement) dated June 1, 1964 between Grantor and Pan American Life Insurance Company (herein termed Grantee), Grantor, concurrently with the execution and delivery of this Option, intends to issue its 5% Mortgage Note or Notes, due July 1, 1989 (herein termed the Notes), in the aggregate principal amount of \$610,000, and as security for the payment of the Notes the Company will assign to Grantee its entire estate, right, title and interest as lessor under the Lease, and will mortgage the Premises under a Mortgage dated as of June 1, 1964 (herein termed the Mortgage) to the Grantee thereunder. As provided in the Note Purchase Agreement, Grantor may from time to time issue certain Improvement Notes in aggregate principal amount not in excess of \$400,000. The Note Purchase Agreement provides that, as an additional inducement to Grantee to execute the Note Purchase Agreement and to purchase the Notes and as a condition of such purchase, Grantor shall deliver an option in substantially the form of this Option to Grantee to acquire fee title to an undivided one-fourth interest in the Premises.

NOW THEREFORE, THIS OPTION WITNESSETH THAT: Grantor hereby grants to Grantee for its sole benefit, in consideration of the foregoing and of One Dollar in hand paid by Grantee to Grantor, receipt of which is hereby acknowledged by Grantor, an irrevocable option to purchase an undivided one-fourth interest in the fee title to the Premises on any date occurring not more than 25 days prior to the date of the expiration of the Primary Term of the Lease designated for such purchase as hereinafter provided, for a purchase price of \$55,080. This Option shall be and shall be exercised upon the following terms and conditions:

1. This Option is subject to the Lease and the rights of any Lessee thereunder. In addition, this Option shall not be exercisable after (i) a purchase of the Premises by the Lessee pursuant to any provision of the Lease on or prior to the date of the expiration of the Primary Term of the Lease, or (ii) a rejection by the Grantor (or the Grantee on behalf of the Grantor), made in full compliance with paragraph 10 of the Mortgage, of an offer of the Lessee to purchase the Premises pursuant to the provisions of the Lease, if in connection with such

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