

# OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT

This Option Agreement is executed this \_\_\_\_\_ day of October, 2024, by and between **PINE STREET PRESBYTERIAN CHURCH**, a Pennsylvania nonprofit corporation, having an address of 310 N. Third St. Harrisburg, PA 17101 (“Landlord”) and **DOWNTOWN DAILY BREAD**, a Pennsylvania nonprofit corporation, having an address of 234 South St. Harrisburg, PA 17101 (“Tenant”). Landlord and Tenant are also sometimes referred to herein, collectively, as the “Parties,” or individually as a “Party.”

## A. The Option to Purchase.

1. Background. This Option Agreement is entered into contemporaneously with, and as an Addendum to a certain Lease Agreement between the Parties of even date. Pursuant to the said Lease Agreement, Tenant and Landlord have confirmed a long term lease by Landlord to Tenant of the premises commonly identified as 234 South Street, Harrisburg, PA 17101, designated as Parcel No. 04-007-003-000-0000 on the tax maps of Dauphin County, and having erected thereon a three-story building containing approximately 15,250 square feet (collectively hereafter referred to as the “Premises”). In addition to the terms of the Lease Agreement, the Landlord and Tenant desire to enter into this Option Agreement setting forth the terms, conditions, rights, obligations, and limitations under which the Tenant may elect to purchase the Premises and thereby end the Lease Agreement.

2. Effective Date for Exercise. Tenant’s rights to exercise its option to purchase the Premises shall accrue on and after October 1, 2027, and not before. Tenant’s right to exercise terminates with the termination of the Lease, for any reason.

3. Conditions Precedent to Exercise. Tenant shall have no exercisable right unless the Lease Agreement remains in full force and effect and Tenant is not in default, nor in breach of any material term, condition, or obligation thereunder. Tenant retains certain rights under the Lease Agreement to cure events of breach or default and may thereby and thereafter exercise its rights.

4. Notice of Intent to Exercise. Tenant shall exercise its right under this Option Agreement by delivering written notice of intent to purchase to Landlord, and setting forth a proposed settlement date not later than 120 days thereafter and allowing time for obtaining of the consents noted in Paragraph 7, below.

5. Purchase Price. The Parties agree that the option purchase price for the Premises shall be the sum of Eight Hundred Thousand Dollars (\$800,000) if the option is exercised on or about October 1, 2027. However, if the notice of intent to exercise is sent by Tenant to Landlord after April 1, 2028, the parties agree that the purchase price shall be adjusted on the basis of the formula set forth below. (The adjustment is agreed to as a measure of accounting for changes in the value of money over time, if the Tenant’s decision to exercise its option rights is materially deferred beyond three years.)

If Tenant does not exercise the right to purchase by April 1, ~~2008~~2028, then the purchase price shall increase yearly based on the same formula as in Section 4(a) of the Lease.

6. Duration. Tenant's rights under this Option to Purchase Agreement shall remain in force and effect during the Term of the Lease and any renewal thereof. Tenant's rights will not be exhausted or extinguished by any of three prior attempts to exercise which have not been carried to completion. However, in the event that the congregation should fail to approve the sale of the Premises – and fail to meet the condition precedent noted in Paragraph 9 below, Tenant shall have the right to terminate the Lease Agreement on 30 days written notice to Landlord.

#### **B. The Right of First Refusal.**

7. Notice of Intent. In the event that during the initial term of the Lease Agreement or its renewal Landlord receives a bona fide offer to purchase the Premises (the "Offer"), which the Landlord is prepared to accept, then the Landlord shall forthwith send to the Tenant written notice of its desire and intention to sell the Premises on the terms set forth in the Offer (the "Notice of Intent to Sell"). The Tenant shall have up to thirty (30) days from the date of receipt of the Notice of Intent to Sell within which to give notice to the Landlord that Tenant desires and agrees to purchase the Premises on the same terms and conditions as are set forth in the Offer ("Notice of Intent to Buy"); provided that (i) if the Tenant shall have given a Notice of Intent to Buy to Landlord, Tenant shall proceed to consummate the purchase in accordance with the Offer's terms; (ii) if the Tenant shall not have given a timely Notice of Intent to Buy, then the Tenant shall be deemed for all purposes to have refused to purchase the Premises; and, (iii) the Landlord may then proceed to accept the Offer and sell the Premises to the offeror, but only at the price and on the terms and conditions contained in the Offer.

#### **C. Procedure for Consummating the Transaction.**

The following process and procedures will apply with respect to concluding Tenant's purchase of the Premises, either pursuant to the Option to Purchase or the Right of First Refusal.

8. Closing and Settlement. Closing shall be held at the office of a reputable local title company. Rent under the Lease Agreement shall be pro-rated to the date of closing; real estate transfer taxes shall be divided equally between the parties; other costs incident or necessary for closing shall be borne by Tenant. Landlord will deliver a special warranty deed conveying insurable title to the Premises, together with all its fixtures, equipment and improvements, and such other documentation as is reasonably needed to conclude a commercial real estate transaction.

9. Conditions precedent to Closing and Settlement. Landlord has advised Tenant and Tenant hereby confirms its understanding and acceptance that under the polity of the Presbyterian Church U.S.A., to which Landlord is subject, this real estate owned by a local church may not be sold without the approval of the Presbytery of Carlisle (through its Administration Committee) and approval by majority vote of the members congregation of the Pine Street Presbyterian Church at a called meeting attended by a quorum of the congregation. Landlord will seek, and reasonably

believes it will obtain consent of the Presbytery – acting through its Administration Committee - promptly upon approval of the Lease and this Agreement by the Landlord’s Session and Board of Trustees. Congregational approval will be sought promptly following Landlord’s receipt of either a Tenant’s Notice of Intent to exercise the option, or a Tenant’s Notice of Intent to Buy under the Right of First Refusal.

**IN WITNESS WHEREOF**, Landlord and Tenant intending to be legally bound, have executed this Lease as of the Effective Date.

LANDLORD:

PINE STREET PRESBYTERIAN CHURCH, a  
Pennsylvania nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

DOWNTOWN DAILY BREAD, a Pennsylvania  
nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Attestation / notarization needed for recordation, if desired?]

**Summary report:  
 Litera Compare for Word 11.9.1.1 Document comparison done on  
 9/29/2024 9:49:41 PM**

<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://saul.imatege.work/FIRMDMS/52993155/3	
<b>Modified DMS:</b> iw://saul.imatege.work/FIRMDMS/52993155/4	
<b>Changes:</b>	
<u>Add</u>	1
<u>Delete</u>	1
<u>Move From</u>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<u>Table Delete</u>	0
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>2</b>