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Return to: Marshall J. Goldsmith
3747 45th Street
Highland, Indiana 46322

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LEASE OPTION AGREEMENT

This Agreement, entered into on the 2nd day of

May, 1980, by and between Jerome A. Sivak and Judith A. Sivak, husband and wife (hereinafter referred to as "Lessors"), and Harold A. Rosenbloom (hereinafter referred to as "Lessee")

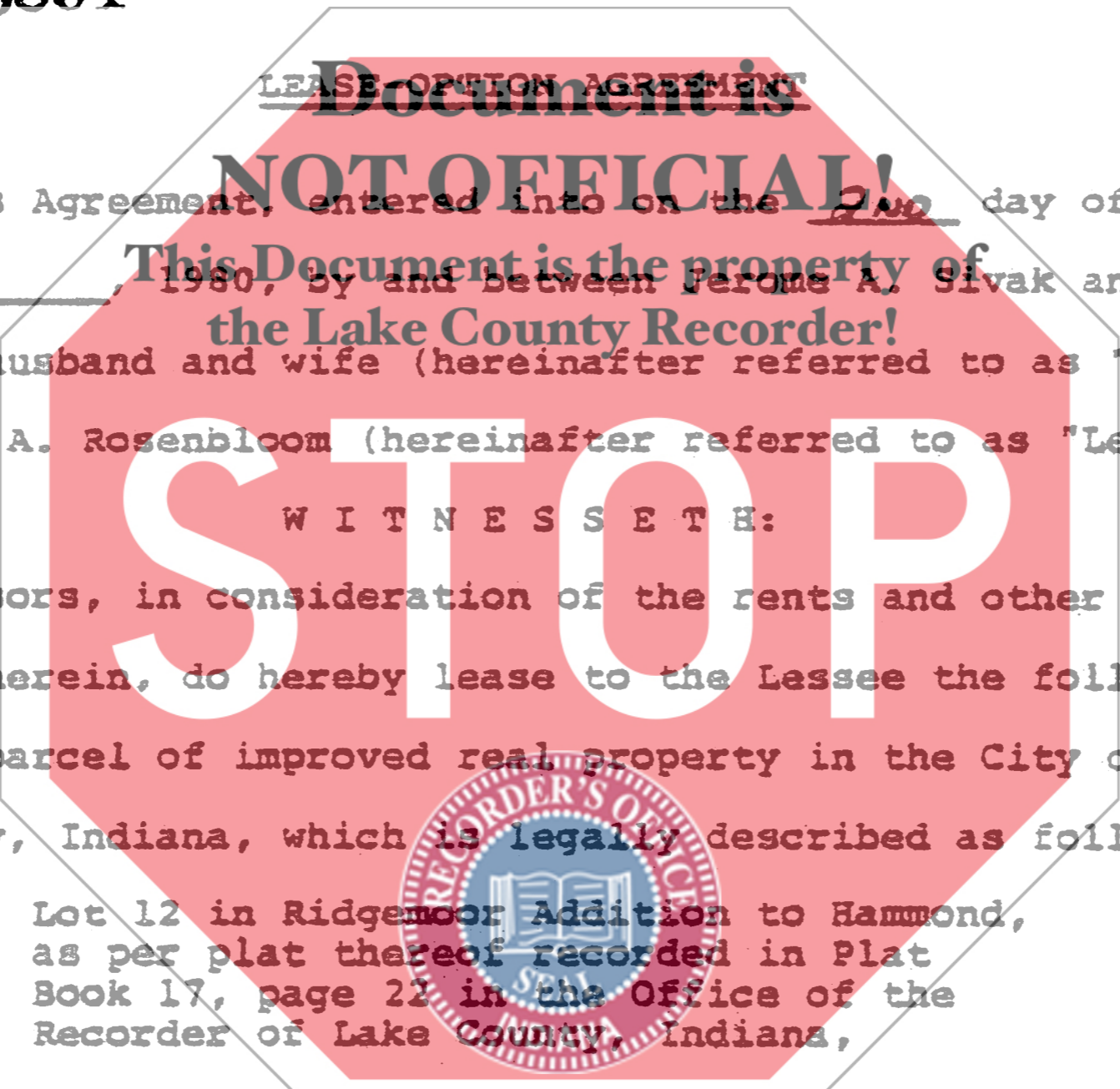
WITNESSETH:

Lessors, in consideration of the rents and other covenants contained herein, do hereby lease to the Lessee the following described parcel of improved real property in the City of Hammond, Lake County, Indiana, which is legally described as follows:

Lot 12 in Ridgemoor Addition to Hammond, as per plat thereof recorded in Plat Book 17, page 22 in the Office of the Recorder of Lake County, Indiana,

and commonly known as 6826 Rosewood Avenue, Hammond, Indiana,

to have and to hold by said Lessee for a term of five (5) years beginning on the 1st day of June, 1980, and ending on the 31st day of May, 1985. In consideration for said Lease, the Lessee shall pay to the Lessors rental in the total amount of Twenty-Four Thousand (\$24,000) Dollars payable in installments of Four Hundred (\$400) Dollars per month for sixty (60) consecutive months, the first payment being due and payable on the 1st day of June, 1980, and a like sum on the 1st day of each succeeding month thereafter during the term of this Lease. Monthly rental payments shall bear interest at the rate of 15 percent per annum upon each installment after ten (10) days from the date upon which each such installment becomes due, and with attorney's fees in the event of default. All sums due from the Lessee hereunder shall be payable without relief from valuation or



STATE OF INDIANA
COUNTY OF LAKE
MAY 7 11 58 AM '80
WILLIAM PIELSKI JR
RECORDER

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appraisal laws at 6450 WESTSHIRE, ANTAGE, MICH. 49081
or such other place as the Lessors may, from time to time, designate
in writing.

The Lessors and the Lessee hereby agree to the following
additional covenants:

1. Acceptance of Premises - The Lessee has examined the
premises prior to, and as a condition precedent to his acceptance
and the execution hereof, and is satisfied with the physical
condition thereof and his taking possession thereof shall be
conclusive evidence of his receipt thereof in good order and
repair, except as may otherwise be specified herein, and agrees
and admits that no representations as to the condition or repair
thereof has been made by Lessors or Lessors' agent, which is
not herein expressed, or endorsed hereon; and likewise agrees
and admits that no agreement or promise to decorate, alter,
repair or improve premises, either before or after the execution
hereof, not contained herein, has been made by the Lessors or
Lessors' agent.

2. Use of Premises - The Lessee covenants and agrees
that the above described premises shall be used for the purpose
of a personal residence and no other. No change in the use of
the premises may be made by the Lessee without the express written
consent of the Lessors.

3. Taxes and Assessments - The Lessee agrees to pay promptly,
upon the issuance of bills therefore, all general real estate taxes
and all special assessments upon the above described premises
during the entire term of this Lease. General real estate taxes
for the first fractional calendar year of the leased term shall
be prorated between the parties as of the date of the commencement
of this Lease based on the most recent assessment of the premises

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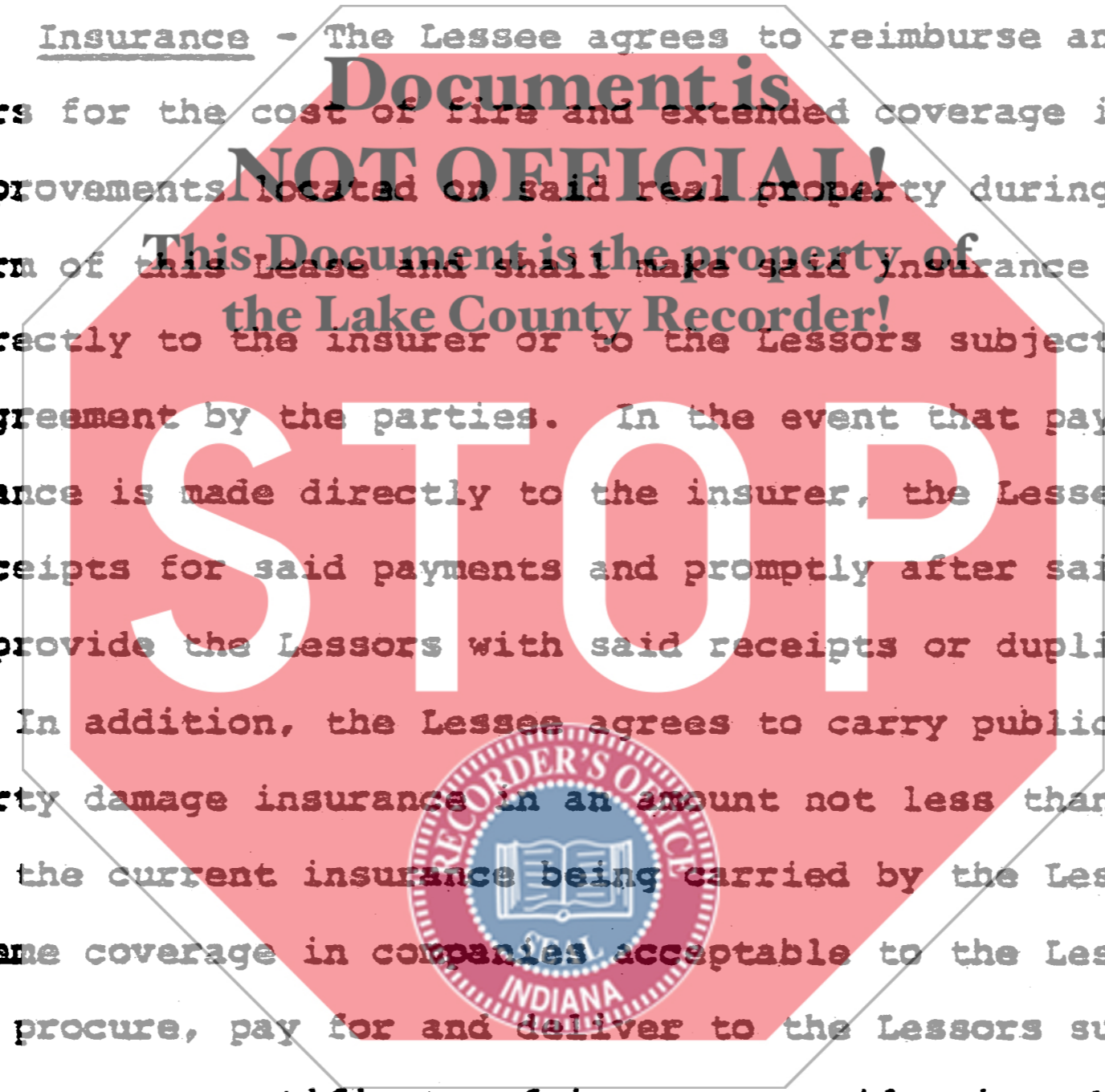
and the latest available tax rate subject to reparation after 1980 tax bills are issued. General taxes for the last fractional year of the term shall be prorated on the basis of the most current tax rate available at the time of the expiration of the leased term. The Lessee further agrees to pay all assessments, water and utility charges and any other charge or assessment which may be levied, assessed, or imposed on the premises or any part thereof or on any building or improvement situated thereon at any time during the term of this Lease. Any and all real estate taxes, assessments or other charges payable under this paragraph shall be paid either directly to the taxing or assessing authority, or to the Lessors as the parties may, from time to time, agree. In the event the Lessee makes such payments directly to the taxing or assessing authority, the Lessee shall promptly obtain receipts for such payment and shall promptly turn said receipts or duplicates thereof over to the Lessors.



4. Repairs and Maintenance by the Lessee - The Lessee agrees to make any and all repairs, alterations, or changes of every kind and nature that may be required to the premises, regardless of extent thereof and whether same be structural, ordinary, extraordinary or of any other nature and regardless of how same may be necessitated. The Lessee shall keep and maintain the premises and any improvements thereon and all parts thereof for the term of this Lease in good and substantial repair and condition. The Lessee assumes all duties and obligations with relation to the premises and improvements located thereon or any improvements which may be erected thereon during the term of this Lease and also the maintenance and operation thereof, as if the Lessee be also owner and Lessor, so that all maintenance or repairs shall be done and fulfilled at the sole expense and responsibility of the Lessee and without expense, liability or obligation whatsoever to or on the Lessors.

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5. Insurance - The Lessee agrees to reimburse and indemnify the Lessors for the cost of fire and extended coverage insurance on the improvements located on said real property during the entire term of this lease and shall make said insurance payments either directly to the insurer or to the Lessors subject to further agreement by the parties. In the event that payment for insurance is made directly to the insurer, the Lessee shall obtain receipts for said payments and promptly after said payments are made provide the Lessors with said receipts or duplicates thereof. In addition, the Lessee agrees to carry public liability and property damage insurance in an amount not less than the limits of the current insurance being carried by the Lessors for the same coverage in companies acceptable to the Lessors and shall procure, pay for and deliver to the Lessors such policies of insurance or a certificate of insurance evidencing the coverage required. The Lessors, at the expense of the Lessee, will keep the improvements on the above described real estate insured at all times, and shall cause the Lessee to be included on any policy of such insurance as an additional named insured, and if any improvements thereon are damaged or destroyed by a casualty insured against, the insurance proceeds will be used to repair and rebuild the premises destroyed. Any and all policies of public liability or accident insurance secured by the Lessee as required by this paragraph shall indemnify and save harmless the Lessors from any loss on account of accident occurring on or in connection with the use of the property leased herein and in default of the Lessee keeping and maintaining such insurance, the Lessors may effect such insurance and the premium or premiums therefor shall be paid by the Lessee.



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6. Indemnification - The Lessee agrees to save and hold the Lessors harmless from any and all liability, demands, expenses, or claims asserted by any person by reason of the use, possession, or occupancy of the above described premises by the Lessee or his negligence or that of any of his employees, servants, agents or contractors for any occurrence during the term of this Lease with the exception of any claim or demand made by the current mortgagee of the premises pursuant to the mortgage described in Paragraph 8 of this Agreement. The Lessors indemnify and hold the Lessee harmless from and against any and all liabilities, judgments, claims, expenses or demands asserted against the Lessee by reason of the Lessors' possession, use or occupancy of the premises described herein or the Lessors' negligence occurring before the commencement of the term of this Lease.

7. Risk of Loss - In case any building or improvement on said premises, or any substantial portion of said premises, without any fault or neglect of either party, shall be destroyed or so injured by the elements or other cause as to be unfit for occupancy or use, payment of rent and any and all obligations assumed by the parties under this Lease shall continue for the term of reconstruction or repair of any such damage. In the event of total destruction of the improvements located on the premises, either the Lessors or the Lessee may terminate this Lease Agreement without further obligation except that the Lessors shall return to the Lessee any and all amounts paid in consideration for the option granted by the Lessors to the Lessee for the purchase of the premises leased hereby. The Lessors shall be obligated to reconstruct or rebuild any damage only to the extent of insurance proceeds received therefor. In the event said proceeds are in an amount insufficient to effect the repair or reconstruction

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of any damage so as to return the building or improvements on the premises to their condition before destruction or damage, the parties may terminate this lease as if all buildings and improvements on the premises had been destroyed.

8. Mortgages and Encumbrances - The Lessors represent

to the Lessee that the real property leased herein is encumbered by and subject to a first mortgage with an outstanding balance as of the date of commencement of this lease in the approximate sum of \$44,000.00. The Lessors further warrant and agree that they shall be responsible for the payment of all principal and interest due on said mortgage and that said payments shall be made promptly as they become due, and that said mortgage shall be released in full at the time of conveyance of title to the premises in the event the Lessee exercises any option to purchase the property from the Lessors. This lease shall be subordinate to the lien constituted by such mortgage and the Lessee agrees to execute any documents which may be required by any lending institution for the purpose of subordinating this lease to such mortgage.

9. General Covenants - The Lessee further agrees that he

will not use or occupy said premises for any unlawful purpose; that he will not use or permit the leased premises to be used in violation of any law, order or regulation of any governmental authority relating to the use or occupancy of said premises; that if any use by Lessee of the leased premises increases the insurance rate thereon, Lessee will pay the Lessors the amount of increases in premium caused by such increase in rates; that he will make no alterations or additions in or to said premises without the express written consent of said Lessors; that he will permit said Lessors, or their agents, to enter upon said

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premises at all reasonable times after reasonable notice to Lessee to examine the condition thereof, and that he will not assign this Lease or sublet the premises nor any part thereof without the written consent of the Lessors. The Lessors hereby agree that the Lessee paying the rents, and keeping and performing the covenants of this Lease on his part to be kept and performed, shall peaceably and quietly hold, occupy and enjoy said premises during said term, without any hindrance or molestation by the Lessors or any person or persons lawfully claiming under them, and Lessors covenant and warrant that the leased premises may lawfully be used by the Lessee for the purpose for which they are leased.

10. Remedies - Both the Lessors and the Lessee shall hold and possess any and all remedies for the enforcement of this Lease afforded by law. If the rent payable hereunder or any part thereof shall at any time be in arrears and unpaid, and without demand being made therefore; or if the Lessee or his assigns shall fail to keep or perform any of the covenants, agreements or conditions of this Lease on his part to be kept and performed, and such default is not cured within thirty (30) days after written notice from the Lessors setting forth the nature of such default; or if the Lessee shall be adjudged a bankrupt, or shall make an assignment for the benefit of creditors, or if the interest of the Lessee shall be sold under execution or other legal process, or if the Lessee shall file a voluntary petition in bankruptcy or shall be placed in the hands of a receiver, it shall be lawful for the Lessors without notice or process of law to enter said premises and again have, repossess and enjoy the same as if this Lease had not been made, and thereupon this Lease and everything herein contained on the part

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of said Lessors to be done and performed shall cease, terminate and be utterly void, all at the election of the Lessors; without prejudice, however, to the right of the Lessors to recover from said Lessee, or assigns, all rent due up to the time of such entry. In case of any such default and entry by Lessors, Lessors may relet said premises for the remainder of said term for the highest rent obtainable and may recover from Lessee any deficiency between the amount so obtained, and the rent hereinabove reserved. Failure on the part of Lessors to avail themselves of any right or remedy hereunder shall not constitute a waiver thereof as to any future default or breach by Lessee. In the event of any default by the Lessee and re-entry by the Lessors, any and all amounts paid by the Lessee to the Lessors as consideration for the option granted herein shall be retained in full by the Lessors as liquidated damages for the breach or default on this Agreement.

11. Option to Purchase - The Lessors hereby grant to the Lessee an option to purchase the real property and improvements covered by this Lease at any time during the term of this Lease for the sum of Seventy Thousand (\$70,000) Dollars. As separate consideration for this option, the Lessee has paid to the Lessors the sum of Fifteen Thousand (\$15,000) Dollars at the time of execution hereof, receipt whereof is hereby acknowledged. Said consideration of Fifteen Thousand (\$15,000) Dollars shall be applied to the purchase price. In addition, a portion of the rent paid by the Lessee pursuant to this Lease up to the time of exercise of the option shall be applied to the purchase price. The amount of rent to be applied to the purchase price shall be equal to the amount the principal of the Lessors' current mortgage on the premises is reduced between the commencement of this Lease Agreement and the time of exercise of the option.

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The option shall be exercised in writing and delivered to the Lessors. The balance of the purchase price shall be due and payable at closing of title which shall take place not more than 45 days after the date of exercise of the option. The Lessors shall at their expense furnish the Lessee with evidence of title in the form of a preliminary title report or commitment for an owner's guarantee policy in the amount of the total purchase price current to a date after the date of exercise of the option granted herein evidencing good merchantable title to the real estate herein described free and clear of all liens, rights to liens and encumbrances, subject only to current property taxes and such easements and restrictions of record as do not prevent the Lessee from utilizing the property for the primary use for which he purchased same. Title evidence shall be furnished at least ten (10) days prior to the date of closing. The Lessors shall be permitted a reasonable time in which to clear any and all exceptions to title but in no event shall the Lessors delay closing more than sixty (60) days. In the event that the Lessors are unable to convey merchantable title, the Lessee at its option, may receive reimbursement for all sums paid in consideration for the option granted herein or may proceed with the purchase of the premises charging any expenses of removing defects in title not permitted to the Lessors. At time of closing, the Lessors shall deliver to the Lessee a good and sufficient Warranty Deed conveying the premises to the Lessee free and clear of all exceptions and encumbrances except as set out above. All rents due under this Agreement shall abate on and after the first day of the month during which conveyance of the premises takes place.

12. Option to Extend Lease - In addition to and separate from the option to purchase granted to the Lessee in Paragraph

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11 of this Agreement, the Lessors hereby grant to the Lessee an option to renew this Lease Agreement for an additional term not to exceed 5 years. Said option for extension shall be exercised by the delivery of written notice to the Lessors not less than 90 days before the expiration of this Agreement together with the payment of the larger of \$10,000 or an amount equal to the sale price balance less the mortgage pay off at the end of the first lease term of 5 years. The sale price balance shall be equal to the purchase price of the premises stated in Paragraph 11 of \$70,000 less \$15,000 consideration for the purchase option granted in said paragraph and such additional amounts as are equal to the amount the principal of the Lessors' current mortgage on the premises is reduced between the commencement of this Lease Agreement and the expiration of the first 5 years of this Lease. The term mortgage pay off means the amount necessary to pay off the principal of said mortgage together with any pay off fees or pre-payment penalties which may be due as of the time of the expiration of the first 5 years of this Agreement. In the event the option to extend this lease granted by this paragraph is exercised, the rent due and payable during the extended term shall increase to \$31,500.00, payable in 60 equal monthly installments of \$525.00 each, due and payable as in the case of other rents under this agreement.

13. Application to Successors; Applicable Law - This Agreement shall bind the parties, their successors and assigns and shall be construed and interpreted under the laws of the State of Indiana.

14. Previous Agreement Superseded - This Lease-Option Agreement contains the entire agreement of the parties and no other verbal or parole representation of the agreement shall be valid unless contained herein. This Agreement may be amended only in writing signed by the Lessors and the Lessee.


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WHEREFORE, the parties have hereunto affixed their signatures on the date and in the year first above written.

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Jerome A. Sivak
JEROME A. SIVAK, Lessor

Judith A. Sivak
JUDITH A. SIVAK, Lessor

Harold A. Rosenbloom
HAROLD A. ROSENBLUM, Lessee

Before me, the undersigned, a Notary Public in and for said County, this 2nd day of MAY, 1980, came Jerome A. Sivak, Judith A. Sivak and Harold A. Rosenbloom and acknowledged the execution of the foregoing instrument.

Witness my official hand and seal.

Anthony DeBonis, Jr.
Anthony DeBonis, Jr. Notary Public
County of Residence:

My Commission expires:
FEBRUARY 17, 1981

LAKE

This instrument prepared by:
Anthony DeBonis, Jr.
MURPHY, McATEE, MURPHY & COSTANZA
720 West Chicago Avenue
East Chicago, Indiana 46312
PH: 219/397-2401