

RECORDED

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STATE OF INDIANA
CLERK OF SUPERIOR COURT
APR 9 2 41 PM '81
WILLIAM BIELSKI JR
RECORDER

LEASE AGREEMENT

THIS INDENTURE is made and entered into on the 13th day of July, 1978, by and between the following parties to-wit:

LAKERIDGE MEDICAL CENTER, an Indiana partnership, hereinafter sometimes referred to as "Landlord"; and

DR. LESTER J. DAROS, INC., an Indiana coporation and hereinafter sometimes referred to as "Tenant".

WITNESSETH:

CONSIDERATION

1. Each of the aforesaid parties acknowledges the receipt of a valuable consideration from the other and that they and each of them act hersin in further consideration of the engagements of the other as herein stated.

PREMISES

2. Landlord hereby leases to Tenant the space within LAKERIDGE MEDICAL CENTER, 1573 N. Cline Avenue, Griffith, Indiana 46319 which is described as follows: Suites 3 and 4 (hereinafter called the leased premises). The term "building" as used below shall mean all real property located at 1573 N. Cline Avenue, Griffith, Indiana 46319.

TERM

3. The term of the Lease shall be for five (5) years beginning on August 1, 1978, and ending on July 31, 1983, unless the term is ended sooner as hereinafter provided.

USE

4. The leased premises are to be used fully, continuously and solely by the Tenant for office purposes during the lease term for the conducting of the following business: General medical practice.

RENTAL

5. Tenant agrees to pay to Landlord at Landlord's office, on the first day of each and every calendar month during the term of this lease, for the ensuing month, the sum of One Thousand Seven Hundred Sixty Four & 70 cents (\$1,764.70) Dollars without demand, demand being expressly waived. Rental for months of partial occupancy shall be prorated. Said rental shall be adjusted as provided in paragraph 6 below.

RENTAL ADJUSTMENT

6. For the period beginning January 1, 1980 and for the year 1980, and in each subsequent lease year (or portion thereof) during the term of this lease the monthly installments of rent payable pursuant to paragraph 5 of this lease (hereinafter called the "Base Rent") shall be adjusted by an amount equal to 1/12th of the amount by which the product obtained by multiplying the annual Base Rent

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by a fraction which has as its numerator the 12 month average of the Consumer Price Index (U.S. - Urban Wage Earners - Chicago area only, or its successor index) for the Calendar Year ending December 31st immediately prior to such Lease Year and has as its denominator the 12 month average of such Consumer Price Index for the Base Year, exceeds the Annual Base Rent. In no event shall the adjustment provided for in this section result in a decrease in the Base Rent.

Definitions - "Calendar Year" shall mean the 12 month period commencing on January 1 and ending on the following December 31.

"Base Year" shall mean the Calendar Year ending December 31, 1978.

"Lease Year" shall be the period beginning January 1 of each year and ending on the following December 31.

In any Lease Year in which a rental adjustment is required to be made under the provisions of this section, Landlord shall deliver to Tenant, upon request, on or before the first day of such Lease Year (or as soon thereafter as may be possible) a report of the calculation provided in this Rent Adjustment Clause.

Tenant shall pay such adjusted rental in advance on the first day of each month during the next ensuing Lease Year or portion thereof during which this lease shall continue in effect. In the event the report herein provided for is delayed beyond the first day of such Lease Year, Landlord and Tenant shall adjust any rental payments made prior to the receipt of such report to conform therewith.

**TENANT
IMPROVEMENTS**

7. Other than the terms stated in the attached Work Letter, if any, Tenant will make no alterations in, or additions to, said premises without first obtaining the Landlord's written consent and that all the erections, additions, fixtures and improvements, whether temporary or permanent in character (except only the movable furniture of the Tenant), made in or upon said premises, either by the Tenant or the Landlord, shall be the Landlord's property, and shall remain upon said premises at the termination of said term by lapse of time or otherwise, without compensation to the Tenant.

POSSESSION

8. If, for any reason, the leased premises are not ready for occupancy by the Tenant on the beginning date of the lease term as set forth above, this lease shall not be affected thereby nor shall Tenant have any claim against Landlord by reason thereof, but no rent shall be due for the period during which the premises are not ready for occupancy unless Tenant shall have failed to promptly approve (or furnish) plans and specifications, or unless Tenant shall have required special work by Landlord, or unless Tenant shall have ordered work over which the Landlord shall have had no control.

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OCCUPANCY
PRIOR TO
BEGINNING DATE

9. If Tenant shall occupy the leased premises prior to the beginning date of the lease term as set out above and with Landlord's consent, then all the provisions of this lease shall be in full force and effect beginning on the date of such occupancy. Such occupancy shall be on a month to month (per diem) basis until the beginning date of the lease term and rent shall be due on that basis at the rate set forth above. If part of the premises is occupied, rent shall be prorated on the basis of the area occupied.

SERVICES
FURNISHED

10. Landlord shall furnish and pay for heating, cooling, janitorial service, electrical service, and water on normal business days. However, Landlord shall not be liable for any stoppage of said services when caused by circumstances beyond the control of the Landlord or by necessary repairs or improvements to the building so long as Landlord shall exercise reasonable diligence to resume such service.

QUIET
POSSESSION

11. Tenant shall have quiet possession of the leased premises so long as Tenant is not in default with respect to any of the terms of this lease.

ASSIGNMENT,
SUBLETTING

12. Tenant agrees not to assign its rights under this lease, nor permit same to be assigned, nor in any manner sublet the leased premises without first having obtained Landlord's written consent.

LAWFUL
USE

13. Tenant agrees not to use the leased premises for any unlawful purpose and not to allow same to be so used, either in whole or in part.

CONDITION AND
CARE OF
PREMISES

14. Except for any damage resulting from any act of Landlord or any Tenant other than Tenant, their employees, agents or invitees, and subject to the provisions of Section 22, Tenant shall at its own expense keep the premises caused by Tenant or any of its employees, agents or invitees, including the replacing and repairing of all fixtures and appurtenances resulting from any such damage, under the supervision and with the approval of Landlord and within any reasonable period of time specified by Landlord. If Tenant does not do so promptly and adequately, Landlord may, but need not, make such repairs and replacements and Tenant shall pay Landlord the cost thereof. Notwithstanding the above, Landlord shall pay for and replace all broken glass.

SAFE
USE

15. Tenant agrees not to use the leased premises in any way which, in the judgment of the Landlord, poses an extraordinary hazard to the Tenant, the leased premises, other tenants, or the building as a whole and Tenant shall not permit such use. In particular, nothing shall be done which would invalidate Landlord's insurance or increase the premium of same.

REPUTABLE
USE

16. Tenant agrees not to use the leased premises so as to cause damage, annoyance, nuisance or inconvenience to the building or to other tenants. Tenant agrees not to use the leased premises in any manner which would injure the reputation of the building. Tenant further agrees not to permit the above uses.

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**INSURANCE AND
INDEMNIFICATION**

17. Tenant agrees to be responsible for and to protect, defend, indemnify and hold harmless, Landlord from and against any and all losses, costs, liabilities, damages, claims, demands, expenses and legal actions arising or allegedly arising out of any accident or occurrence causing or allegedly causing injury or death to any person or persons or damage to any property in any way connected or allegedly connected with the condition of the demised premises or the use of the demised premises or any part thereof by the Tenant or by any other person or persons, no matter by whomsoever or whatsoever caused. Tenant shall, at its own expense, defend any such claim and any suit, action or proceeding which may be commenced thereunder, and Tenant shall pay any and all judgments which may be recovered in any such suit action or proceeding, and any and all expenses, including but not limited to costs, attorney's fees and settlement expenses that may be incurred therein.

Tenant shall procure at its sole cost and expense and keep in effect during the entire term thereof, comprehensive general liability insurance with minimum limits of liability of Five Hundred Thousand (\$500,000.00) Dollars per person, One Million (\$1,000,000.00) Dollars per occurrence for bodily injury and One Hundred Thousand (\$100,000.00) Dollars per occurrence for property damage. Said insurance shall name Landlord as an additional named insured, shall specifically include the liability assumed hereunder and shall provide that it is primary and not excess over or contributory with any other valid, existing and applicable insurance in force for Landlord. Tenant shall deliver policies of such insurance or certificates thereof to Landlord and in the event Tenant shall fail to procure such insurance, Landlord may, at its option, procure the same for the account of Tenant and the cost thereof shall be paid to Landlord as an additional rent upon receipt by Tenant of bills therefor.

SECURITY

18. It shall be the responsibility of each tenant, if said tenant is the last tenant to leave the building at the end of a given day or during non-business hours for said Tenant, to lock all doors to the building, and put the security alarm into operation.

**LANDLORD'S
RIGHT OF
ENTRY**

19. Landlord shall have the right to enter the leased premises by appointment at all reasonable hours or in the case of an emergency at any time, to inspect or exhibit same or to make repairs, additions, or alterations as may be necessary for the safety, improvements or preservation thereof, or of any part of the building. However, Landlord is not required to make any such repair, addition, or alteration.

SIGNS

20. Tenant's name and suite number shall appear on the Building Directory. The Tenant shall provide proper identification to the leased premises. Tenant may place signs within the leased premises provided that such signs are not visible from without the leased premises but shall place no other signs or displays in or on the building.

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**WASTE,
NUISANCE**

21. Tenant agrees not to commit or permit to be committed any waste or nuisance whatsoever.

**PREMISES
UNTENANTABLE**

22. In the event that the leased premises are damaged or destroyed in whole or in part by fire or other casualty during the term hereof, Landlord shall, at its own cost and expense, repair and restore the same to tenantable condition with reasonable dispatch, and the rent herein provided for shall abate entirely in case the entire demised premises are untenantable and pro rata for the portion rendered untenantable, in the event of partial untenantability, until such time as the demised premises are restored to tenantable condition. If the demised premises cannot be restored to tenantable condition within a period of sixty (60) days, Landlord and Tenant shall each have the right to terminate this Lease upon written notice to the other and any rent paid for any period in advance of the date of such damage and destruction shall be refunded to Tenant. If the demised premises are damaged due to fire or other casualty, Tenant shall at its own cost and expense remove such of its furniture and other belongings from the demised premises as Landlord shall require in order to repair and restore the demised premises. Landlord shall be the sole judge as to the extent of the untenantability of the demised premises and of the time required for the repair and rebuilding of the same.

In the event the building in which the demised premises are located is destroyed to the extent of more than one-half of the then value thereof, Landlord shall have the right to terminate this lease upon written notice to Tenant, in which event any rent paid in advance of the date of such destruction shall be refunded to Tenant.

Landlord and Tenant do each hereby release the other from any liability resulting from damage by fire or any other peril covered by extended coverage insurance with waiver of subrogation normally available in the State of Indiana irrespective of the cause therefor.

CONDEMNATION

23. If the building, or any portion thereof, or any interest therein, is taken by, or sold under threat of condemnation, then the term of this lease, at the option of the Landlord, shall terminate as of the date of such taking or sale.

AMENDMENTS

24. This agreement may be altered, changed or amended only by a written instrument signed by both parties hereto.

SUBORDINATION

25. Landlord reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon Landlord's interest in said premises and on the land herein demised, provided, however, that no default by Landlord, his heirs or assigns, under any mortgage or mortgages, shall affect Tenant's rights under this lease so long as Tenant performs all of

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its covenants herein contained. Upon the request of Landlord, Tenant will promptly execute any instruments required by Landlord to effect the provisions of this paragraph.

DEFAULT

26. If the Tenant shall fail to pay the rent herein provided or shall abandon the leased premises or shall fail to observe or perform any other conditions, covenants or agreements as herein stated, then Landlord may, at its option, and without notice, either (a) declare this lease ended and terminated and may re-enter the leased premises and remove all persons or things therefrom, using all necessary force so to do, and the Tenant hereby expressly waives all service of any demand or notice prescribed by any statute whatever, or (b) on authority hereby granted Landlord by Tenant, relet the leased premises, or any part thereof, in its own name or as agent of the Tenant, for such rent and upon such terms as Landlord may see fit and may dispose of such personal property left in the premises as it deems best for its own protection and protection of the building and Tenant shall be liable for such damages as the Landlord may suffer. Nothing herein shall be construed as in any way denying Landlord the right, in case of abandonment, vacation of premises, or other breach of this contract by Tenant, to treat the same as an entire breach and, at Landlord's option, immediately sue for the entire breach of this contract and any and all damages occasioned Landlord thereby.

**WAIVER OF
DEFAULT**

27. Failure of Landlord to declare any default immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default, but Landlord shall have the right to declare any such default at any time, and take such action as might be lawful or authorized hereunder, either in law or in equity.

**ATTORNEYS'
FEES**

28. Tenant agrees to pay all costs of collection, including reasonable attorney fees, if all or any part of the rent reserved herein is collected after maturity with the aid of an attorney; also to pay reasonable attorney fees, and other attendant costs, in the event that it becomes necessary for the Landlord to employ an attorney, in order to enforce compliance with any of the covenants, obligations or conditions imposed by this lease. All sums due Landlord are without relief from valuation and appraisal laws.

**HOLDING
OVER**

29. In case of holding over by Tenant after expiration or termination of this lease, Tenant will pay double rent for the entire period. No holding over by Tenant after the term of this lease, either with or without consent and acquiescence of Landlord shall operate to extend the lease for a longer period than one month; and any holding over with the consent of Landlord in writing shall thereafter constitute this lease a lease from month to month.

**RETURN OF
PREMISES**

30. At the termination of this lease by lapse of time or upon termination of Tenant's right of possession without terminating this lease, Tenant

OPTION

shall surrender possession of the premises to Landlord and make known to the Landlord the combination of all locks of vaults then remaining in the premises, and shall return the premises and all equipment and fixtures of the Landlord therein to Landlord in as good condition as when Tenant originally took possession, ordinary wear, loss or damage by fire or other casualty, cause, condition or thing whatsoever, damage resulting from the act of Landlord or any Tenant other than Tenant, their employees, agents or invitees, and alterations made with Landlord's consent, excepted failing which Landlord may restore the premises and such equipment and fixtures to such condition and the Tenant shall pay the cost thereof.

All installations, additions, partitions, hardware, light fixtures, non-trade fixtures and improvements, temporary or permanent, except movable furniture and equipment belonging to Tenant, in or upon the premises, whether placed there by Tenant or Landlord, shall be Landlord's property and shall remain upon the premises, all without compensation, allowance or credit to Tenant; provided, however, that if prior to such termination or within ten (10) days thereafter Landlord so directs by notice, Tenant at Tenant's sole cost and expense, shall promptly remove such of the installations, additions, partitions, hardware, light fixtures, non-trade fixtures and improvements placed in the premises by Tenant as are designated in such notice and repair any damage to the premises and Tenant shall pay the cost thereof to Landlord on demand.

At the sole option of Landlord, Tenant shall leave in place any floor covering without compensation to Tenant, or Tenant shall remove any floor covering and shall remove all fastenings, paper, glue, bases or other vestiges and restore the floor surface to its previous condition, or shall pay to Lessor upon demand the cost for restoring the floor surface to such condition. Tenant shall also remove Tenant's furniture, machinery, safes, trade fixtures and other items of personal property of every kind and description from the premises prior to the end of the Term or ten (10) days following termination of Tenant's right of possession, whichever might be earlier, failing which Landlord may do so and thereupon the provisions of Section 26 shall apply.

All obligations of Tenant hereunder shall survive the expiration or sooner termination of the Term of this lease.

INTEREST

31. Monies owed by Tenant to the Landlord shall, after due date, bear interest at the rate of eight per cent (8%) per annum payable on demand.

OPTION

32. If the Tenant has fulfilled all the terms and conditions of the lease during the original Term thereof, the Landlord hereby grants to the Tenant an Option for an additional period of five (5) years to renew said lease on the same terms and

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conditions contained herein, also including rent, provided however, said rent shall be adjusted yearly in accordance with the terms of paragraph 6 of this lease. In order to exercise the option, the Tenant must notify the Landlord within at least 180 days before the end of the original Lease Term in writing in order to exercise said Option.

PARKING

33. Landlord hereby warrants that at any given time it will have available for the use of the Tenant and other Tenants of the building and their respective invitees, customers, clients and invitees, a maximum 84 parking spaces to be located on the premises at locations determined by the Landlord. The Landlord reserves the right to sell, or otherwise use any of the land constituting the leased premises not needed for occupancy by the Tenant or the parking stated herein.

FIXTURES

34. It is hereby agreed between the Landlord and the Tenant that the following items constitute fixtures and shall remain the property of the Landlord at the termination of the Lease without payment by either party:

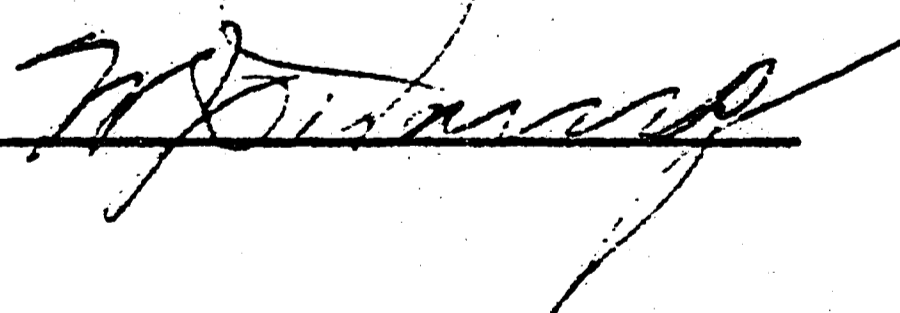
OTHER PROVISIONS

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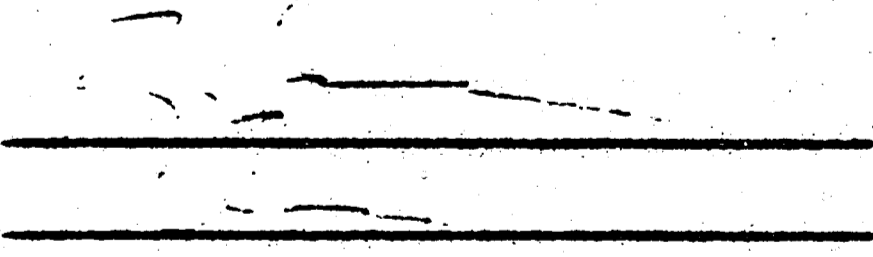
LAKERIDGE MEDICAL CENTER,
Landlord

DR. LESTER J. DAROS, INC.
Tenant

By:



By:



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AREA

