

NE Original Return: John and Blaine, Inc. 126 East 4th Street,
Michigan City, Indiana 46360

D-49553

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INDEX TO STORE LEASE CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

Culver Properties Management, Inc.,
an Indiana corporation
d/b/a Top Shop Waterbeds
Merrillville, Indiana

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STATE OF INDIANA
CLERK OF SUPERIOR COURT
FILED FOR RECORDS
AUG 27 10 36 AM '81
WILLIAM DIELSKI JR
RECORDER

26
26-50

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EXHIBITS

- "A" Site Plan
 "B" Legal description of Shopping Center premises

SECTION 7.05 Alterations. Lessee shall not make any alterations or additions to the demised premises nor make any contract therefor without first procuring Lessor's written consent. All alterations, additions, and improvements made by Lessee to or upon the demised premises, except light fixtures, signs, electrical equipment, cases, counters or other removable trade fixtures, shall at once when made or installed be deemed to have attached to the freehold and to have become the property of the Lessor; provided, however, if prior to termination of this Lease, or within fifteen (15) days thereafter, Lessor so directs by written notice to Lessee, Lessee shall promptly remove the additions, improvements, fixtures, trade fixtures and installations which were placed in the demised premises by the Lessee and which are designated in said notice and shall repair any damage occasioned by such removal and in default thereof Lessor may effect said removals and repairs at Lessee's expense.

SECTION 7.06 Waiver of Claims. Neither Lessor nor Lessor's agents nor servants shall be liable, and Lessee waives all claims for damage to persons or property sustained by Lessee or any occupant of the demised premises or other part of the Shopping Center resulting from the demised premises or any part thereof or any part of the Shopping Center or any equipment or appurtenances becoming out of repair, or resulting from any accident in or about the demised premises or the Shopping Center, or resulting directly or indirectly from any act or neglect of any tenant or occupant or of any other person, including Lessor's agents and servants. This paragraph shall apply especially, but not exclusively to, the flooding of basements or other subsurface areas, and to damage caused by refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures and shall apply equally whether any such damage results from the act or neglect of Lessor or of other tenants, occupants or servants in the Shopping Center or of any other person, and whether such damage be caused or result from anything or circumstances above-mentioned or referred to, or any other thing or circumstances whether of a like nature or of a wholly different nature. All property belonging to Lessee or any occupant of the demised premises or the Shopping Center shall be there at the risk of Lessee or such other person only, and Lessor shall not be liable for damage thereof or theft or misappropriation thereof.

SECTION 7.07 Lessor's Right to Inspect. Lessor and its agents shall have free access to the demised premises during all reasonable and regular business hours for the purpose of examining the same and to ascertain if they are in good repair, to make reasonable repairs which the Lessor may be required to make hereunder and to exhibit the same to prospective purchasers or tenants.

SECTION 7.08 Cleanliness and Waste. Lessee shall keep the demised premises and the walks adjacent thereto at all times in a neat, clean and sanitary condition, free from waste or debris and shall neither commit nor permit any waste or nuisance thereon.

ARTICLE VIII

Insurance

SECTION 8.01 Insurance by Lessee. Lessee agrees that, at its own cost and expense, it shall procure and continue in force, in the names of the Lessor and Lessee, general liability insurance against any and all claims for injuries to persons occurring in the demised premises, including all damages from signs, glass, awnings, fixtures, or other appurtenances, now, or hereafter erected upon the demised premises, during the term of this Lease, such insurance, at all times, to be in an amount not less than One Million Dollars (\$1,000,000.00) for injuries to persons in one (1) accident, not less than Three Hundred Thousand Dollars (\$300,000.00) for injury to any one (1) person, and property damage at least in the amount of Fifty Thousand Dollars (\$50,000.00). Such insurance shall be written in a company or companies authorized to engage in the business of general liability insurance in the state in which the demised premises are located, and there shall be delivered to the Lessor customary certificates evidencing such paid up insurance, which certificates are to be issued by the insurance companies.

The policies of insurance provided herein are to be provided by the Lessee, and shall be for a period of not less than one (1) year, it being understood and agreed that fifteen (15) days prior to the expiration of any policy of insurance the Lessee will deliver to the Lessor a renewal or new policy to take the place of the policy expiring, with further understanding that, should the Lessee fail to furnish policies as is provided in this Lease, and at the times herein provided, the Lessor may obtain such insurance and the premiums on such insurance shall be deemed additional rental to be paid by the Lessee unto the Lessor upon demand.

SECTION 8.02 Insurance by Lessor and Waiver of Subrogation. Lessor shall procure at its own expense during the terms of this Lease, fire and extended coverage insurance on the buildings composing the Shopping Center, provided, however, that Lessee shall reimburse Lessor for its share of any increase in such insurance payments in excess of the amount so paid for the initial premiums for such insurance, based upon a completed Shopping Center, in the case of a Shopping Center under construction, or for such increase in insurance payments in excess of the amount so paid for the premiums in the first calendar year following the lease commencement, in all other cases. Lessee's share of such costs shall be that fractional part of the total of such increased costs as the total ground floor area of the premises herein demised bears to the total ground floor area of all buildings and structures constituting a part of this Shopping Center. Reimbursement by Lessee to Lessor for its share of such premiums shall be made within fifteen (15) days after written demand therefor accompanied by a computation of the amount claimed due. However, the Lessor shall apply against the obligation of Lessee hereunder any amounts received from Lessee as percentage rent under paragraph 3.03 hereof.

Lessor shall make no claim for recovery against Lessee for damages to or loss of the demised premises or improvements thereon which damage or loss may arise by fire or any other peril covered by any policy of insurance containing a

waiver of subrogation right against the Lessee in which said policy the Lessor is or may be the assured and when said loss is caused by or results from any acts of carelessness or negligence of the Lessee, its officers, agents, employees or other persons under its control. Lessor further covenants and agrees to apply to its insurers for waiver of subrogation against Lessee, its agents and employees and to obtain same if Lessor's insurance will issue such waiver without cost, provided, however, that if Lessor's insurers will not issue such waiver without cost but will issue same for a charge and the Lessee shall elect to pay such charge, Lessor will obtain such waiver and charge the additional cost thereof to Lessee.

SECTION 8.03 Indemnity for Accidents. Lessee covenants and agrees that it will protect and save and keep the Lessor forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and that Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all claims, loss, cost, damage or expense, arising out of or from any accident or other occurrences on or about the demised premises, causing injury to any person or property whomsoever or whatsoever and will protect, indemnify and save and keep harmless the Lessor against and from any and all loss, cost, damage or expense arising out of any failure of Lessee in any respect to comply with and perform all the requirements and provisions of this Lease.

SECTION 8.04 Destruction by Fire or Casualty. In the event the demised premises shall be damaged by fire, explosion, windstorm or any other casualty, then Lessor shall repair such damages and put the demised premises in good condition as rapidly as reasonably possible and Lessee shall be entitled to an equitable abatement of the fixed minimum rent, unless Lessor shall establish that such damage was occasioned by the negligence of Lessee, its agents or employees.

Notwithstanding any other provision of this paragraph to the contrary, if the demised premises shall be damaged during the last two (2) years of the term, and such damage shall be to the extent of more than twenty-five percent (25%) of the value of the demised premises at the time of such damage, then Lessor may, at its election upon notice to Lessee, within ninety (90) days after such damage, terminate this Lease as of the date of such damage, upon at least fifteen (15) days prior written notice thereof at the expiration of which time this Lease shall be terminated.

ARTICLE IX

Title

SECTION 9.01 Possession by Lessee. Lessor covenants and warrants that it has full right and authority to enter into this Lease for the full term hereof. Lessor further covenants that Lessee, upon paying the fixed minimum and percentage rent provided for herein and upon performing the covenants and agreements of this Lease to be performed by said Lessee, will have, hold and enjoy quiet possession of the demised premises.

SECTION 9.02 Sublease. Lessee shall not sublease, sublet or assign the demised premises except by written permission and consent of Lessor, references elsewhere herein to assignees notwithstanding; and Lessor shall not unreasonably withhold such consent or permission but may, as a condition thereto, require the undertaking or guarantee of such assignee or sublessee not to engage in business activities in conflict with specifically enumerated "non-competitive" or "exclusive" provisions of the Lease of other lessees of Lessor conducting business in the Shopping Center of which the demised premises are a part. Any such subleasing or assignment, even with the approval of the Lessor, shall not relieve the Lessee from liability for payment of the rental herein provided or from the obligation to keep and be bound by the terms, conditions and covenants of this Lease. The acceptance of rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to the assignment or subletting of the demised premises.

SECTION 9.03 Mortgage Subordination. Lessee agrees that upon the request of Lessor in writing it will subordinate this Lease and the lien hereof from time to time to the lien of any present or future mortgage to a bank, insurance company or similar financial institution, irrespective of the time of execution or time of recording of any such mortgage or mortgages, provided that the holder of any such mortgage shall enter into an agreement with Lessee, in recordable form, that in the event of foreclosure or other right asserted under the mortgage by the holder or any assignee thereof, this Lease and the rights of Lessee hereunder shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the provisions of this Lease. Lessee agrees that if requested by the holder of any such mortgage it will be a party to said agreement and will agree in substance that if the mortgagee or any person claiming under the mortgage shall succeed to the interest of Lessor in this Lease, it will recognize said mortgagee or person as its landlord under the terms of this Lease. Lessee agrees that it will upon the request of Lessor, execute, acknowledge and deliver any and all instruments necessary or desirable to give effect to or notice of such subordination. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

SECTION 9.04 Surrender of Premises. Lessee shall, upon termination of this Lease, whether by lapse of time or otherwise, surrender to Lessor the demised premises, together with all replacements thereto in good order, condition and repair, except for ordinary wear and tear and loss by fire or other casualty. In the event Lessee fails to surrender the premises at the expiration or termination of this Lease, the continued occupancy shall be on a month to month basis only, at a fixed minimum rental equal to 150% of the fixed minimum rental prevailing immediately prior to the holding over.

SECTION 9.05 Eminent Domain. In the event the demised premises, or any part thereof, shall be taken or condemned for public purposes by any competent authority, the entire compensation awarded therefor shall belong to the Lessor without any deduction therefrom for any present or future estate of Lessee; provided, however, that in the event any part of the demised premises itself or more than twenty percent (20%) of the land

described in Exhibit "B" shall be so taken or condemned, then the Lessee shall have the option of terminating this Lease upon giving to the Lessor written notice of such election within thirty (30) days after possession of the part condemned has been taken by proper authorities, whereupon the term of this Lease shall be terminated as of the date on which possession is so taken. If Lessee does not so elect to terminate this Lease, Lessor at its own expense shall repair and restore the premises not affected by the taking and thereafter if a part of the demised premises itself has been taken or condemned, the fixed minimum rent and other fixed charges to be paid by the Lessee shall be equitably and proportionately reduced.

ARTICLE X

Default

SECTION 10.01 Default by Lessee. All right and remedies of Lessor herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. It is agreed that in the event that the Lessee shall fail, neglect or refuse to pay any installment of fixed minimum rent or percentage rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof, which failure shall continue for twenty (20) days after written notice thereof, or if Lessee shall vacate or abandon the demised premises during the term hereof; that any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against Lessee, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Lessee insolvent or unable to pay Lessee's debts, and the same shall not be dismissed or discharged within thirty (30) days after notice thereof in writing given to the Lessee by Lessor; that the Lessee shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than thirty (30) days after notice thereof in writing given to the Lessee by the Lessor; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period of time than the period of such notice, the Lessee shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance with said notice, or has taken proper steps or proceedings, under the circumstances to prevent the seizure, destruction, alteration or other interference with said demised premises by reason of non-compliance with the requirements of any law or ordinance or with the rules, regulations or directions of any governmental authority as the case may be; that the Lessee makes any assignment of its property for the benefit of creditors or should the demised premises be taken under a levy of execution or attachment in an action against the Lessee and such levy, attachment or assignment is not dismissed and discharged within thirty (30) days after written notice thereof to Lessee by Lessor, the Lessee does hereby authorize and fully empower said Lessor or Lessor's agent to cancel or annul this Lease at once and to re-enter and take possession of said demised premises immediately, and by force if necessary, without any previous notice of intention to re-enter and remove all persons and their

property therefrom, and to use such force and assistance in effecting and perfecting such removal as said Lessor may deem necessary and advisable to recover at once full and exclusive possession of all said demised premises whether in possession of said Lessee or of their persons or otherwise.

The Lessor may, however, at its option, at any time after such default or violation of condition or covenant, re-enter and take possession of said demised premises without such re-entering working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by said Lessee for the full term of this Lease. In such event the Lessor shall have the right, but not the obligation, to divide or subdivide the demised premises in any manner the Lessor may determine and to lease or let the same or portions thereof for such periods of time and at such rentals and for such use and upon such covenants and conditions as Lessor may elect, applying the net rentals from such letting first to the payment of Lessor's expenses incurred in dispossession of the Lessee and the costs and expenses of making such improvements in the demised premises as may be necessary in order to enable the Lessor to relet the same, and to the payment of any brokerage commissions or other necessary expenses of the Lessor in connection with such reletting. The balance, if any, shall be applied by the Lessor from time to time, but in any event no less than once each month, on account of the payments due or payable by the Lessee hereunder, with the right reserved to Lessor to bring such actions or proceedings for the recovery of any deficits remaining unpaid as it may deem advisable from time to time, without being obligated to await the end of the term hereof for a final determination of the Lessee's account and the commencement or maintenance of one or more actions shall not bar the Lessor from bringing other or subsequent actions for further accruals pursuant to the provisions of this paragraph.

Any balance remaining, however, after full payment and liquidation of Lessor's account as aforesaid, shall be paid to the Lessee from time to time with the right reserved to the Lessor at any time to give notice in writing to the Lessee of Lessor's election to cancel and terminate this Lease and all Lessee's obligations hereunder and upon the giving of such notice and the simultaneous payment by Lessor to Lessee of any credit balance in Lessor's favor that may at the time be owing to Lessee shall constitute a final and effective cancellation and termination of this lease and the obligations thereunder on the part of either party to the other.

In computing damages or rental due under this Lease the value of percentage rent for any period subsequent to the termination of this Lease or the termination of Lessee's right of possession shall be an amount per year equal to one-third (1/3) of the total percentage rent, if any, paid by Lessee for the last three (3) full lease years immediately preceding such termination, and if less than three (3) full years shall have elapsed, such value shall be an amount per year equal to the average yearly percentage rent (if any) theretofore paid by Lessee. A monthly delinquency charge may be imposed upon the delinquent Lessee and shall be paid by Lessee, but such monthly charge may in no event exceed ten percent (10%) of the delinquent payment. Collection costs and attorneys' fees totaling not less than fifteen percent (15%) of the unpaid balance shall also be paid if delinquencies are referred for collection.

SECTION 10.02 Default by Lessor. Lessor shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such defaults) after notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform any such obligation.

ARTICLE XI

Signs, Lighting and Advertising

SECTION 11.01 Signs. Without Lessor's prior consent and approval, which shall not be unreasonably withheld, Lessee shall not (a) install any exterior lighting or plumbing fixtures, under-canopy signs, shades or awnings, or any exterior decorations or painting, or build any fences or make any changes to the store front; (b) erect or install any exterior or interior window or door signs or advertising media, window or door lettering or placards; (c) keep or display any merchandise on or otherwise obstruct the sidewalks or area ways adjacent to the premises; or (d) fail to maintain the show windows and signs in a neat and clean condition. Lessee shall not use any advertising or other media objectionable to Lessees and/or local codes governing same, such as loudspeakers, phonographs, or radio broadcasts that can be heard outside the premises.

It is the intention of this section, as related to signs, to effectively originate and maintain an overall sign control and design for the protection of all lessees. In this connection, Lessee further agrees to furnish and install a sign that will meet the sign standards that may be required.

SECTION 11.02 Lighting. Lessee shall keep the display windows in the premises well lighted from dusk until such reasonable hour as may be determined by the majority of the lessees in the Shopping Center, which reasonable hour will be determined from time to time, during each and every weekday, except Sundays and holidays, during the term of this Lease, unless prevented by cause or causes beyond the control of the Lessee.

ARTICLE XII

Taxes

SECTION 12.01 Real Estate Taxes. Lessor shall pay or cause to be paid all real property taxes and assessments levied during the term hereof by the county and municipality upon the demised land, building and other improvements making up the Shopping Center; provided, however, that Lessee shall reimburse Lessor for its share of such payment of real property taxes and assessments in excess of the amount so paid for the "Base Year Tax Bill". For purpose of this Section the phrase "Base Year Tax Bill" shall mean either the first full real estate tax bill following substantial completion of the Shopping Center or the tax bill issued after Lessee's first Lease Year, whichever is later. Lessor shall attempt to have the building in which the demised premises are located assessed separately for tax purposes. In the event such building is so separately assessed,

then Lessee's share of such increased costs regarding the building in which the demised premises are located shall be that fractional part of the total of such increased costs as the total ground floor area of the premises herein demised bears to the total ground floor area of such building; and Lessee's share of such increased costs regarding the land and common areas shall be that part as the total ground floor area of the demised premises bears to the total ground floor areas of all buildings and structure constituting a part of the Shopping Center from time to time. In the event such building is not separately assessed, then Lessee's share of such costs shall be that fractional part of the total of such increased costs as the total ground floor area of the premises herein demised bears to the total ground floor area of all buildings and structures constituting a part of this Shopping Center. In addition, Lessee shall pay all increased taxes and insurance required as a result of any alterations, additions or improvements performed by Lessee during the term of this Lease. Reimbursement by Lessee to Lessor for its share of real property taxes shall be made within fifteen (15) days after written demand therefor accompanied by a computation of the amount claimed due. All real estate taxes and assessments for the first and last base years shall be equitably apportioned.

SECTION 12.02 Personal Property Taxes and Assessments. Lessee shall pay before delinquent any and all taxes, licenses, fees and public charges levied, assessed or imposed and which become payable during the Lease term upon Lessee's fixtures, furniture, appliances and personal property located or installed in the demised premises.

ARTICLE XIII

Miscellaneous

SECTION 13.01 Notices. Whenever under this Lease a provision is made for any demand, notice or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other, it shall be in writing sent by certified or registered mail, return receipt requested with postage prepaid, if to Lessee addressed to Lessee at the address following the signature of Lessee, and if to Lessor, addressed to Lessor c/o Broadway Properties, at 126 East Fifth Street, Michigan City, Indiana 46360, and either party may by like notice at any time and from time to time designate a different address to which notices shall be sent. Such notices, demands or declarations shall be deemed sufficiently served or given for all purposes hereunder at the time they shall be mailed by United States registered mail as aforesaid.

SECTION 13.02 Waiver. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

SECTION 13.03 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and

agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any of the other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

SECTION 13.04 Governing Laws. The laws of the State of Indiana shall govern the validity, performance and enforcement of this Lease.

SECTION 13.05 Savings Clause. The invalidity or unenforceability of any provision of this Lease shall not affect or impair the validity of any other provision.

SECTION 13.06 Paragraph Headings. The paragraph titles herein are for convenience only and do not define, limit or construe the contents of such paragraphs.

SECTION 13.07 Covenant to Bind Successors. It is agreed that the provisions, covenants and conditions of this Lease shall be binding on the legal representatives, heirs, successors and assigns of the respective parties hereto.

SECTION 13.08 Entire Agreement. This Lease and the Exhibits and Rider, if any, attached hereto, and forming a part hereof, set forth all of the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee governing the demised premises. There are no covenants, promises, agreements, conditions and understandings, either oral or written, between them other than those herein set forth. Except as herein provided, no subsequent alterations, amendments, changes or additions to this Lease shall be binding upon the Lessor or Lessee unless and until reduced to writing and signed by both parties. Submission of this instrument by Lessor to Lessee for examination shall not bind Lessor in any manner, and no lease, contract, option, agreement to lease or other obligation of Lessor shall arise until this instrument is signed by Lessor and delivered to Lessee.

SECTION 13.09 Letter of Acceptance. Within ten (10) days after request therefor by Lessor, Lessee shall provide an offset statement or acceptance letter. Lessee agrees to deliver in recordable form a certificate to any proposed mortgagee or purchaser, or to Lessor, certifying (if such be the case) that this Lease is in full force and effect and there are no defenses or offsets thereto, or stating those claimed by Lessee. The failure by Lessee to furnish such letter or certificate shall be deemed to mean that this Lease is in full force and effect and there are no defenses or offsets by Lessee.

SECTION 13.10 Notice to Mortgagee. If the demised premises or any part thereof or premises of which the demised premises are a part are at any time subject to a first mortgage or a first deed of trust and this Lease or the rentals are assigned to such mortgagee or trustee or beneficiary and the Lessee is given written notice thereof, including the post office address of such assignee, then the Lessee shall not terminate this Lease for any default on the part of the Lessor without first giving written notice to such assignee, specifying the


default in reasonable detail and affording such assignee a reasonable opportunity to make performance for and on behalf of Lessor.

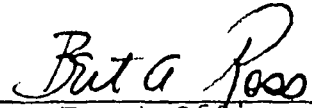
SECTION 13.11 Trustee Exoneration. This instrument is executed by Citizens Bank of Michigan City, Indiana, not personally but solely as Trustee, as aforesaid. All the covenants and conditions to be performed hereunder by Citizens Bank of Michigan City, Indiana are taken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or enforceable against Citizens Bank of Michigan City, Indiana or any of its agents, employees or beneficiaries thereunder by reason of any of the covenants, statements, representations or warranties contained in this instrument, all such liability being hereby waived. Nothing in this section shall be construed as a bar to any injunctive relief or remedy available to Lessee or to any award of damages payable solely from the trust estate.

IN WITNESS WHEREOF, Lessor has hereunto set his hand and seal as Trustee as aforesaid, and Lessee has caused these presents to be executed by its proper officer thereunto duly authorized and its seal to be affixed all as of the day and year first above written.

CITIZENS BANK OF MICHIGAN CITY,
INDIANA, not personally but solely
as Trustee under Trust Agreement
Dated May 5, 1971, and known
as Trust Number 613

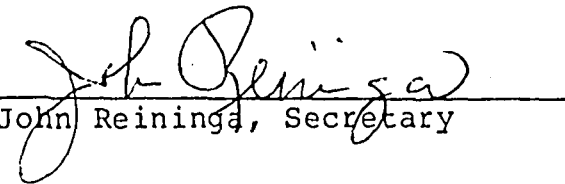
ATTEST:


Assistant Cashier
EVELYN BREINING

By: 
Trust Officer
BERT A. ROSS

CULVER PROPERTIES MANAGEMENT, INC.,
an Indiana corporation d/b/a
TOP SHOP WATERBEDS

ATTEST:


John Reininga, Secretary

By: 
Kenneth R. Reininga, President

Address:

316 East Jefferson
Culver, Indiana 46511

This instrument was prepared
by
MORRIE MUCH
135 South LaSalle Street
Room 2323
Chicago, Illinois 60603

STORE LEASE

This Lease is made as of June 12, 1981, between CITIZENS BANK OF MICHIGAN CITY, INDIANA, as Trustee under Trust Agreement dated May 5, 1971, and known as Trust No. 613 ("Lessor"), and CULVER PROPERTIES MANAGEMENT, INC., an Indiana corporation d/b/a TOP SHOP WATERBEDS ("Lessee").

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Lessee to be observed and performed, the Lessor demises and leases to the Lessee, and Lessee takes, accepts and rents from Lessor, the premises hereinafter described, for the period, at the rental, and upon the terms and conditions hereinafter set forth.

ARTICLE I

Demised Premises

SECTION 1.01 Demised Premises. The Lessor demises and leases to the Lessee, and Lessee rents from Lessor those certain premises, now or hereafter to be erected in Merrillville, Indiana, which premises consist of a store having a width of 25 feet, approximately, front and rear, from the center wall to center wall, by a depth of 100 feet, approximately, measured from the front building line to the rear building line, containing an area of approximately 2,500 square feet commonly known as 6168 Broadway, herein called the "demised premises." The boundaries and location of the demised premises are outlined in red on the site plan of the Shopping Center at 61st Street and Broadway Avenue ("Shopping Center"), which is marked Exhibit "A", attached hereto and made a part hereof, and said store unit is to be constructed as more particularly set forth in Article V hereof. Said Exhibit "A" sets forth the general layout of the Shopping Center, but Lessor reserves the right to construct other buildings or improvements or to relocate or add any buildings, improvements, parking areas and other common areas in the Shopping Center, provided that the size and relative location of the demised premises shall not be materially altered and if additional area is added, the parking ratio of the then constituted Shopping Center shall not fall below 5.0 spaces for each 1,000 feet of leaseable floor area.

SECTION 1.02 Use of Additional Areas. The use and occupation by the Lessee of the demised premises shall include use in common with others entitled thereto of the common areas, employees' parking areas, service roads, loading facilities, sidewalks and customer car parking areas, shown and depicted on Exhibit "A", and other facilities, all as may be designated from time to time by the Lessor; subject, however, to the terms and conditions of this Agreement and to reasonably uniform rules and regulations for the use thereof as prescribed from time to time by the Lessor.

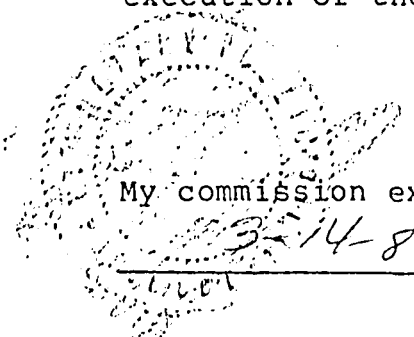
ARTICLE II

Term

SECTION 2.01 Commencement Date. The term of this Lease shall commence on the earlier of the following dates: (a) September 1, 1981; or (b) the date on which the Lessee shall open

STATE OF INDIANA)
) SS.
COUNTY OF LA PORTE)

On this 18th day of JUNE, 1981, before me, a Notary Public within and for said county, personally appeared EVELYN BREINING and BERT A. ROSS, who, being each by me duly sworn did say that they are respectively the Assistant Cashier and Trust Officer of CITIZENS BANK OF MICHIGAN CITY, INDIANA, as Trustee under Trust Agreement dated May 5, 1971 and known as Trust No. 613, and acknowledged the execution of the foregoing Lease.

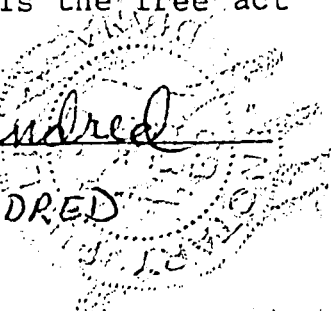

Barbara J. Jarka
Notary Public
La Porte City Resident
BARBARA J. JARKA

My commission expires:

3-14-83

STATE OF INDIANA)
) SS.
COUNTY OF Marshall)

On this 17th day of June, 1981, before me, a Notary Public within and for said county, personally appeared KENNETH R. REININGA and JOHN REININGA, the President and Secretary, respectively, of CULVER PROPERTIES MANAGEMENT, INC., an Indiana corporation d/b/a TOP SHOP WATERBEDS, and who acknowledged that the seal affixed to said instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that said instrument is the free act and deed of said corporation.


Jean Kindred
Notary Public
JEAN KINDRED

My commission expires:

11-16-82

CERTIFIED RESOLUTION

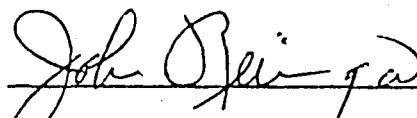
I, JOHN REININGA, Secretary of CULVER PROPERTIES MANAGEMENT, INC., an Indiana corporation d/b/a TOP SHOP WATERBEDS, hereby certify that at a duly constituted meeting of the Board of Directors of said corporation duly held on the 19th day of June, 1981, at the office of the corporation, at which meeting a quorum of the Directors was present, upon motion duly made and seconded, it was unanimously

RESOVLED:

That any two of the President, any Vice President or the Secretary of this corporation, are authorized, empowered and directed to sign, seal with the corporate seal, acknowledge and/or deliver in the name of and on behalf of this corporation, a store lease dated June 12, 1981, for certain premises in the Shopping Center at 61st Street and Broadway Avenue in Merrillville, Indiana, a copy of which was displayed to the Board of Directors.

I also certify that said vote has not been repealed or modified in any way and is still in full force and effect.

I further certify that at the time of the execution of such Lease with Citizens Bank of Michigan City, Indiana, as Trustee under Trust No. 613, as Lessor, and this corporation, as Lessee, KENNETH R. REININGA was the duly elected President of this corporation and I, the undersigned, was the duly elected Secretary of this corporation.



John Reininga, Secretary

(SEAL)

PERSONAL GUARANTY

Reference is made to a lease of even date between CITIZENS BANK OF MICHIGAN CITY, INDIANA, as Trustee under the Trust Agreement dated May 5, 1971, and known as Trust No. 613 (hereinafter referred to as "Lessor"), and CULVER PROPERTIES MANAGEMENT, INC., an Indiana corporation d/b/a TOP SHOP WATERBEDS (hereinafter referred to as "Lessee") of certain premises within a Shopping Center at 61st Street and Broadway Avenue in Merrillville, Indiana.

In consideration of Lessor's having executed said Lease at the request of the undersigned and in further consideration of One Dollar (\$1.00) and other valuable considerations paid, the receipt whereof is hereby acknowledged, the undersigned (Guarantors) hereby jointly and severally unconditionally guarantee to Lessor and its successors and assigns, the payment of the rents and other sums provided for in said Lease and the performance and observance of all agreements and conditions contained in said Lease on the part of Lessee to be performed or observed.

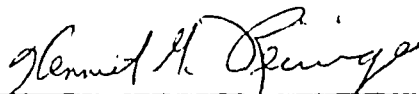
Guarantors hereby waive presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection, and any and all formalities which may be legally required to charge them or either or any of them with liability; and the Guarantors, and each of them, do further agree that their liability as Guarantors shall in nowise be impaired or affected by any renewals, waivers or extensions which may be made from time to time, with or without the knowledge and consent of any one or more of them, of any default or the time of payment or performance required under said Lease, or by any forbearance or delay in enforcing any obligation thereof, or by assignment of said Lease or subletting of the demised premises, neglect or refusal to enforce or to realize upon any security which may have been given or may hereafter be given thereunder or hereunder, or by any modifications of the terms or provisions of the Lease.

The Guarantors further jointly and severally covenant and agree to pay all expenses and fees, including attorneys' fees which may be incurred by the Lessor or its successors or assigns forcing any of the terms or provisions of this Guaranty.

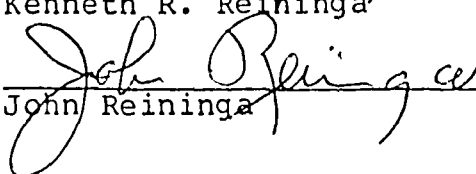
This Guaranty shall be binding upon the heirs, legal representatives, successors and assigns of the Guarantors, and each of them, and shall not be discharged or affected, in whole or in part by the death, bankruptcy or insolvency of the Guarantors, or any one or more of them.

This Guaranty is absolute, unconditional and continuing and payment of the sums for which the undersigned become liable shall be made at the office of the Lessor or its successors or assigns from time to time on demand as the same become or are declared due.

Dated: June 12, 1981



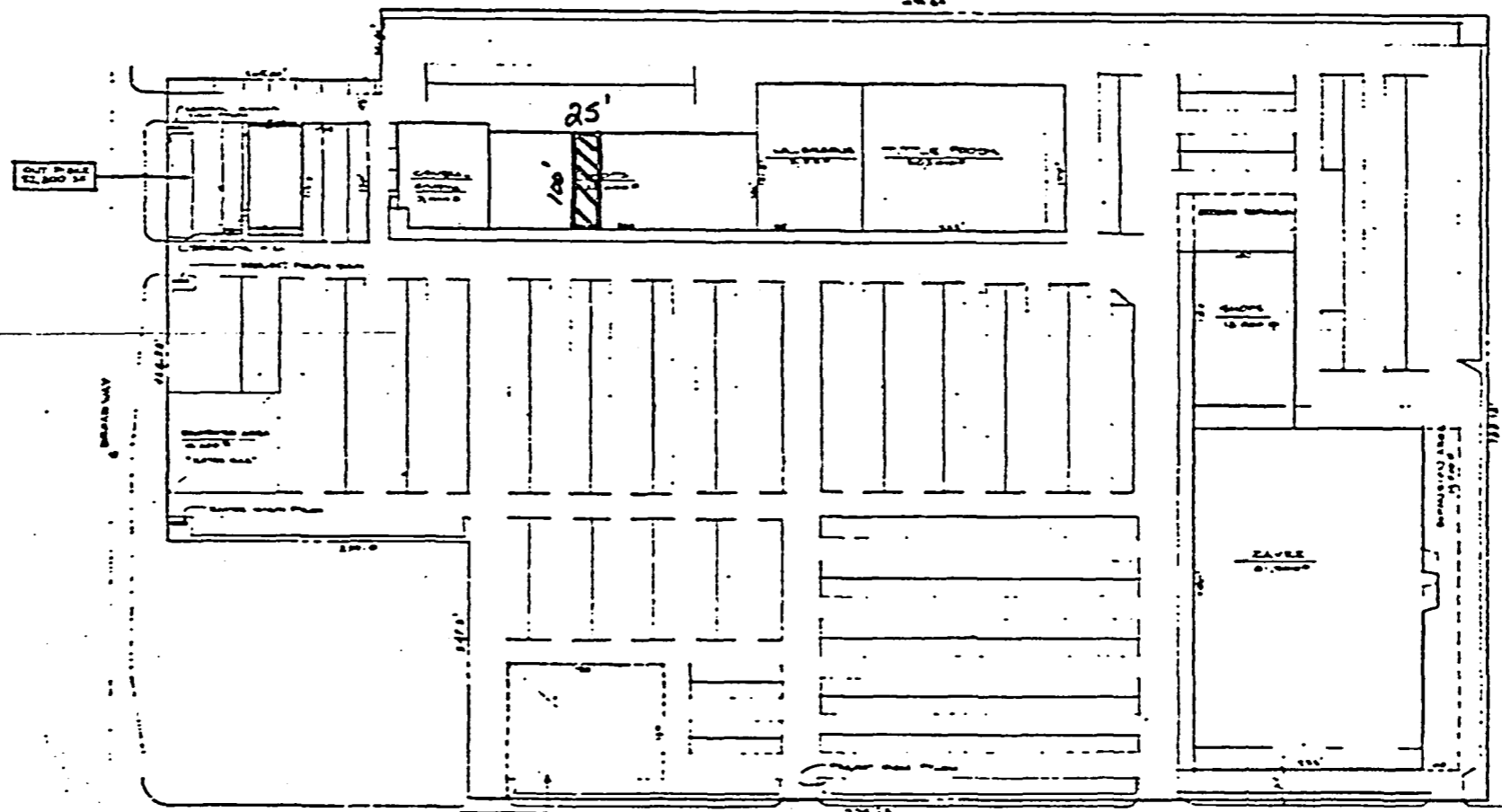
Kenneth R. Reininga



John Reininga

LEGEND

GROSS LAND AREA	91,763 S.F.
NET LAND AREA	45,880 S.F.
BUILDING AREA	180,304 S.F.
WATER BEDS	1,000 WATER BEDS
PAVING RATIO	7.84 TO 1



Top Shop Waterbeds

EXHIBIT A.

EM	Edward M. Cahoe & Associates, Inc. Architects	LEASE PLAN	DATE
	DE MOORE NORTH LA SAL FORT CHICAGO ILLINOIS	SHOPS CO CENTER	DATE
		DATE	DATE
		DATE	DATE

LEGAL DESCRIPTION OF SHOPPING CENTER
AT 61ST AND BROADWAY, MERRILLVILLE, INDIANA

The North 838.68 feet of the Northeast Quarter
of the Northeast Quarter of Section 9, Township
35 North, Range 8 West of the Second Principal
Meridian; excepting the North 302.50 feet of the
East 340.0 feet and the South 70.0 feet of the East
255.0 feet thereof all in Lake County, Indiana.

EXHIBIT "B"

the leased premises for business to the public; provided, however, that if the premises are currently occupied by another tenant which does not vacate the premises before the commencement date, then this lease term shall commence ten (10) days after written notice to Lessee that the premises are ready for occupancy by Lessee.

SECTION 2.02 Length of Term. The initial term of this Lease shall be for a period of three (3) lease years following the commencement of the term as provided in Section 2.01 hereof, plus a partial lease year if the term commences on a date other than the first day of a month.

SECTION 2.03 Lease Year. The term "lease year" as used herein shall mean the twelve (12) month period beginning with the commencement of the term as hereinabove determined and each successive twelve (12) month period thereafter during the term of this Lease. The term "partial lease year" shall refer to the period between the commencement of the term hereof if the same commences on a date other than the first day of a month and the commencement of the first lease year.

SECTION 2.04 Final Commencement Date. In any event, if the initial term of this Lease shall not have commenced, in accordance with all the provisions of this Lease on or before three years from the date hereof, this Lease shall be considered ipso facto null and void, and both Lessor and Lessee shall be fully released from any obligations under this Lease or any damages in lieu thereof. The purpose of this paragraph is to prevent this Lease from becoming void or voidable as the result of any rule against perpetuities prevailing in the State in which the demised premises are located, and this paragraph shall not in any event be considered a reason for the postponement of the commencement date.

SECTION 2.05 Option to Renew. Lessee is given an option to extend the term of this Lease by a period of five (5) years. Lessee may exercise this option at any time by notice in writing to Lessor served at least six (6) months prior to the end of the initial term hereunder, if Lessee shall not be in default hereunder. Except as the terms may not be relevant or applicable, and except as to any further options, all the terms and conditions of the Lease shall apply for extended period, except that the fixed minimum rental during the renewal period shall be Eleven Thousand Eight Hundred Seventy-Five Dollars (\$11,875.00) per year.

ARTICLE III

Rent

SECTION 3.01 Payment of Rent. Lessee hereby covenants and agrees to pay rent to Lessor, which said rent shall be in the form of "fixed minimum rent" and "percentage rent" as hereinafter provided. The payment of said minimum rent shall begin on the commencement date as provided in Section 2.01 hereof. In the event commencement date occurs on a day other than the first day of a month, Lessee shall pay rent for the fractional month on a per diem basis (calculated on the basis of a thirty (30) day month) until the first day of the month following such commencement date, when the term hereunder shall commence (but the percentage rent shall be paid in accordance with Section 3.03 hereof), and thereafter the fixed minimum rent shall be paid in

equal monthly installments on the first day of each and every month in advance. Rent shall be mailed to and payable to Broadway Properties at 126 East Fifth Street, Michigan City, Indiana 46360, or at such other place as may be designated in writing from time to time by Lessor.

SECTION 3.02 Fixed Minimum Rent. Lessee shall pay to Lessor for each and every lease year of the leased term, and at the same proportionate rate for any partial lease year, without any prior demand therefor, and without any deduction or set off whatsoever, a fixed minimum rent of Ten Thousand Dollars (\$10,000.00) payable as provided in Section 3.01 hereof.

SECTION 3.03 Percentage Rent.

(a) In addition to the payment of the fixed minimum rent as hereinbefore provided, Lessee shall pay to the Lessor, in the manner and upon the conditions, and at the time hereinafter set forth, during each lease year as additional rent, a sum equal to six percent (6%) of the gross annual sales in excess of One Hundred Fifty Thousand Dollars (\$150,000.00), as hereinafter defined, from all business done on and from the premises. Said percentage rent shall be paid without any prior demand therefor, and without any set off or deduction whatsoever.

(b) The said percentage rent shall become due and payable within sixty (60) days after the end of each applicable lease year.

SECTION 3.04 Gross Sales. The term "gross sales" as used herein is hereby defined to mean gross sales of Lessee, from all business conducted upon or from the demised premises, and whether such business be conducted by Lessee or by any licensees, concessionaires or sublessees of Lessee, and whether such sales be evidenced by check, credit, charge account, exchange or otherwise, and shall include, but not be limited to, the amounts received from the sale of goods, ware and merchandise and for services performed on or at the demised premises, together with the amount of all orders taken or received at the demised premises, whether such orders be filled from the demised premises or elsewhere, and whether such sales be made by means of merchandise or other vending devices in the demised premises. If any one or more departments or other divisions of Lessee's business shall be sublet by Lessor or conducted by any person, firm or corporation other than Lessee, then there shall be included in gross sales for the purpose of fixing the percentage rent payable hereunder all the gross sales of such departments and divisions of Lessee's business had been conducted by Lessee itself. Gross sales shall not include sales of merchandise for which cash has been refunded, or allowances made on merchandise claimed to be defective or unsatisfactory, provided they shall have been included in gross sales; and there shall be deducted from gross sales at the sales price of merchandise returned by customers for exchange, provided that the sales price of merchandise delivered to the customer in exchange shall be included in gross sales. Gross receipts shall not include the amount of any sales, use or gross receipts tax imposed by any federal, state, municipal or government authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by Lessee to such government authority. No franchise or capital stock tax and no income tax or similar tax based upon income or

profits as such shall be deducted from gross receipts in any event whatsoever.

ARTICLE IV

Records and Accounting

SECTION 4.01 Records. For the purpose of ascertaining the amount payable as rent, Lessee agrees to prepare and keep at Lessee's home office for a period of not less than two (2) years following the end of each lease year adequate records which shall show inventories and receipts of merchandise at the demised premises, and daily receipts from all sales and other transactions on the demised premises by Lessee and any other persons conducting any business upon said premises. Lessee shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register or in cash registers or other sales devices having a cumulative total. Lessee further agrees to keep for at least two (2) years following the end of each lease year all pertinent original sales records. Pertinent original sales records may include: (a) cash register tapes, including tapes from temporary registers; (b) serially numbered sales slips; (c) the originals of all mail orders at and to the demised premises; (d) the original records of all telephone orders at and to the demised premises; (e) settlement report sheets of transactions with sublessees, concessionaires, and licensees; (f) the original records showing that merchandise returned by customers was purchased at the demised premises by such customers; (g) memorandum receipts or other records of merchandise taken out on approval; (h) such other sales records, if any, which would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of Lessee's sales; and (i) the records specified in (a) to (h) above of sublessees, assignees, concessionaires or licensees.

SECTION 4.02 Statements by Lessee. Lessee shall submit to Lessor on or before the 30th day following each quarter during the term hereof at the place then fixed for the payment of rent, a written statement signed by Lessee and certified by it to be true and correct, showing in reasonably accurate detail, the amount of gross sales for each quarter and fractional quarter, if any, prior to the first lease year of this Lease. Lessee shall submit to the Lessor on or before the 60th day following the end of each lease year at the place then fixed for the payment of rent a written statement signed by Lessee, and certified by the Lessee or a partner of Lessee or a principal officer of Lessee, as the case may be, to be true and correct showing in reasonably accurate detail the amount of gross sales during the preceding lease year. The statements referred to herein shall be in such form and style showing in reasonable detail the elements and amounts of gross sales during the preceding quarterly period, or fraction thereof.

SECTION 4.03 Audit. The acceptance by the Lessor of payments of percentage rent shall be without prejudice to the Lessor's right to an examination of the Lessee's books and records of its gross sales and inventories of merchandise at Lessee's home office in order to verify the amount of annual gross receipts received by the Lessee in and from the demised premises. At its option, Lessor may cause, at any reasonable time during regular business hours upon not less than ten (10)

days prior written notice to the Lessee; a complete audit to be made of the Lessee's business affairs and records relating to the demised premises for a period covered by any statement issued by the Lessee as set forth in Section 4.02 hereof. Lessor shall have the right within one (1) year from the date of delivery of such statement to Lessor to have a certified public accountant selected by the Lessor commence a special audit at the end of such ten (10) days written notice. If such audit shall disclose a liability for rent in excess of three percent (3%) of the rentals theretofore computed and paid by Lessee, Lessee shall promptly pay to the Lessor the cost of the audit, provided such certified public accountant is not in Lessor's regular employ, in addition to the deficiency. In the event there is no deficiency disclosed as a result of the special audit, the cost thereof shall be paid by the Lessor. Each statement of gross sales submitted by the Lessee shall become conclusive and binding upon the Lessor two (2) years after delivery thereof to the Lessor, unless within such two (2) year period Lessor shall cause the aforesaid special audit to be commenced.

SECTION 4.04 Failure to Furnish Statements. If Lessee shall fail to prepare and deliver within the time hereinabove specified any statement of gross sales required hereunder, Lessor may elect to treat Lessee's said failure as a breach of this Lease, entitling Lessor to terminate this Lease or Lessee's right to possession of the premises or both, but only after Lessor has given to the Lessee thirty (30) days notice in writing to submit said statement. If Lessee fails to prepare and deliver said statement after receiving said thirty (30) days notice, Lessor may also, or in the alternate, elect to make an audit of all books and records of Lessee, including Lessee's bank accounts, which in any way pertain to or show gross sales, and to prepare the statement or statements which Lessee has failed to prepare and deliver. Such audit shall be made and such statement or statements shall be prepared by a certified public accountant selected by Lessor. The statement or statements so prepared shall be conclusive on Lessee, and the Lessee shall pay on demand all expenses of such audit and of the preparation of any such statements and all sums as may be shown by such audit to be due as percentage rent.

ARTICLE V

Construction of Demised Premises

SECTION 5.01 Installation of Improvements. Lessee has inspected the premises and agrees to accept them in their "as is" condition, without any warranty, representation or undertaking by Lessor, except as stated in Section 5.04 below. Any repairs or improvements to the premises shall be installed by Lessee, at Lessee's expense, provided that Lessor consents to any change in the leasehold improvements, which consent shall not be unreasonably withheld if Lessee can demonstrate to Lessor's satisfaction that the improvements will not impair the structural integrity of the premises and that Lessee has the resources available to pay promptly for all repairs and improvements.

SECTION 5.02 Changes and Additions to Building. The proposed location of the premises in the building of which the premises form a part is designated on the site plan attached marked Exhibit "A". The location of the premises in the building and the location of the building in the Shopping Center, shall be

subject to such changes as Lessor's architect finds to be desirable in the work to be done by the Lessor. Upon request by either party, both parties agree to modify the site plan as shown on Exhibit "A" to the extent that the Lessor's architect certifies to be desirable, and no changes in the "Lessor's Work" so certified of the premises for the Lessee, or during construction, shall effect, change or invalidate this Lease. However, any such changes shall not alter the general appearance, relative location or aggregate amount of floor space of the demised premises.

SECTION 5.03 Legal Description. The legal description of the Shopping Center as presently constituted is shown on Exhibit "B" attached hereto, but Lessor reserves the right to integrate additional property into the Shopping Center or to delete areas designated as "Reserved" or "Out Parcel."

SECTION 5.04 Lessor Warranties. Lessor warrants that the heating, ventilating and air conditioning system shall be free from material defects (other than routine cleaning and maintenance) for a period of one (1) year from September 1, 1981 through August 31, 1982, and shall accordingly at its own expense repair or replace any such defective condition which has been called to the attention of Lessor in writing by Lessee within such one (1) year period.

SECTION 5.05 Installation of Fixtures. Lessee may enter upon the demised premises for the purpose of installing trade fixtures and furnishings during the construction period; provided, however, that such activity on the part of the Lessee shall be done only in such manner as not to interfere with construction and that Lessor shall not be liable to Lessee for damage to or loss of such fixtures, equipment or furnishings. Any equipment or work done other than those items specifically enumerated above, which the Lessor installs or constructs in the demised premises on the Lessee's behalf shall be paid for by the Lessee before such work, as outlined above, is performed by the Lessor. All such additional work shall be billed to Lessee, in advance, at Lessor's cost plus twenty percent (20%) for overhead and profit. In the event Lessee does not approve such additional costs within five (5) days from receipt of notice of such additional costs, then in such event, Lessor shall proceed with items of work as called for in Section 5.01 above.

It is mutually agreed that all such additional work requested by Lessee shall be subject to the reasonable approval of the Lessor's architect, mechanical and electrical engineers, and shall be performed in accordance with all governmental ordinances, statutes and regulations.

SECTION 5.06 Parking Area and Maintenance. Lessor shall at its own expense construct and maintain at all times during the term of this Lease a parking area on that portion of the premises on which the Shopping Center shall be erected, substantially as designated on the site plan hereto attached marked Exhibit "A". Said parking area shall be for the joint use of all lessees of the Lessor in the Shopping Center and for the use of the customers, employees, visitors and invitees of said lessees for driveway, walkway or parking purposes. The parking area shall be kept in good order and repair and reasonably free from snow, ice and obstruction by the Lessor. Lessor reserves the right to allow the common areas to be used for special promotional events and for truck, trailer and sidewalk sales. The Lessee covenants

and agrees that it will pay monthly, in advance, an amount based upon an annual charge equal to One Dollar (\$1.00) per square foot of building area of the demised premises as partial reimbursement to Lessor for the cost of maintenance of said parking area and other common areas, including the cost of removal of snow, ice and other obstruction, or Two Hundred Eight and 33/100 Dollars (\$208.33) per month.

Lessor shall designate an area in said parking area for the parking of employees' cars. Employees of the Lessee shall be permitted to park their cars only in the area designated for employee parking.

Lessee agrees that trailers and trucks shall deliver merchandise to the premises only through the access roads at the rear of the demised premises, if any, and trucks delivering merchandise to the Lessee will be expeditiously unloaded and not permitted to park in the rear of the premises except for such period of time as shall reasonably be necessary for loading or unloading.

SECTION 5.07 Construction Financing. If Lessee refuses to agree to any amendment or modification of the within lease as to form or contents as may be required by any mortgage company furnishing a mortgage loan for the construction of said Shopping Center, excepting the size, dimensions or relative location of the premises in relation to any department stores, drug store, market and parking in the Shopping Center, and excepting further the rental and term hereof and the extent of Lessor's work to be furnished to Lessee pursuant to Article V hereof, Lessee agrees that Lessor may cancel this Lease prior to delivery of the premises to Lessee on thirty (30) days written notice to Lessee without liability to any party.

ARTICLE VI

Conduct of Business by Lessee

SECTION 6.01 Use of Premises. Lessee shall occupy and use the demised premises exclusively for the retail sale of waterbeds and related accessories, and for no other purpose whatsoever. Lessee shall continuously and uninterruptedly during the term of this Lease conduct its customary business activity therein during all normal business days and hours, unless prevented from so doing by strikes, fire, casualty or other causes beyond Lessee's control, and except during reasonable periods for repairing, cleaning and decorating the demised premises. Lessee shall not directly or indirectly engage in any similar or competing business to that conducted by Lessee in the demised premises within a radius of three (3) miles from the demised premises.

SECTION 6.02 Restrictions on Use. Lessee shall not use nor permit the demised premises to be used for any purpose other than that set forth in Section 6.01 above, and further covenants and agrees to execute and comply promptly with all statutes, ordinances, rules, orders, regulations and requirements of federal, state, county and city governments regulating the use by Lessee of the demised premises. Lessee will not use, or permit the use of the premises, in any such manner that will tend to create a nuisance or tend to disturb other tenants or occupants of the Shopping Center or tend to injure the reputation of the

Shopping Center. The restrictions set forth in this paragraph shall extend to all agents and employees of the Lessee. No auctions, fire or bankruptcy sales may be conducted in the demised premises without the previous written consent of the Lessor.

ARTICLE VII

Maintenance and Repairs

SECTION 7.01 Maintenance by Lessee. Lessee shall at all times keep the demised premises, including, but not limited to, the maintenance of exterior entrances, all glass in show windows, moulding, partitions, doors, fixtures, equipment and appurtenances and all heating, lighting and plumbing fixtures, in good order, condition and repair including reasonable periodic painting as may be required, any damage by unavoidable casualty excepted, except for structural portions of the premises, which shall be maintained by Lessor, but if Lessor is required to make repairs to structural portions by reason of Lessee's negligent acts or omissions to act or by reason of damage caused by burglary or break in, Lessor may add the cost of such repairs to the rent which shall thereafter become due, unless Lessor is indemnified by insurance therefor. Lessee shall also pay for all electricity, gas, water, sewer charges (if any) and any other utility charges imposed or incurred in connection with the premises.

SECTION 7.02 Maintenance by Lessor. If Lessee refuses or neglects to repair properly the premises as required in Section 7.01 hereof, and as further required in Section 7.03 hereof, in a reasonable time after written demand by the Lessor not less than thirty (30) days after written notice has been given to Lessee, the Lessor may make such repairs without liability to Lessee for any loss or damage that may accrue to Lessee's merchandise, fixtures and/or other property, or to the loss of business occasioned by reason thereof; and further, upon completion of such repairs Lessee shall pay Lessor's incurred costs occasioned by such repairs, plus twenty percent (20%) for overhead upon presentation of the bill so incurred. It is further agreed and understood said billing of costs so incurred shall include interest at the highest legal rate from the date of completion of the repairs by the Lessor.

SECTION 7.03 Repairs by Lessee. Lessee shall make all other repairs, whether of like or different nature, except those which Lessor is specifically obligated to make under the provisions of Section 7.04 hereof, and except that Lessee shall not be obligated to make structural repairs to the demised premises.

SECTION 7.04 Repairs by Lessor. Lessor shall keep the foundations, exterior walls, canopy, roof, downspouts and gutters in good order, condition and repair and, if necessary, or required by governmental authority, make modifications or replacements thereof, except that Lessee shall make all such repairs, modifications or replacements which become necessary or desirable by the reason of the negligence of Lessee, its agents, servants or employees, unless and to the extent the damage or loss resulting from such negligence is covered under any policy of insurance and such loss or damage is paid to or on behalf of Lessor, pursuant to such insurance coverage.