

5411 Marshall Place
Merrillville 46410

683157

LEASE
COLVIN SOUTHLAKE INDUSTRIAL BUILDING
MERRILLVILLE, INDIANA 46410

THIS LEASE made this 21st day of July, 1981, by
and between the following parties, to-wit:

COLVIN SOUTHLAKE PARTNERSHIP, hereinafter referred
to as "Lessor",

and

FURMANITE, INC., Hereinafter referred to as "Lessee".

STATE OF INDIANA
FILED FOR RECORD
OCT 5 3 57 PM 1982
WILLIAM BIELSKI JR
RECORDER

FOR AND IN CONSIDERATION of the full and faithful compliance by the parties hereto with each and all of the terms, covenants and conditions herein contained to be complied with by them, Lessor does hereby lease, let and demise unto Lessee the following described real estate, hereinafter referred to as the "demised premises":

2500 sq. ft. in the Colvin Southlake Industrial Building

all as designated in the floor plan attached hereto, marked "Exhibit A" and incorporated herein by reference.

The demised premises are leased by Lessor to Lessee subject to the covenants, easements and conditions contained in prior deeds and instruments of record and a certain Contract to Purchase Land dated April 15, 1980, between the Gary National Bank, as Trustee under Trust No. P-5911, and Ronald Colvin and Susan Colvin, and subject to the provisions of applicable building codes and zoning ordinances.

ARTICLE 1 - TERM

1.1 The original term of this Lease shall commence on the first day of the first calendar month following the date upon which (1) all construction herein called for is completed in accordance herewith, and (2) possession of the demised premises is delivered to Lessee, but in no event shall this Lease start prior to August 1, 1982.

1.2 Lessee shall pay a prorata sum for such period of time during which the Lessee occupies the demised premises prior to the commencement of the lease term at a daily rental of 1/30th of the monthly rental herein provided.

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1.3 The term of this Lease shall be for a period of three (3) years.

ARTICLE 2 - USE AND OCCUPANCY

2.1 Lessee covenants that the demised premises shall during the term of this Lease be used for a general business office, conference room, warehouse and for such other allied purposes as may be incidental thereto. The demised premises shall be used for no other purpose without the prior written consent of the Lessor, which consent Lessor shall not unreasonably withhold.

2.2 Lessee agrees not to use or suffer or permit any person to use in any manner whatsoever the demised premises for any purpose calculated to injure the reputation of the premises or to impair the value of the demised premises, nor for any purpose or use in violation of any federal, state, county or municipal law or ordinance. Lessee will neither commit nor permit waste upon the demised premises.

2.3 Lessee will permit nothing to be done upon the demised premises in any way tending to create a nuisance or to disturb any other tenant in the building or to injure the reputation of the building or to annoy occupants of neighboring property.

ARTICLE 3 - RENTAL

3.1 For and in consideration of the leasing of the demised premises, Lessee expressly agrees to pay to Lessor, in addition to other charges hereinafter provided, as rental for said demised premises, the sum of Forty Six Thousand Eight Hundred and no/100 (\$46,800.00) Dollars, payable in advance monthly installments of One Thousand Three Hundred and no/100 (\$1300.00) Dollars each on the first day of each calendar month of the term hereof. The first month's rent shall be paid upon execution of this Lease.

3.2 A security deposit in the amount of Six Thousand and no/100 (\$6,000.00) Dollars is made with the execution hereof. The receipt of same is hereby acknowledged by Lessor. The security deposit shall be deducted from the third years rent.

3.3 Rental payments shall be payable to Ronald G. Colvin, Agent, and paid at Colvin Southlake Industrial Building, Merrillville, Indiana, 46410, or at such other place as Lessor may from time to time designate in writing.

3.4 Any installment of rent accruing under the provisions of this Lease and any other sum that might become due from Lessee unto Lessor as additional rental hereunder which shall not be paid within ten (10) days from the due date thereof, shall bear interest at the rate of twelve (12%) percent per annum until paid, without relief from valuation and appraisal laws and with attorney fees.

ARTICLE 4 - REAL ESTATE TAXES

4.1 Real estate taxes on the demised premises shall be paid by the Lessor.

Lessee's share of any increase in real estate taxes for the final year of this Lease shall be prorated on a calendar year basis upon termination of the Lease using the latest determinable tax rate and assessment.

ARTICLE 5-CONSTRUCTION OF OFFICE

5.1 Lessor agrees to construct the office of which th demised premises are a part in accordance with the drawing attached hereto as "Exhibit A". The office shall be constructed as soon as reasonably possible, taking into account scarcity of materials, strikes, delays in obtaining building and other permits and acts of God. The office shall conform with all applicable codes and zoning ordinances.

5.2 It is contemplated that the demised premises shall be completed by August 30, 1982.

5.3 All shelving, cabinetry, special plumbing or special electrical needs of the Lessee shall be paid for by the Lessee.

ARTICLE 6 - DESTRUCTION OF PREMISES

6.1 If the demised premises shall be damaged or destroyed by any cause within the provision of the insurance policies covering said premises during the term of this Lease, and the same can be repaired within sixty (60) days of the date of such occurrence, this Lease shall remain in full force and effect, and the Lessor shall promptly repair such damage at its expense.

6.2 Should the demised premises or any part thereof be made untenable as the result of such fire, damage or destruction, the rental payable by the Lessee shall abate in proportion to the loss of use by the Lessee of the demised premises.

6.3 If the demised premises and improvements are damaged to such extent that they cannot be repaired within sixty (60) days of such occurrence, this Lease may be cancelled at the option of the Lessor or the Lessee upon written notice given within thirty (30) days from the date of such occurrence, and all rents shall be prorated to the date specified in such notice for the termination of this Lease.

ARTICLE 7 - PARKING AREA AND WALKS

7.1 Lessor shall maintain all of the parking areas, walks and driveways adjoining the demised premises in a good state of repair, properly drained and shall at its expense paint parking lines on said parking areas as required and remove ice, snow and debris therefrom.

ARTICLE 8 - MAINTENANCE AND REPAIRS

8.1 Lessor shall keep in good state of maintenance and repair the exterior of the demised premises, the roof and the landscaped area; however, this shall not include

window cleaning. Lessor shall provide and pay for plumbing and electrical repairs, other than those necessitated by acts of the Lessee.

8.2 Lessor may enter the demised premises at all reasonable times for the purpose of making such repair or alterations therein as it deems necessary for the safety, preservation or improvement of the demised premises and for the purpose of inspecting the same.

8.3 Lessee will make no alterations in or additions to the demised premises without first obtaining the Lessor's written consent and Lessee shall submit to Lessor, upon request, paid bills or final lien waivers for any alterations or repairs made by Lessee. All erections, additions, fixtures and improvements, whether temporary or permanent in character (except the movable office furniture and fixtures of the Lessee), made in or upon the demised premises either by the Lessor or the Lessee shall be the Lessor's property and shall remain upon the demised premises at the termination of this Lease by lapse of time or otherwise.

8.4 Lessee shall maintain the premises it occupies in a neat and clean manner and shall provide and pay for its own janitorial service, trash disposal, interior maintenance and decorating and such plumbing and electrical repairs necessitated by acts of the Lessee, and regular window cleaning.

8.5 Lessee shall replace, at its own expense, any and all glass broken on the demised premises by Lessee, its agents, employees and invitees, with glass of the same size and quality as the glass broken. Lessor shall replace all other glass broken on the demised premises.

ARTICLE 9 - UTILITIES

9.1 Lessor shall pay for the connection to the premises of the following utilities: Northern Indiana Public Service Company, gas and electricity, Gary-Hobart Water Company, water, and Merrillville Conservancy District, sanitary sewer service. Lessor shall provide and pay for the water service and sanitary sewer service to the demised premises and shall provide heating and air-conditioning equipment and maintain and repair the same for the demised premises.

9.2 Lessee shall provide and pay for gas and electric service to the demised premises, including the gas and electricity to operate the heating and air-conditioning equipment, as well as telephone service used by it on the demised premises. Such electrical and gas service shall be metered to Lessee and billed directly to Lessee by Northern Indiana Public Service Company.

ARTICLE 10 - INSURANCE

10.1 Lessor shall at all times during the term hereof, at its own expense, insure and keep insured in responsible insurance companies authorized to do business in the State of Indiana, the building of which the demised premises are a part against loss or damage by

fire and the risks covered within the extended coverage and additional perils endorsements in an amount equal to not less than eighty (80%) percent of the full insurable value of the building.

10.2 Lessee shall provide and maintain during the term of this lease for the benefit of Lessee and with the Lessor as a named insured a public liability and property damage insurance policy in the usual form for the protection of itself and the Lessor against injury caused to persons by reason of its occupancy of the demised premises, with limits of not less than One Hundred Thousand (\$100,000.00) Dollars and Three Hundred Thousand (\$300,000.00) Dollars for personal injury and Fifty Thousand (\$50,000.00) Dollars for property damage. Lessee will deliver to Lessor a certificate of such insurance.

ARTICLE 11 - SIGNS

11.1 Lessee may install, at its own cost, a sign listing firm name on the exterior walls of the demised premises near Lessee's entrance to the demised premises, and Lessee shall maintain said sign in good state of repair, save the Lessor harmless from any loss, cost of damage as the result of the installation, maintenance or removal of the same, and shall repair any damage which may have been caused by such erection, maintenance or removal. No such sign shall be installed by Lessee without the Lessor's prior written approval, which approval Lessor shall not unreasonably withhold. Lessor may designate material and size and Lessee may select the type face for such sign.

11.2 Lessor may letter windows and doors in the demised premises with the prior written consent of Lessor as to the size and nature of the lettering.

ARTICLE 12 - ASSIGNMENT AND SUBLETTING

12.1 This Lease shall not be assigned nor shall the demised premises or any part thereof be underlet, licensed or otherwise permitted to be used by others without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding any such consent, herein given or subsequently given, Lessee shall remain primarily liable to perform all of the covenants and conditions hereof and to guarantee such performance by the assignee, subtenant, licensee or other party unless the Lessee shall be expressly released therefrom by Lessor in writing.

ARTICLE 13 - EMINENT DOMAIN

13.1 If not more than twenty-five (25%) percent of the demised premises shall be taken under the power of eminent domain, then the term of this Lease shall cease only on the part so taken from the date possession shall be taken for any public purpose, and the fixed rent shall be paid up to that date. If in such event any part of the demised premises is taken, Lessor shall rebuild and restore said demised premises at its expense as rapidly as possible, and Lessee shall be entitled to an equitable abatement of the fixed rent until the premises are restored, and thereafter said rent shall be equitably reduced on account of any floor space taken by such eminent domain.

13.2 If more than twenty-five (25%) percent of the demised premises shall be taken under the power of eminent domain, then from that date Lessee shall have the right either to terminate this Lease as of the date possession of the part condemned is so taken, by written notice to Lessor within thirty (30) days after such date, or to continue in possession of the demised premises under all of the terms, covenants and conditions of this Lease, except that the fixed rent shall be proportionately and equitably reduced.

13.3 All damages awarded for such taking shall belong to and be the property of the Lessor, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the demised premises. For the purposes of this paragraph, acquisition of all or a part of the demised premises by governmental or quasi-governmental authority by means of voluntary negotiations and contracts shall be deemed to be acquisition by the exercise of the power of eminent domain.

ARTICLE 14 - QUIET ENJOYMENT

14.1 Lessor covenants and agrees that if the Lessee shall pay and otherwise perform and do all of the things and matters herein provided for to be done by Lessee that the Lessee shall peaceably and quietly have, hold, possess, use, occupy and enjoy the said demised premises during the term of this Lease.

ARTICLE 15 - DEFAULTS BY LESSEE

15.1 Right to Re-Enter. In the event of any failure of Lessee to pay any rental due hereunder within ten (10) days after written notice of such default shall have been mailed to Lessee, or any failure to perform any other of the terms, covenants or conditions of this lease to be observed or performed by Lessee for more than thirty (30) days after written notice of such default shall have been mailed to Lessee, or if Lessee shall become bankrupt or insolvent, or file any debtor proceedings, or take or have taken against Lessee in any court pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if Lessee makes an assignment for the benefit of creditors or petitions for or enters into an arrangement, or if Lessee shall abandon said premises or suffer this lease to be taken under any writ of execution, Lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the demised premises and such property may be removed and stored in a public warehouse or elsewhere, at the cost and for the account of Lessee, all without service of notice or resort to legal process, and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

15.2 Right to Re-Let. Should Lessor elect to re-enter as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may, from time to time, without terminating this lease, make such alterations and repairs as may be necessary in order to re-let the premises, and re-let said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable. Upon each such re-letting, all rentals received by Lessor from such re-letting

shall be applied, first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such re-letting including brokerage fees and attorney fees and the cost of such alterations and repairs; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received from such re-letting in any month be less than that to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises of Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Lessee all damages it may incur by reason of such breach, including reasonable attorney fees, and including the worth at the time of the termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the demised premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

ARTICLE 16 - OPTION TO EXTEND

16.1 If Lessee shall not be in default in the performance of any of the terms, covenants and conditions contained in this lease to be complied with by them, Lessor grants to Lessee the option to extend this lease for three (3) years on the same terms and conditions as are contained in this Lease, except that the fixed monthly rental shall be in the amount set forth in Article 3 plus an additional sum representing an amount equal to a percentage of the monthly rent payable hereunder, which percentage shall equal the percent increase in the Consumer Price Index (or such similar measure as is then in common use) over the term of this Lease.

16.2 No less than three (3) months prior to the expiration of this Lease, Lessee shall notify Lessor of its intention to exercise its option to extend this Lease.

ARTICLE 17 - SURRENDER

17.1 At the termination of this Lease by lapse of time or otherwise, or the taking of possession of the demised premises pursuant to Article 15 hereof, Lessee shall return the demised premises in as good condition as at the commencement of the term, acts of God, casualty beyond the control of the parties, ordinary wear and tear only excepted, failing which, Lessor may restore the demised premises to such condition and Lessee shall pay the cost of such restoration upon demand.

17.2 If the Lessee retains possession of any or all of the demised premises beyond the expiration date of this Lease after the Lessor has given notice to the Lessee of its intent not to renew this Lease, then the Lessee shall pay to the Lessor as liquidated damages, a sum equal to one and one-half times the monthly rental provided in this Lease

for the period of time that the Lessee shall retain possession of the demised premises or any part thereof after the expiration date of the Lease.

ARTICLE 18 - WAIVER OF SUBROGATION RIGHTS

18.1 Notwithstanding any other provisions of this Lease, Lessee shall not be liable for any damage to the demised premises caused by fire or other casualty, notwithstanding that such damage may have been caused by the negligence of the Lessee, its agents, employees, subcontractors or invitees; and Lessor does hereby waive and expressly release Lessee of and from all liability and waives all rights of subrogation for such damage, whether or not such damage may have been caused by or resulted from the negligence of the Lessee, its agents, employees, subcontractors or invitees.

18.2 Lessor shall not be liable for any damage to the property of the Lessee caused by fire or other casualty, notwithstanding that such damage may have been caused by the negligence of the Lessor, its agents, employees, subcontractors or invitees; and Lessee does hereby waive and expressly release Lessor of and from all liability and waives all rights of subrogation for such damage, whether or not such damage may have been caused by or resulted from the negligence of the Lessor, its agents, employees, subcontractors or invitees.

ARTICLE 19 - WAIVER OF BREACH

19.1 It is agreed by the parties hereto that no waiver of a breach of any of the terms, covenants and conditions of this Lease shall be construed as a waiver of any succeeding breach of this same or any other term, covenant or condition.

ARTICLE 20 - MORTGAGES

20.1 It is agreed that this Lease shall be subject and subordinate to any mortgage now upon the demised premises and any mortgage hereafter placed upon the demised premises by Lessor or its assigns. Lessee agrees to execute any and all instruments in writing which may be requested by Lessor to subordinate Lessee's rights acquired by this Lease to the lien of any such mortgage.

ARTICLE 21 - NOTICES

21.1 All notices, demands and requests hereunder shall be in writing and given by United States registered or certified mail or by messenger delivery, in the case of Lessor to:

Ronald G. Colvin, Agent
5411 Marshall Place
Merrillville, Indiana 46410

and in the case of Lessee to:

21.2 Each party from time to time may change its address for purposes of notice under this article by giving to the other party notice of such change of address. Any notice, demand or request given by United States registered or certified mail, as provided herein, shall be deemed served on the date it is deposited in the United States mail properly addressed and with postage fully prepaid.

ARTICLE 22 - MECHANIC'S LIENS

22.1 Nothing in this Lease shall authorize Lessee to do any act which shall in any way encumber the title of Lessor in and to demised premises, nor shall the interest of the Lessor in the demised premises be subject to any lien arising from any act or omission of Lessee.

22.2 If any mechanic's lien or liens shall be filed against the demised premises for work done or materials furnished to the Lessee, Lessee shall within thirty (30) days after it has actual notice of such lien, at its own expense, cause such lien or liens to be discharged by payment of such claims or by filing of bond pursuant to statute.

22.3 Should Lessee fail to pay such lien or post bond therefor, Lessor may, but it shall not be required to do so, discharge such mechanic's lien or liens by payment thereof, and the amount paid by Lessor together with Lessor's costs and expenses, including reasonable attorney's fees, shall be due and payable from Lessee forthwith on demand.

ARTICLE 23 - FIXTURES

23.1 The Lessee may install and operate in and upon the demised premises such trade fixtures, decorations, equipment and appliances as the Lessee shall deem necessary; provided, however, that all laws, rules and regulations of governmental bodies with respect thereto shall be fully complied with by the Lessee. Upon the expiration of this lease or any extension or renewal thereof, the Lessee shall remove all such trade fixtures, decorations, equipment and appliances installed on said premises by the Lessee, provided however, that Lessee shall forthwith repair any damage to the premises which may be caused by such installation, operation or removal.

23.2 The term "trade fixtures" shall not include "building equipment" or "building fixtures" which Lessee agrees shall become the property of the Lessor without any

compensation whatever at the termination of this Lease or at the termination of any extension or renewal thereof and shall remain in the demised premises. Carpeting affixed to the floor of the demised premises shall be considered building fixtures and shall remain at the termination of this Lease.

ARTICLE 24 - RIGHT OF FIRST REFUSAL

ARTICLE 25 - MISCELLANEOUS

25.1 Whenever required by the context, the use of the words "term of this lease" or any variation thereof, shall be deemed to include any extension or renewal of this Lease, and the singular shall be deemed to include the plural and the masculine to include the feminine and neuter.

25.2 The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions thereof.

25.3 If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

25.4 This Lease shall be construed and enforced in accordance with the laws of the state of Indiana.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

LESSOR:

COLVIN SOUTHLAKE PARTNERSHIP

BY: 

GENERAL PARTNER

LESSEE:

FURMANITE, INC.

BY: 

REGIONAL MANAGER, JOHN GOURLEY