

LEASE

755035

This Lease, entered into by and between BERNARD H. SCHENK, hereinafter referred to as Lessor and HUGH J. McLAUGHLIN AND SON, INC, an Indiana Corporation, hereinafter referred to as Lessee.

WITNESSETH: That Lessor and Lessee, in consideration of their mutual undertakings, agree as follows:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the following described real property:

Part of the Southeast Quarter of Section 5, Township 34 North, Range 8 West of the 2nd P.M., more particularly described as follows: Commencing at a point in the center of Thomas Street, which is 165 feet North of the center line of Monitor Street; thence North 168.96 feet; thence East 322.08 feet; thence South 168.96 feet; thence West 322.08 feet to the point of beginning except West 160 feet thereof.

1. TERM OF LEASE.

The term of the Lease shall be for five (5) years commencing the 1st day of February, 1983, and terminating on the 31st day of January, 1988. The Lessor agrees to put the Lessee in possession of said property on the date at the beginning of the term of this Lease.

2. RENT.

The Lessee agrees to pay as rent for the term of said Lease the sum of \$700.00 per month, payable in advance on the 1st day of each month beginning on the 1st day of February, 1983. All payments of rent are to be made to such persons and at such places as the Lessor may from time to time designate. All payments of rent shall be without relief of valuation and appraisal laws.

3. USE, COMPLIANCE WITH THE LAWS.

The Lessee shall keep the Leased Premises in a clean and orderly condition and shall conduct it's business thereon in a careful and safe manner. Lessee shall not use the Leased Premises or maintain them in any manner constituting a violation of any ordinance, statute, regulation, or order of any governmental authority, including without limitation zoning ordinances, nor shall Lessee maintain, permit or suffer any nuisance to occur or exist on the Leased Premises.

The Lessee may place improvements upon said property with written permission of the Lessor. Any improvements placed upon said Leased Premises at the expiration of the Lease shall become the property of the Lessor.

STATE OF INDIANA S. W.
LAKE COUNTY
FILED FOR RECORD
MAY 2 10 40 AM '83
WILLIAM BIELSKI
RECORDER

For First Amendment see doc 755036

4. SURRENDER AND HOLDOVER.

Upon the expiration of the initial term or a renewal term; or the sooner termination of this Lease, Lessee shall surrender to Lessor the Leased Premises, together with all other property affixed to the Leased Premises (excepting trade fixtures) in the same condition as Lessee received them, the effects of acts of God, casualty, insurrection, riot or public disorder excepted. Unless an event of default as hereinafter defined has occurred and remains uncured, Lessee shall prior to the expiration of the term remove all of Lessee's trade fixtures and personal property from the Leased Premises. Any damage to the Leased Premises caused by such removal shall be repaired by Lessee prior to the expiration of the term. At Lessor's option, if Lessee fails to remove such trade fixtures and personal property then the same shall be deemed the property of the Lessor. If Lessee shall remain in possession of all or any part of the Leased Premises after the expiration or any renewal thereof of the term of this Lease, with the consent of the Lessor, then the Lessee shall be a lessee from month to month at the same rental and subject to all of the other applicable covenants, terms and conditions hereof.

5. REPAIR AND REPLACEMENTS.

The Lessee shall be responsible for the erection, repair and replacement of any improvements that the Lessee places on said property. Any improvements placed on said property shall be maintained in a safe and sightly manner. In the event the Lessee fails to commence making any repairs or maintenance with five (5) days after the Lessor gives notice requesting the Lessee to do so, or fails to complete the same properly, the Lessor may make such repairs, replacements and maintenance and charge the costs thereto to the Lessee which shall be paid with the next month's rental payment.

6. MECHANIC'S LIENS.

Lessee shall not permit any Statement of Intention to hold a Mechanic's Lien to be filed against the Leased Premises or any part thereof nor against any interest or estate therein by reason of labor, services or materials claimed to have been performed or furnished to or for Lessee. If such Statement of Intention to hold a Mechanic's Lien shall be filed, Lessor at its option may compel the prosecution of an action for the foreclosure of such Mechanic's Lien by the lienor. If any such Statement of Intention to hold a Mechanic's Lien shall be filed and an action commenced to foreclose the lien, Lessee, upon demand by Lessor, shall cause the lien to be released by the filing of a written undertaking with a surety approved by the Court and obtaining an order from the Court releasing the property from such lien. Nothing in this Lease shall be deemed or construed to constitute consent to or request to any party for the performance of any labor or services or the furnishing of any materials for the improvement, alteration or repairing of the Leased Premises; nor as giving Lessee the right or authority to contract for, authorize or permit the performance of any labor or services or the furnishings of any material that would permit the attaching of a valid Mechanic's Lien.

7. CONDEMNATION.

If the entire Leased Premises, or such portion thereof as will make the remainder unsuitable for the use permitted by this Lease, is condemned by any legally constituted authority, or if a conveyance or other acquisition in lieu of such condemnation is made, then this Lease shall terminate as of the date possession is required by the condemnor. If a portion of the Leased Premises is condemned but the remainder is still suitable for the use permitted by this Lease, this Lease shall not terminate but a portion of the rent for the rest of the term shall be abated in proportion to the amount of the Leased Premises taken. All compensation paid in connection with the condemnation shall belong to and be the sole property of Lessor, except Lessee shall be entitled to any compensation awarded for Lessee's trade fixtures and for moving expenses.

8. INSURANCE, INDEMNIFICATION AND RELEASE.

The Lessee as additional rent shall be responsible for the public liability insurance on the premises. The public liability insurance coverage shall be as follows:

- A. Bodily injury liability in the amount of \$300,000.00 each occurrence and \$500,000.00 in the aggregate;
- B. Property damage liability coverage in the amount of \$300,000.00 each occurrence and \$300,000.00 in the aggregate;
- C. The above liability insurance coverages may be met by the Lessee carrying an umbrella liability insurance policy in an amount sufficient to comply with the requirements of A and B above.

The Lessee shall obtain the insurance from companies acceptable to the Lessor and pay the premiums. The insurance shall name the parties as their interest appears and the Lessee shall provide copies of the policies and proof of payment of premiums to Lessor.

Regardless of whether or not, separate, several, joint or concurrent liability may be imposed upon Lessor, Lessee shall indemnify and hold harmless Lessor from and against all damages, claims and liability arising from or connected with Lessee's control or use of the Leased Premises, including without limitation, any damage or injury to person or property. This indemnification shall not include any matter for which the Lessor is effectively protected against by insurance. If Lessor shall, without fault, become a party to litigation commenced by or against Lessee, then Lessee shall indemnify and hold Lessor harmless. The indemnification provided by this Section shall include Lessor's legal costs and fees in connection with any such claim, action or proceeding. Lessee does hereby release Lessor from all liability for any accident, damage or

injury caused to person or property on or about the Leased Premises, whether due to negligence on the part of Lessor and notwithstanding whether such acts or omissions be active or passive unless the Lessor had actual prior notice of the potentially dangerous situation. Lessee does hereby release the Lessor from all liability for any accident, damage or injury caused to person or property, provided, this release shall be effective only to the extent that the injured or damaged party is insured against such injury or damage and only if this release shall not adversely affect the right of the injured or damaged party to recover under such insurance policy.

9. EVENTS OF DEFAULT.

Any of the following shall be deemed an Event of Default:

A. The failure to pay any installment of rent when the same becomes due and the failure continues for thirty (30) days.

B. Lessee's failure to perform or observe any other covenant, term or condition of this Lease to be performed or observed by Lessee and if curable, the failure continues for thirty (30) days after notice thereof is given to Lessee.

C. Abandonment of the Leased Premises.

D. The filing or execution or occurrence of:

(1) An involuntary petition in bankruptcy against Lessee and the failure of Lessee, in good faith, to promptly commence and diligently pursue action to dismiss the petition.

(2) A petition against Lessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, and the failure of Lessee in good faith to promptly commence and diligently pursue action to dismiss the petition.

(3) A general assignment for the benefit of creditors by Lessee.

(4) The taking by any party of the leasehold created hereby, or any part thereof, upon foreclosure, levy, execution, attachment or other process of law or equity.

10. LESSOR'S REMEDIES

A. Upon the occurrence of any Event of Default Lessor may, at its option, in addition to any other remedy or right it has hereunder or by law:

(1) Re-enter the Leased Premises, without demand or notice, and resume possession by an action in law or equity or by force or otherwise and without being liable in trespass or for any damages and without terminating this Lease. Lessor may remove all persons and property from the Leased Premises and such property may be removed and stored at the cost of Lessee.

(2) Terminate this Lease at any time upon the date specified in a notice to Lessee. Lessee's liability for damages shall survive such termination. Upon termination such damages recoverable by Lessor from Lessee shall, at Lessor's option, be either an amount equal to "Liquidated Damages" or an amount equal to "Indemnity Payments".

"Liquidated Damages" means an amount equal to the excess of the rentals provided for in this Lease which would have been payable hereunder by Lessee, had this Lease not so terminated, for the period commencing with such termination and ending with the date set for the expiration of the original term granted (hereinafter referred to as "Unexpired Term"), over the reasonable rental value of the Leased Premises for such Unexpired Term.

"Indemnity Payments" means an amount equal to the rent and other payments provided for in this Lease which would have become due and owing thereunder from time to time during the Unexpired Term plus the cost and expenses paid or incurred by Lessor from time to time in connection with:

- a. Obtaining possession of the Leased Premises;
- b. Removal and storage of Lessee's or other occupant's property;
- c. Care, maintenance and repair of the Leased Premises while vacant;
- d. Reletting the whole or any part of the Leased Premises;
- e. Repairing, altering, renovating, partitioning, enlarging, remodeling or otherwise putting the Leased Premises, either separately or as part of larger premises, into condition acceptable to and reasonably necessary to obtain new lessees.
- f. Making all repairs, alterations and improvements required to be made by Lessee hereunder and of performing all covenants of the Lessee relating to the condition of the Leased Premises,

less the rent and other payments, if any, actually collected and allocable to the Leased Premises or to the portions thereof relet by Lessor. Lessee shall on demand make Indemnity Payments monthly and Lessor can sue for all Indemnity Payments as they accrue.

(3) Without terminating this Lease, relet the Leased Premises without the same being deemed an acceptance of a surrender of this Lease nor a waiver of Lessor's rights or remedies and Lessor shall be entitled to Indemnity Payments, as heretofore defined, from Lessee. Any reletting by Lessor may be for a period equal to or less than, or extending beyond the remainder of the original term, or for the whole or any part of the Leased Premises, separately or with other premises or for any sum, or to any lessee or for any use Lessor deems appropriate.

B. Upon the occurrence of any of the following:

(1) The filing of a voluntary petition in bankruptcy by Lessee.

(2) The filing of a petition or answer by Lessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act.

(3) An adjudication of Lessee as a bankrupt or insolvent.

(4) The appointment of a trustee, receiver, guardian, conservator, or liquidator of Lessee with respect to all or substantially all of its property.

this Lease shall terminate ipso facto as of such occurrence and the Leased Premises shall be surrendered as required by Section 2. Lessee's liability for damages shall survive such termination and Lessor shall be entitled to recover an amount equal to Liquidated Damages as defined above or an amount equal to the maximum allowed by any statute or rule of law in effect at the time when and governing the proceedings in which such amount is sought, whichever is less.

11. ADVANCES AND INTEREST.

Upon the occurrence of any Event of Default, Lessor may, if such default has not been cured, cure that default for the account and at the expense of Lessee. If Lessor in curing such default is compelled to pay or elects to pay any sum of money or to do any acts which will require the payment of any sum of money, the sum so paid or incurred shall be reimbursed by Lessee upon demand by Lessor. All sums as to which Lessee is in default of payment shall bear interest at the rate of twelve percent (12%) per annum until paid.

12. ATTORNEY'S FEES.

Each party shall pay the other party's reasonable legal costs and attorney's fees incurred in successfully enforcing against the other party any covenant, term or condition of this lease.

13. ACCESS BY LESSOR TO LEASED PREMISES.

Lessor, Lessor's agents and Lessor's prospective lessees, purchasers or mortgagees shall be permitted to inspect and examine the Leased Premises at all reasonable times and Lessor shall have the right to make any repairs to the Leased Premises which Lessor may deem necessary, but this provision shall not be construed to require Lessor to make repairs except as is otherwise required hereby. For a period commencing six (6) months prior to the expiration of this term or renewal term of this Lease, Lessor may maintain "For Rent" signs on the front or on any part of the Leased Premises.

14. QUIET ENJOYMENT.

If Lessee shall perform all of the covenants and agreements herein provided to be performed on Lessee's part, Lessee shall, at all times during the term, or any renewal thereof, have the peaceable and quiet enjoyment of possession of the Leased Premises without any manner of hindrance from Lessor or any parties lawfully claiming under Lessor.

15. OPTION TO RENEW.

If the Lessee is not in default on the rent or any other terms of the Lease contained herein, the Lessee shall have the option to renew the Lease for an additional five (5) year period upon the same rent and upon the same terms as the initial term of the Lease. The renewal period shall commence at the expiration of the original term of the Lease. All covenants, conditions and terms of the Lease during the renewal period shall be the same as those provided in the original term of the Lease. The Lessee shall give notice of its intention to extend the term of the Lease within sixty (60) days before the expiration of the original term of the Lease. Said notice shall be mailed to the Lessor at least sixty (60) days prior to the expiration of the Lease.

16. RIGHT OF FIRST REFUSAL.

During the first term of this Lease which expires January 31, 1988, and the five (5) year renewal term of the Lease if the Lease is renewed, if the Lessor shall receive a bona fide offer to purchase for the Leased Premises, from someone other than the Lessee, the Lessor within forty-eight (48) hours of the receipt of said offer, shall notify the Lessee in writing by United States certified mail of the offer to purchase by providing the Lessee with a copy of the offer. The Lessee shall have five (5) business days from the date of receipt of the notice within which to make an offer to the Lessor for the purchase of the Leased Premises. If the Lessee wishes to purchase the property contained in the offer tendered, the Lessee, in writing, within five (5) business days from the date

of receipt of the notice of the bona fide offer shall tender an offer to the Lessee for the same amount and upon the same terms as contained in the bona fide offer. Said offer from the Lessee shall be accompanied by earnest check money in the sum of \$2,000.00. The offer shall be at the same price upon the same terms as the offer tendered by the party other than the Lessee. In the event that the Lessee fails to exercise it's right to purchase the property under this paragraph within the time period set forth, the Premises may be conveyed to any party other than the Lessee making the offer to the Lessor. In the event the party making the offer fails to complete the sale, and there are subsequent offers, the same procedure shall be followed as to each of the subsequent offers. Any purchasers of the property other than the Lessee shall take said property subject to the rights of the Lessee contained in this Lease, except that the first right of refusal contained in this paragraph shall expire upon completion of the sale of the Leased Premises and shall become inoperative and unenforceable.

17. GENERAL AGREEMENT OF PARTIES.

A. All payments or sums required to be paid under this agreement shall be without relief from valuation and appraisal laws.

B. This Lease shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties. This provision, however, shall not be construed to permit the assignment of this Lease except as may be permitted hereby. When applicable, use of the singular form of any word shall mean or apply to the plural and the neuter form shall mean or apply to the feminine or masculine.


C. The captions and article numbers appearing in this Lease are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of such provisions. No waiver by Lessor or any default by Lessee shall be effective unless in writing, nor operate as a waiver of any other default or of the same default on a future occasion. Lessor's acceptance of rent shall not be deemed a waiver as to any proceeding default. Any notices to be given hereunder, unless provided for otherwise, shall be deemed sufficiently given when in writing and (a) actually served on the party to be notified or (b) placed in an envelope directed to the party to be notified at the following addresses and deposited in the United States mail by certified or registered mail, postage prepaid:

1. If to the Lessor at 614 North Indiana Avenue, Crown Point, Indiana 46307.
2. If to Lessee at 614 North Indiana Avenue, Crown Point, Indiana 46307.

Such addresses may be changed by either party by written advise as to the new address given as above provided. If there is more than one Lessee, their obligation shall be joint and several.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on this 31st day of January, 1983, and if this Lease is executed in counterparts, each shall be deemed an original.

LESSOR:



BERNARD H. SCHENK

LESSEE:

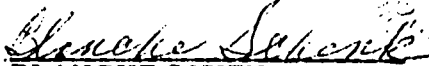
HUGH J. McLAUGHLIN AND SON, INC.

by:

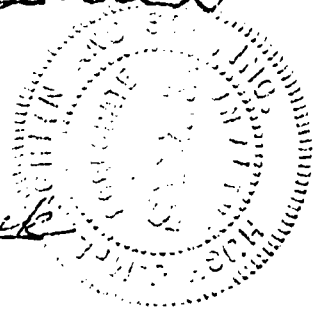


BERNARD H. SCHENK,
President

ATTEST:



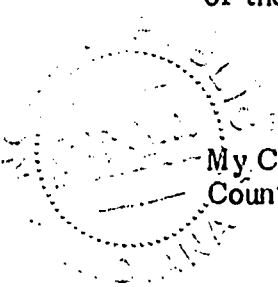
BLANCHE SCHENK,
Secretary



ACKNOWLEDGMENT

STATE OF INDIANA, COUNTY OF LAKE, SS:

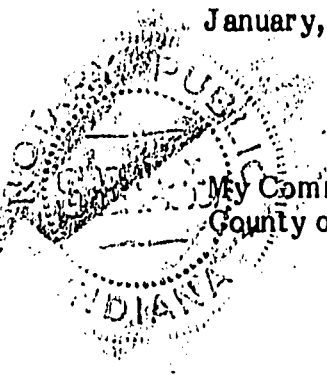
Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Bernard H. Schenk, who acknowledged the execution of the above and foregoing Lease this 31st day of January, 1983.


Barbara J. Solen
Notary Public *Barbara J. Solen*

My Commission Expires: 7-16-85
County of Residence of Notary Public: LAKE

STATE OF INDIANA, COUNTY OF LAKE, SS:

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Bernard H. Schenk and Blanche P. Schenk, the President and Secretary respectively of Hugh J. McLaughlin and Son, Inc., who acknowledged the execution of the above and foregoing Lease this 31st day of January, 1983.


Barbara J. Solen
Notary Public *Barbara J. Solen*

My Commission Expires: 7-16-85
County of Residence of Notary Public: LAKE

This instrument prepared by Herman Barber, attorney at law.