

997249

Carroll & Donaldson
101 1/2 Main St.
C. P. 46307

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COMMERCIAL LEASE

Key # 35-74-14

This Lease, made and entered into this 1st day of September, 1988, by and between Richard J. Wontorski and Linda S. Wontorski, of Lake County, Indiana, Lessor, and Charles Sapp and Cindy Sapp, of Lake County, Indiana, Lessee, (Lessor and Lessee are hereinafter referred to in masculine gender, singular person).

WITNESSETH, that the Lessor, for and in consideration of the rents, covenants, and agreements hereinafter mentioned, and hereby agreed to be paid, kept and performed by the Lessee, hereby leases to the Lessee the improvements denoted on Exhibit "A" and commonly known as 912 May Street, at Hammond, Indiana, together with the furnishings and contents therein, as enumerated in Exhibit "A", attached hereto, for the term of four (-4-) years, commencing on the 1st day of September, 1988 and ending on the 31st day of August, 1992. This Lease shall absolutely terminate at the expiration date set forth above. However, Lessee is granted the option to renew this Lease for an additional term of four (-4-) years on the same terms as this Lease.

LILLIAN A. BLASTICK
RECORDER, LAKE COUNTY,
CROWN POINT, INDIANA 46307
SEP 14 9 43 AM '88

1. The Lessor covenants and agrees:

A. To put the Lessee in possession of said premises on the date of commencement of the term, and to permit said Lessee to quietly and peaceably hold and enjoy said premises during the term without any interruptions by the Lessor or any person claiming under him, provided that the Lessee observes and performs the covenants and conditions hereinafter set forth, subject to Lessor's reserved right of entry, from time to time, with advance notice, to inspect such premises.

2. The Lessee covenants and agrees to perform and pay the following in consideration of Lessee's leasehold:

A. The sum of Three Hundred Thirty-Five & No/100 Dollars (\$335.00) per month as fixed monthly rental shall be paid on the signing of this Lease. Thereafter, on the 1st day of the next following consecutive forty-eight (-48-) months, such sum shall be paid to Lessor as the first year's fixed rental.

B. In addition to the fixed rental stated above, Lessee shall be responsible for the following:

(1) Real estate taxes payable during the term of occupancy without consideration for the date of accrual. For example, 1988 taxes accrued in such year, but payable in 1989 shall be the responsibility of Lessee during his year of occupancy; 1989 payable 1990, during 1990 occupancy and 1990 payable

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Dora N. Anton
AUDITOR LAKE COUNTY

518-A 10.00

1991 during the 1991 year of occupancy. Real estate taxes for any bulk unsubdivided parcel shall be allocated on the basis of a ratio of leased improvement square footage to the total improvement real estate tax and common areas shall be apportioned at the rate of the area of _____ (____) parking spaces to the entire area, said percentage being applied to the unimproved portion of said real estate tax bill.

(2) Insurance on the leased real property shall be maintained during the term of this Lease by Lessee, said policy and underwriting company to be satisfactory to Lessor and containing not less than the following coverages:

(a) Replacement-cost-all-perils coverage on the leased structures and improvements to not less than 90% of appraised value for insurance purposes. On each annual renewal or anniversary date of such policy, said value of structures and improvements shall be re-appraised for replacement cost insurance purposes and coverage under such policy shall be adjusted to not less than 90% of such re-appraisal. In the event of a co-insurance reduction of any claim due to failure of the Lessee to maintain policy compliance with the terms of this Lease, any differentials shall be payable to Lessor by Lessee immediately upon demand by Lessor.

(b) Liability insurance on the leased premises and areas controlled by the Lessee, including but not limited to all (all) parking spaces and the front sidewalk, in an amount not less than \$1,000,000.00.

(c) Lessor shall be carried as additional insured on any liability policy and as a direct loss payee under the all-perils-replacement cost improvement coverage policies.

(3) All maintenance on the leased premises including but not limited to assigned parking lot space, and sidewalk maintenance, roof, foundation and structural repair, exterior and interior walls and windows, sub-systems, including electrical, air conditioning, plumbing, heating and ventilation system. Any and all repairs must be made to the reasonable satisfaction of Lessor with materials and parts of a reasonably similar quality and grade.

C. Not to use or suffer said premises to be used for other than commercial purposes, to-wit: Commercial/multi-family residential use,

and under no circumstances for any use that is in violation of any state, local or federal statute or ordinance.

D. Not to assign this Lease or sublet said premises or any portion thereof without the written consent of the Lessor, which Lessor warrants that he will not unreasonably withhold.

E. That the Lessor shall have free access to said premises at all reasonable times for the purpose of examining the condition thereof and examining repairs and, for three (3) months before the end of this Lease, for the purpose of showing the same to other prospective tenants. Lessor warrants that any such entry into the premises shall be coordinated in advance with Lessee.

F. To keep said premises in good order and condition and free from any nuisance, filth, or danger of fire, and in compliance with all state, local and federal ordinances or statutes that may be applicable.

G. Not to do or permit anything to be done on or about said premises which would cause cancellation of any insurance on the premises.

H. To make no alterations, repairs or improvements in said premises without the written consent of the Lessor; provided, however, that any alterations, repairs or improvements made by the Lessee shall become a part of said premises and may not be removed at the expiration of this Lease.

I. To peaceably surrender possession of said leased premises upon the expiration of this Lease, in as good condition as when received.

J. That the Lessor shall not be liable to the Lessee or the Lessee's customers, clients, agents, guests, employees, or employers for any damage to them or their persons or property, by theft or burglary, water, rain, snow, ice, sleet, fire, explosion, frost, storms, and accidents, or by breakage, stoppage, or leakage of water, gas, heating and sewer pipes, electric wiring or current, or plumbing upon, about or adjacent to said premises, nor for any negligence of others that may cause damages of any character whatsoever, and Lessee agrees to hold Lessor harmless from such claims.

3. The parties mutually covenant and agree:

A. That if any default shall be made in the payment of fixed rent, insurance, real estate taxes or maintenance required hereunder, or any part thereof for more than ten (10) days, or if after ten (10) days' written notice setting forth the default, default shall continue by the Lessee in the performance or observance of any other covenant or condition herein contained to be performed or observed by the Lessee, the Lessor shall without demand be entitled to possession and the Lessee will upon written demand and notice to quit so quit and surrender to the Lessor or his agent or representative peaceful possession thereof, but that for this cause, the obligation to pay fixed rent for the full term as herein provided shall not cease, provided, however, that if the Lessor shall notify the Lessee in writing of his election to terminate the Lease, the Lessee shall not be liable for any subsequent rentals, but only for such sums as may be due under this contract at the time of its termination, such amounts based on actual occupancy and damage to the premises. If the Lease is not so terminated, the Lessee shall

be entitled to credit for any rentals thereafter collected by the Lessor less expenses incident thereto. In the event that Lessor must resort to litigation to evict Lessee after service of such notice to quit or enforcement of any other provision of this Lease, Lessee shall be responsible for all reasonable attorney fees, court costs and other expenses made necessary by Lessee's default and refusal to vacate.

B. That on the execution of this Lease, the Lessee shall deposit with the Lessor the sum of ZERO Dollars (\$ -0-), receipt of which is hereby acknowledged by the Lessor, to guarantee faithful performance of this Lease by said Lessee. Said sum shall be held by the Lessor subject to appropriation upon any claim arising from any violation by the Lessee of any of the covenants, stipulations or conditions of this Lease. Any portion of said sum not so appropriated shall be returned to the Lessee upon the expiration of this Lease.

C. In the event the leased premises or any part hereof shall be taken or condemned either permanently or temporarily for appropriate proceedings or by any right of eminent domain, the entire compensation award therefor, including but not limited to all damages as compensation for diminution in value of the leaseholder, reversion and fee, shall belong to the Lessor without any deduction therefrom for any present or future estate of Lessee, and Lessee hereby assigns to Lessor all of his right, title and interest to any such award. However, Lessee shall have the right to recover from the condemning authority, but not from Lessor, such compensation as may be separately awarded to Lessee on account of interruption of Lessee's business and for moving and relocation expenses.

In the event of a taking under the power of eminent domain of more than fifty percent (50%) of the floor area of all buildings leased to Lessor either Lessor or Lessee shall have the right to terminate this Lease by notice in writing given within ninety (90) days after the condemning authority takes possession, in which event all rents and other charges shall be pro-rated as of the date of such termination.

D. Lessee may provide and install, at Lessee's expense, letters and numerals on the doors or facades of the leased premises in conformance plans submitted to Lessor and approved in writing by Lessor. Lessee shall not place, erect or maintain or suffer to be placed, erected or maintained on the doors or on any exterior surface of the leased premises, or anywhere outside of the leased premises, any other sign, lettering, decoration or advertising, without Lessor's prior written approval. No illuminated signs located in the interior of any store and which are visible from the outside shall advertise any product. All signs located on the interior of any store shall be in good taste so as not to detract from the general appearance of the store and the general area. Lessee further agrees to maintain in good condition and repair at all times any such sign or advertising matter of any kind which has been approved by Lessor for use by Lessee, and further, hold Lessor harmless from any claims, loss, damage or expense as a result of the erection, maintenance, existence or removal of the same and shall repair any

damages which may have been caused by the erection, existence, maintenance or removal of same.

E. Lessee shall be solely responsible for and promptly pay all charges for water, gas, heat, electricity, sewer and any other utility used upon or furnished to the leased premises. The obligation of the Lessee to pay for such utilities shall commence as of the date on which possession of the leased premises is delivered to Lessee as provided for in Paragraph 2 of this Lease without regard to the formal commencement date of this Lease.

F. That all covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, and successors of the respective parties.

4. Lessee and Lessor acknowledge that they have entered into an Option to Purchase dated the 30th day of August, 1988. In the event Lessee/Optionee exercise such Option, it is agreed that the Option consideration and all fixed rental paid under this Lease shall be applied to the purchase price specified in the Option. Such fixed rental payments shall be deemed "installment contract payments" solely for purpose of such Option exercise price and shall be re-applied retroactive to the date of such Option, said payments to reflect interest at the rate of ten percent (10%) per annum, payable in monthly installments, applying said monthly payments first to interest, then the remainder, if any, to principle.

CB
J.W.
C.S.
R.L.W.

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

Richard J. Wontorski
Richard J. Wontorski,
Lessor

Charles Sapp
Charles Sapp,
Lessee

Linda S. Wontorski
Linda S. Wontorski, Lessor

Cindy Sapp
Cindy Sapp, Lessee

STATE OF INDIANA, COUNTY OF LAKE, SS:

Before me, a Notary Public in and for said County and State, personally appeared the above-named Richard J. Wontorski, Linda S. Wontorski, Charles Sapp and Cindy Sapp, who acknowledged that they did sign the foregoing instrument and that the same is their free act and deed individually.

WITNESS my hand and notarial seal this 1st day of September, 1988.

My commission expires: 5/29/90
Resident of Porter County

Elaine L. Kolb
Elaine L. Kolb, Notary Public

This instrument prepared by: Marc H. Donaldson, Attorney at Law.