



**5.02 Tenant's Obligation.**

Tenant agrees, at his sole expense, to keep the Premises in a clean, sightly and healthful condition, and to make all repairs (except such repairs as are Landlord's obligation) which are necessary to maintain the Premises in its present condition. Tenant agrees to surrender the Premises at the expiration of this Lease in as good repair and condition as existed at the date of execution hereof (after completion of any initial leasehold improvement by Tenant as permitted or required by this Lease), reasonable wear and tear excepted. Tenant further agrees to comply with all statutes and ordinances concerning the maintenance and repair of the Premises.

**5.03 Landlord's Right to Perform Tenant's Obligations.**

If Tenant fails to perform his obligations under this Lease, Landlord or his agents may perform such obligations on behalf of Tenant. In addition to the rent hereby reserved, Tenant shall pay Landlord, upon demand, the expenses which Landlord incurred in performing Tenant's obligations.

**5.04 Landlord's Right to Enter Premises.**

Landlord or his agents shall have the right to enter the Premises (without causing or constituting a termination of this Lease or an interference with Tenant's possession) at all reasonable times for the purposes of showing the Premises to prospective buyers or tenants, examining its condition or use, and of performing Landlord's obligations (pursuant to Subsection 5.01) and Tenant's obligations (pursuant to Subsection 5.03), upon prior notice to Tenant and only at times when the Tenant is present.

**SECTION 6. ALTERATIONS.**

6.01 Without Landlord's prior written consent, Tenant shall make no alteration of or addition to the Premises, including (without limitation) painting, wallpapering and carpeting. Landlord's decision to refuse such consent shall be conclusive.

6.02 Should Landlord elect to give such consent, Tenant shall protect, indemnify and save Landlord harmless against:

- (a) any lien for labor or material furnished, or
- (b) any claim which any subcontractor, lessor of equipment, journeyman or laborer may have under law against an owner of real property for services, material or machinery, or
- (c) any liability for personal injury or damage to property associated in any way with any alteration or addition.

6.03 Landlord may also require Tenant to furnish security, insurance, or other assurance as Landlord may reasonably require to protect Landlord against the liens, claims and liabilities described in Subsection 6.02, and to assure that the work will be performed in a lawful and workmanlike manner and with proper materials.

6.04 Upon the termination of this Lease, or when Tenant abandons, quits or vacates the Premises, whichever shall first occur, any alteration or addition made pursuant to this Section shall become Landlord's property and shall remain upon the Premises, all without compensation, allowance or credit to Tenant. However, Tenant may remove any trade fixtures which he has installed. Tenant shall repair any damage to the Premises caused by Tenant or his agents in removing any property therefrom.

**SECTION 7. RISK OF LOSS.**

7.01 Landlord shall bear the risk of loss arising from damage to or loss of improvements and Landlord's personal property on the Premises.

7.02 Tenant shall bear the risk of loss arising from damage to or loss of Tenant's personal property and trade fixtures located on the Premises.

7.03 If use of the Premises is for business, Tenant shall bear the risk of loss arising from interruption of business use.

7.04 Tenant shall bear the risk of, and Tenant shall save Landlord harmless from loss, cost or expense by reason of claims for personal injury and property damage arising out of Tenant's occupancy of the Premises, whether due to the fault of Tenant or others, excepting only fault of Landlord. Tenant may fulfill his obligation under this Subsection 7.04 by maintaining a public liability and property damage insurance policy naming Landlord as an additional insured, in the amount of \$100,000.00 for each person and \$300,000.00 for each occurrence of personal injury and \$50,000.00 for property damage, or such other amounts that the parties have designated here: N/A.

Tenant shall furnish a certificate of any such insurance coverage to Landlord.

7.05 Notwithstanding any provisions to the contrary in this Lease, if the Premises shall be destroyed or damaged by casualty to such an extent as will make the Premises unusable for more than seven (7) days for the purposes(s) described in Subsection 3.01 above, either party (excepting any party whose fault caused the casualty) has the right to terminate this Lease by giving notice of such termination to the other party within thirty (30) days after the date the casualty occurs. Termination of this Lease shall then be effective as of the date of such casualty. Rent shall be prorated to the date of termination.

7.06 Nothing in this Section 7 shall bar a claim of one party against the other for injury or damage caused by the fault of the other party.

**SECTION 8. WAIVER OF RIGHT OF SUBROGATION (OPTIONAL)**

8.01 By both parties initialing here \_\_\_\_\_, each party has requested of the other a release from liability for damage to property. Accordingly,

(a) Landlord releases Tenant, to the extent Landlord has insurance coverage against the hazards to which this release applies, from liability for loss or damage caused by casualties insured against, notwithstanding any fault or negligence of Tenant or his agents; provided, however, that this release shall be effective only if Landlord's policy or policies of insurance contain a waiver of right of subrogation clause which provides that a release given by an insured shall not affect the policy or the right of the named insured to recover under the policy.

(b) Tenant releases Landlord, to the extent Tenant has insurance coverage against the hazards to which this release applies, from liability for loss or damage caused by casualties insured against, notwithstanding any fault or negligence of Landlord or his agents; provided, however, that this release shall be effective only if Tenant's policy or policies of insurance contain a waiver of right of subrogation clause which provides that a release given by an insured shall not affect the policy or the right of the named insured to recover under the policy.

8.02 Each party agrees to have his insurance policy or policies include a waiver of right of subrogation clause if it is includable without additional premium. However, if an insurance carrier requires additional premium for a waiver of right of subrogation clause, then the party in whose favor the release would operate [Tenant in the case of Subsection 8.01 (a), and Landlord in the case of Subsection 8.01 (b)] shall bear the cost of such premium. Refusal of a party to pay such cost on demand excuses the other party from obtaining a waiver of right of subrogation clause, with the result that the release in favor of the refusing party will not be effective.

**SECTION 9. CONDEMNATION.**

9.01 If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes(s) described in Subsection 3.01 above, is condemned and sold for any public use or purpose by any legally constituted authority, this Lease shall terminate when possession is taken by such authority; and rent shall be prorated as of the date possession is so taken. Termination of this Lease under this Subsection 9.01 shall not prejudice the rights of either Landlord or Tenant to recover compensation from the condemning authority for any loss or damage caused by such condemnation. Neither Landlord nor Tenant shall have any rights in or to any award made to the other by the condemning authority.

**SECTION 10. SECURITY DEPOSIT.**

10.01 Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of \$ none, which shall remain with Landlord as security for the faithful performance by Tenant of all his obligations under this Lease. If by the expiration of the term of this Lease, or at the date Tenant otherwise surrenders possession or abandons, quits or vacates the Premises, Tenant has not performed his obligations under this Lease, including but not being limited to the payment of monies due under it, Landlord may apply the security deposit toward such obligations. Any amount not so applied shall be returned to Tenant, without allowance of interest, within a reasonable time after Tenant surrenders possession of the Premises as required by this Lease.

10.02 Upon a sale or conveyance of the Premises, Landlord or any owner of the Premises may transfer or assign such security deposit to any new owner of the Premises, and upon doing so, shall be relieved of any further liability for such security deposit.

**SECTION 11. DEFAULTS AND REMEDIES.**

11.01 Defaults by Tenant. A default by Tenant will have occurred under this Lease IF:

- (a) Tenant fails to pay the full amount of any installment of rent on or before the date when it is due and payable; or



(b) Tenant fails to observe or perform any other provision of this Lease for thirty (30) days after Landlord has given Tenant notice of the nature of Tenant's failure; or

(c) Tenant files a petition in bankruptcy or for an arrangement under any present or future federal or state bankruptcy law, or is adjudicated a bankrupt or insolvent, or makes an assignment for the benefit of creditors, or admits in writing his inability to pay debts as they become due; or

(d) a receiver or trustee of Tenant or of the Premises is appointed and, in the case of a proceeding brought against Tenant, is not discharged within ninety (90) days after the appointment, or Tenant consents to or acquiesces in the appointment; or

(e) Tenant abandons, quits or vacates the Premises; or

(f) any activity of Tenant causes the cancellation of the hazard insurance coverage on the Premises; or

(g) the interest of Tenant under this Lease is ordered sold under execution or other legal process.

#### 11.02 Remedies of Landlord for Default by Tenant.

If a default by Tenant has occurred under this Lease and is continuing, Landlord has the following remedies:

(a) The right to reenter and repossess the Premises, and the right to remove all persons and property from the Premises, all in a lawful manner.

(b) The right to give Tenant notice of Landlord's termination of this Lease as of a date specified in the notice, the date to be not earlier than the date of the notice:

(c) The right to relet the Premises or any part of it, for the account of Tenant, for such term or terms and on such conditions as Landlord, in his sole discretion, determines. Landlord shall not be responsible or liable to collect any rent payable upon any reletting.

(d) The right to advance money or make any expenditure to cure any default of Tenant other than default in payment of rent.

(e) The right to collect from Tenant by any lawful means

(1) any rent due and unpaid;

(2) any deficiency which results from default of Tenant and the failure of any subletting to give Landlord the rent provided by this Lease,

(3) any money advanced or expenditure made by Landlord pursuant to Subsection 11.02 (d), and

(4) any other amount which Tenant owes Landlord under this Lease.

#### 11.03 Effect of Exercise of Remedies by Landlord.

(a) Upon exercise by Landlord of his right to reenter and repossess, or to remove persons and property from, the Premises or upon termination of this Lease pursuant to Subsection 11.02 (b), Tenant and each person claiming by or through Tenant shall forthwith quit the Premises and surrender it to Landlord, and Landlord shall be entitled to all remedies at law or in equity to effect this right. Upon reentry, Landlord shall again have possession of the Premises as though this Lease had not been made.

(b) Upon the date specified in Landlord's notice of intention to terminate this Lease, this Lease shall terminate, and Tenant and any person claiming by or through him shall become a tenant at sufferance.

(c) Within seven (7) days of Tenant's vacation of the Premises, Tenant shall remove therefrom all of his personal property. If Tenant fails to so remove, said property shall be deemed as abandoned by Tenant and shall become the property of Landlord.

#### 11.04 Defaults by Landlord.

A default by Landlord will have occurred under this Lease if Landlord fails to observe or perform any obligation imposed upon Landlord by this Lease for thirty (30) days after Tenant has given Landlord notice of the nature of Landlord's failure.

#### 11.05 Remedies of Tenant for Default by Landlord.

If a default by Landlord has occurred under this Lease and is continuing, Tenant has the following remedies:

(a) The right to bring an action against Landlord to recover such damages as Tenant may have incurred as a result of Landlord's default.

(b) The right to claim an eviction as provided by law.

#### 11.06 Provisions Applicable to Defaults and Remedies.

(a) Failure or omission of either party to exercise any remedy shall not constitute a waiver, or bar or abridge exercise of a remedy upon any subsequent default.

(b) Receipt of rent by Landlord with knowledge of default by Tenant shall not constitute a waiver as to such default or as to a remedy available in respect of such default.

(c) No right or remedy of either party shall be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given by this Lease or now or hereafter existing at law or in equity. Termination of this Lease by Landlord shall not prohibit Landlord from recovering any monies due or to become due pursuant to Subsection 11.02.

(d) In addition to any remedies given Landlord by any previous provision of this Lease, Landlord shall be entitled, to the extent permitted by law, to injunctive relief in case of any violation, or attempted or threatened violation, of any of the covenants, agreements or provisions of this Lease.

(e) Each party is entitled to recover his reasonable attorney fees, costs and expenses incurred by reason of exercising his remedies under this Lease.

(f) If Landlord, without his fault, is made a party to any litigation commenced against Tenant or because of Tenant's activities, and if Tenant, at his expense, fails to provide Landlord with legal counsel satisfactory to Landlord, Tenant shall pay all costs and reasonable attorney fees incurred or paid by Landlord in connection with such litigation.

(g) Each party shall be entitled to enforce any of his rights or exercise any of his remedies without relief from valuation and appraisal laws.

(h) Notice by one party of the nature of the other party's failure to observe or perform an obligation shall specify the details of such failure to a reasonable degree so that the party who has the obligation may reasonably understand his failure. If a default cannot, with diligence, be cured within the time provided by this Lease, the party whose obligation it is to cure may give the other party notice of that fact and of appropriate details and if the party is proceeding with diligence and in good faith to cure the default, the time within which the failure may be cured shall be extended for such period as may be needed to complete the curing, in diligence and good faith.

### SECTION 12: SUBORDINATION OF LEASE TO EXISTING AND FUTURE MORTGAGES.

12.01 This Lease is subject and subordinate at all times to the lien of existing and future mortgages upon the Premises, together with any renewals or extensions thereof, as may have been, or may hereafter be, granted by Landlord. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant shall, nonetheless, execute and deliver such further instruments subordinating this Lease to the lien of any such mortgage, as may be desired or requested by a mortgagee of Landlord. Tenant hereby irrevocably appoints Landlord as his attorney-in-fact, for the limited purpose of executing and delivering any such subordination instrument for and on behalf of Tenant.

### SECTION 13. MISCELLANEOUS.

13.01 Time is of the essence.

13.02 Tenant shall not assign, mortgage or encumber this Lease, nor sublet or permit the Premises or any part thereof to be used by others, without the prior written consent of Landlord. If this Lease is assigned, or if the Premises or any part thereof is sublet, or occupied by a party other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant as the case may be, and apply the amounts so collected to the rent herein reserved. No such assignment, subletting, occupancy or collection shall be deemed to be a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from his further performance of the covenants contained in this Lease. A consent by Landlord to an assignment or subletting shall not be construed to relieve Tenant from again obtaining Landlord's written consent to any subsequent assignment or subletting.

13.03 A notice to be given under this Lease shall be in writing and either delivered in person or mailed, postage prepaid, and addressed: if to Landlord, at the address applicable according to Subsection 2.03; and if to Tenant, at the address of the Premises, or at such other address as Tenant shall designate in writing delivered to Landlord. A notice mailed by registered or certified mail shall be deemed given on the date of postmark.

13.04 Reference to the masculine gender shall include the feminine or the neuter, as may be appropriate for a party. The singular includes, likewise, the plural.

13.05 Headings are for convenient reference only and do not affect the expressed terms, covenants, agreements and provisions of this Lease.

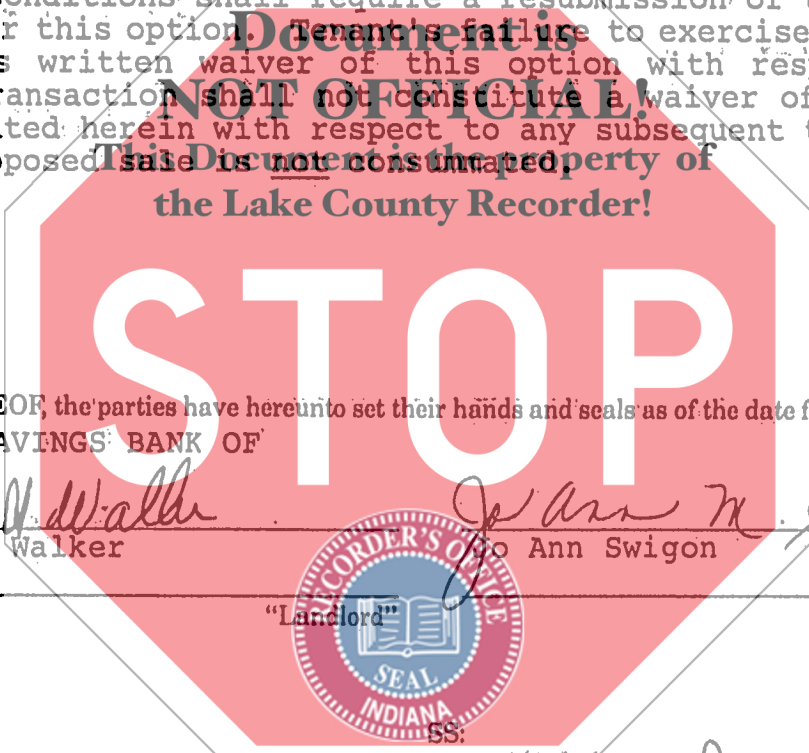
13.06 This Lease and its terms, covenants, agreements and provisions shall be binding upon, and inure to the benefit of, the parties and their respective heirs, personal representatives, successors and assigns.

13.07 Any change in, or modification or discharge of, this Lease shall be in writing signed by all persons who at the time are parties to this Lease.

13.08 This Lease and its terms shall be construed under the laws of the State of Indiana.

**SECTION 14: ADDITIONAL TERMS, COVENANTS, AGREEMENTS, AND PROVISIONS:**

14.01 During the lease term or during any permitted holdover or extended term, Landlord has the right to sell the leased premises to others; however, Landlord grants to Tenant a first refusal option to purchase the leased premises, which first refusal option shall expire upon the termination or expiration of the lease term or any permitted holdover or extended term and for a period of ninety (90) days thereafter. Landlord shall give written notice to Tenant of all of the terms and conditions of any proposed sale and Tenant shall have thirty (30) days thereafter to exercise said option to purchase the property in accordance with the same terms and conditions proposed by the third party. Should the option not be exercised, Landlord shall have one hundred fifty (150) days thereafter to consummate said sale to third parties on the same terms and conditions of said written notice. Upon the consummation of any such sale to a third party, the option to purchase shall terminate as of the date of such sale. Any variation from said terms and conditions shall require a resubmission of the offer to Tenant under this option. Tenant's failure to exercise this option or Tenant's written waiver of this option with respect to any proposed transaction shall not constitute a waiver of the option rights created herein with respect to any subsequent transaction, if such proposed sale is not consummated.



IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first above written.

FIRST FEDERAL SAVINGS BANK OF INDIANA

By: Randall H. Walker

Jo Ann Swigon

"Landlord"

"Tenant"

STATE OF INDIANA  
COUNTY OF LAKE

Before me, a Notary Public in and for said County and State, on this 14th day of January, 1993, personally appeared First Federal Savings Bank of Indiana by Randall H. Walker, Vice President

and acknowledged the execution of the above and foregoing Lease to be his voluntary act and deed.

WITNESS my hand and Notarial Seal.

My Commission Expires: May-10-1994

Margaret Thompson  
Notary Public  
Resident of Lake County

STATE OF INDIANA  
COUNTY OF LAKE

Before me, a Notary Public in and for said County and State, on this 11th day of January, 1993, personally appeared Jo Ann Swigon

and acknowledged the execution of the above and foregoing Lease to be his voluntary act and deed.

WITNESS my hand and Notarial Seal.

My Commission Expires: 8/25/93

Charles E. Enslin  
Notary Public  
Resident of LAKE County

This instrument was prepared by R. Brian Woodward, #2303-45, Attorney at Law  
ANDERSON, TAUBER & WOODWARD, P.C.  
8935 Broadway, Merrillville, IN 46410