

STATE OF INDIANA
LAKE COUNTY
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MARGARETTE CLEVELAND
RECORDER

Life Insurance Company

**DECLARATION OF
COVENANT AND RESTRICTION RELATING
TO USE OF PROPERTY**

THIS AGREEMENT entered into this 1st day of May, 1996 by and between **HARTFORD DEVELOPMENT CORPORATION**, an Indiana corporation (hereinafter "Hartford") and **STEPHEN D. PACHMAYER** and **JILL A. PACHMAYER**, his wife (hereinafter "Pachmayer") is intended to be a Covenant running with the following described real estate:

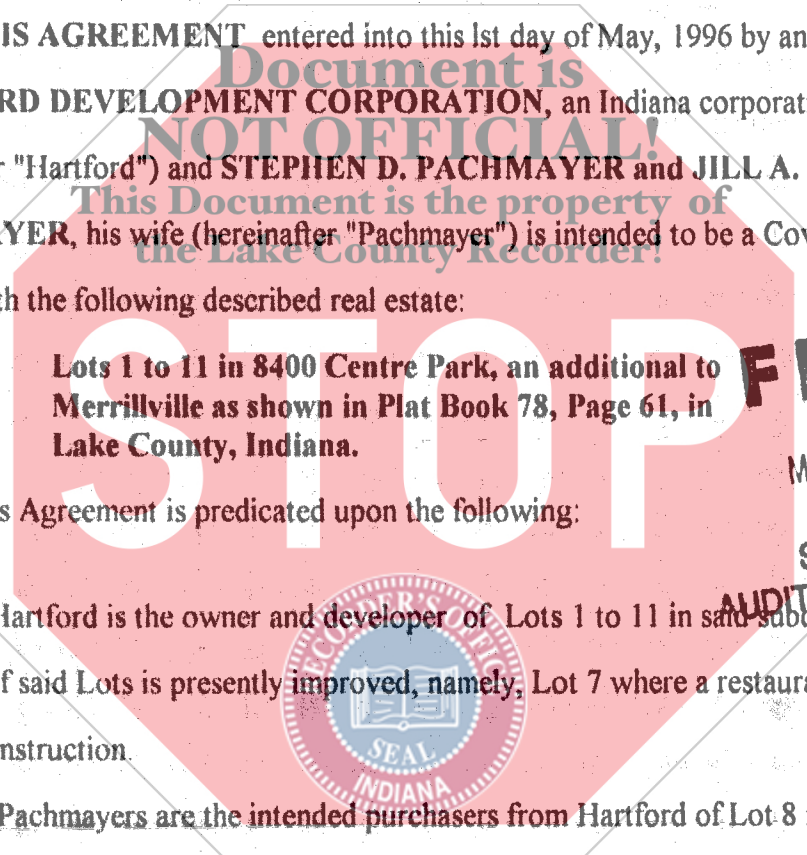
Lots 1 to 11 in 8400 Centre Park, an additional to Merrillville as shown in Plat Book 78, Page 61, in Lake County, Indiana.

This Agreement is predicated upon the following:

1. Hartford is the owner and developer of Lots 1 to 11 in said subdivision.

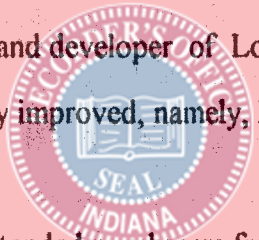
Only one of said Lots is presently improved, namely, Lot 7 where a restaurant building is under construction.

2. Pachmayers are the intended purchasers from Hartford of Lot 8 in said subdivision. Such lot is intended to be improved by Pachmayers with a sit-down restaurant to be known as the **ORIGINAL PANCAKE HOUSE** under a franchise agreement with the Original Pancake House Franchising, Inc. of Portland, Oregon. Under such franchise, Pachmayers will operate a restaurant business seven days a week featuring primarily a variety of breakfast and lunch specialties during business hours of 6:30 a.m. to 3:00 p.m. The operation of such business may be done in the



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**SAM ORLICH
AUDITOR, LAKE COUNTY**



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name of a corporation organized by Pachmayers and legal title to said Lot 8 may be taken in the name of a bank or trust company as trustee under a land trust.

3. Pachmayers have been induced to purchase said Lot 8 because of the assurances of Hartford that none of the other Lots in said subdivision will be sold or leased in whole or in part to an operator of a sit down service facility engaged in a business competitive to the Original Pancake House.

NOW, THEREFORE in consideration of the foregoing and of other good and valuable considerations receipt of which is hereby acknowledged, Hartford agrees:

A. That the covenant and restrictions herein set forth shall be a covenant running with the land and shall be binding upon all grantees or lessees from Hartford of lots in said subdivision and that a copy of this declaration shall immediately be placed on record with the Recorder of Deeds, Lake County, Indiana.

B. Not to sell or lease any Lot or part thereof in said 8400 Centre Park Subdivision under terms whereby such grantee or lessee shall operate, or permit to be operated, a food serving facility featuring breakfast food products (as that term is commonly understood) as a specialty. As an example, and not as a limitation, the following restaurant operations, as now conducted, would be considered to be disqualified to purchase or lease property in said Subdivision: International House of Pancakes, Bob Evans Restaurants, Jimmy Dean Restaurants and Waffle House Restaurants and purveyors of bagels featuring sit-down facilities.

C. In the event of a sale or lease of any property in said Subdivision by Hartford, or any successor in interest, notice by certified mail to the Pachmayers, or to their successors in interest, addressed to said Original Pancake House, 260 East 84th

Drive, Merrillville, Indiana, shall be given should such proposed grantee or lessee intend to engage in the operation of a restaurant business offering a breakfast menu.

Signed in duplicate this 1st day of May, 1996.

Hartford Development Corporation

By [Signature]
President

[Signature]
Stephen D. Pachmayer

[Signature]
Secretary

[Signature]
Jill A. Pachmayer

Indiana
STATE OF ~~ILLINOIS~~)
) SS
COUNTY OF ~~COOK~~)
) Lake

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Stephen D. Pachmayer and Jill A. Pachmayer, husband and wife, who acknowledge the execution of the foregoing document to be their free and voluntary acts and deeds.

WITNESS my hand and Notarial Seal this 1st day of May, 1996.

[Signature]
Notary Public Roberta S. Tate
County of Residence Porter

My Commission Expires: 12-17-97

