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This is a lease ("Lease") entered into by and between the parties indicated herein below, for the Premises indicated, upon the terms and conditions described herein.

- 1. LESSOR. "Lessor" herein shall be deemed to be George R. Simonian.
- 2. LESSEE. "Lessee" herein shall be deemed to be Vanilla Blue Marketing Group, LLC, and Richard Jay Hurt, which may be referred to jointly herein as "Lessee" in the singular, and which jointly bear all rights and obligations of Lessee hereunder, with neither as mere surety.
- 3. PREMISES. The premises ("Premises") hereby leased are the real property and improvements located at 3021 West 37th Avenue, Hobart, Indiana, including the parking lot at that address.
- 4. RENT AMOUNT. The amount of the rent shall be \$1750.00 per month for the first thirty-six (36) months of the Lease term (the rent for the first month thereof to be prorated on a daily basis, with the first day upon which possession is tendered being the Lessee's day). Thereafter, the rent amount shall be \$2000.00 per month. Rental amounts for any renewal term of this Lease shall be as may be separately agreed to in writing.

4.2 RENT PAYMENT ARRANGEMENTS. Rent shall be paid by Lessee to Lessor in a timely fashion. All rent shall be expressly due and payable *in advance*, and, except for the first such monthly payment of rent, *before the first day of the month to which such rent pertains*. Rent is deemed paid when actually received by the Lessor. All payments of rent shall be mailed by Lessee to Lessor at the following address (or at such other address as Lessor may by written notice to Lessee provide to Lessee):

George R. Simonian
c/o Simon Sez
2250 West Lincoln Highway
Merrillville, Indiana 46410

Risks of nondelivery of rent payments are born by the Lessee, who is able to take steps to lessen risks by use of certified or other mail, with or without the use of return receipt, or other special services of the United States Postal Service, at Lessee's option and discretion. If any instrument of payment of rent or any other obligation to Lessor hereunder is returned to an endorser as dishonored, including as "NSF," then all subsequent payments hereunder to Lessor may at Lessor's option be required to be by cashier's check or certified check; and Lessee will immediately pay the value of such check, plus Lessor's bank fees thereby incurred, plus applicable late fees. Lessee shall not use "restricted delivery" service, as Lessor may appoint an agent to receive payments at such address, and restricted delivery service would result in non-payment of rent pursuant to this paragraph.

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Fred W. Grady
325 S. Calumet Rd., Ste. 4
Chesterton, In. 46304

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5971

4.5 **TERM.** The term of this Lease shall be for five (5) years. The Lessee shall have the option to renew for an additional five (5) year term, by notice provided to Lessor not later than six (6) months in advance of the termination date of this Lease, on the same terms as this Lease, except for the rent amounts which, if not otherwise negotiated by the parties, shall be equal to any percentage increase in the Consumer Price Index on the first day of the extended Lease term, and the anniversary date of each year thereafter, through the first day of the last year of said term.

5. **LATE FEES.** If rent is not timely paid, then late fees automatically, without demand, become owing from Lessee to Lessor in the following amounts: On the eighth day of the month, the sum of \$15.00, plus \$4 per day each day thereafter until all obligations of Lessee to Lessor pursuant to the Lease (including Late Fees as described herein) and paid and current. If an instrument of payment is dishonored by the drawee institution, then, for the purposes of calculating late fees, that payment shall be treated as not having been made.

6. **DELAY IN DELIVERY OF POSSESSION.** If there is a delay in delivery of possession by Lessor, then rent shall be abated on a prorated, daily basis until possession is in fact tendered by Lessor. If possession is not tendered within seven (7) days following the first day that possession should have been delivered pursuant to this Lease, then Lessee may void this Lease by Notice provided pursuant to its terms, and shall, in that case, be entitled to a full refund of any deposit and of rent paid. Lessor shall not be liable for damages, whether special, consequential, or otherwise, due to failure to tender possession. However, Lessee's right to void this Lease, as described herein, expires upon tender of possession by Lessor to Lessee.

7. **SECURITY DEPOSIT.** Lessee must, prior to taking possession of the Premises, tender to Lessor the sum of \$1750.00 as a security deposit ("Security Deposit"). That amount must be tendered in the form of cash, cashier's check, or certified check. Lessor may deal with the Security Deposit in accordance with applicable Indiana statute. If Indiana statute permits Lessor to draw upon such Security Deposit which the Lease remains in effect, and if Lessor does in fact draw thereupon, and provides Notice thereof to Lessee, then Lessee shall forthwith tender to Lessor an amount, by cashier's check, cash, money order, or certified check, sufficient to restore the balance of the Security Deposit to the amount indicated above in this paragraph. The provisions of this paragraph are of the essence of this Lease. Lessor shall deal with the Security Deposit only in a manner as provided under Indiana law. Lessor may, but is not required to, draw upon such security deposit at any time to cure or mitigate any default or damage by Lessee under the terms of this Lease.

8. **NOTICE.** If Notice is to be provided by the Lessor to the Lessee pursuant to this Lease, then such Notice may be provided as provided for in statute or by court rules, and shall be deemed to include the mailing of such notice by certified mail to the Lessee at the Premises' address. If Notice is to be provided by the Lessee to the Lessor, then such Notice shall be provided in writing, sent by certified mail to the Lessor at the address shown hereinabove for the mailing of rent payments, and shall be sent by certified mail with return receipt requested. Notice is deemed given by Lessee to Lessor when actually received by Lessor. Notice by Lessor to Lessee is deemed given, if sent by certified mail, when mailed; or, if by

any other method, when actually received by Lessee. For the purposes of this paragraph, "certified mail" shall be deemed to include "Express Mail." Another portion of this Lease may require, in addition, some other means of notification in addition to what is outlined here.

9. REQUIRED NOTICES Lessee is positively and affirmatively required to provide immediate Notice, plus notification by telephone, in the event of any damage to the Premises, or condition which could cause waste or damage to the Premises, or to the Lessee or any Permitted Occupant, or to any other person. Lessee is identically obligated to notify the Lessor not less than five (5) days in advance if Lessee plans to vacate the Premises before the Lease is terminated, it being understood that Lessor reasonably requires such notice in order to secure the Premises against incursion by third parties, vandals or animals, and to protect the Premises against dangers from fire, frozen pipes, or otherwise. The provisions of this paragraph are of the essence of this Lease. Compliance by Lessee with the terms of this paragraph do not avoid Lessee's other obligations under this Lease.

10. PERMITTED OCCUPANTS AND USES. The Lessee herein shall be the sole permitted occupant of the Premises. Lessee shall use the Premises solely as a laundromat, and for no other purposes. Lessee may accept dry cleaning to be taken in at the Premises to be dry cleaned elsewhere; however, there shall be no dry cleaning done upon the Premises. No person shall be permitted to use any portion of the Premises as a dwelling for any period of time, whether short or long. Lessee shall not permit any portion of the Premises to be used for any purpose which would constitute the commission of waste upon the Premises. Lessee shall continuously operate the Premises for the purposes noted, and shall not permit the Premises to lie unused or unoperated for any period of time in excess of one month, other than as may be required by applicable law.

11. ANIMALS. No animals of any kind shall be permitted inside the Premises. However, the terms of this paragraph shall not be deemed to apply to seeing-eye dogs and other helper animals genuinely and reasonably required by a person due to a disability as defined under the Americans with Disabilities Act, or as may otherwise be required by applicable law.

12. MAINTENANCE AND REPAIR, AND NONALTERATION. The Lessee shall be responsible to perform all repairs upon the Premises (except such as are termed "Lessor's Repairs"), and to keep the Premises in as good a condition as existed at the time when possession thereof was first tendered to Lessee, with exception for reasonable wear and tear, acts of God, fire, lightning, flood or windstorm. Lessee shall be permitted to install, remove, and/or maintain the normal and usual appliances and fixtures used in the business of the operation of a laundromat. Lessor shall be responsible for the maintenance and repair of all structural portions of the premises, including the roof, exterior walls, structural-interior walls, exterior sewage system (excluding the removal of discharge clogs), exterior water lines and parking lot repairs, except to the extent of damages and defects caused by the fault, abuse, misuse, mistreatment, or overuse by Lessee and Lessee's customers and invitees. No repairs or alterations to the structure of the Premises shall be made by Lessee without the prior, written, and explicit permission of the Lessor; however, Lessee shall promptly advise the Lessor, in writing and, where reasonably necessary or prudent, by telephone, e-mail, or other

“instant” means of communication, of any defect, damage, or deterioration noted by Lessee or its agents or employees in the structure or any other part of the Premises. Lessee shall maintain in a clean condition, safe for invitees and members of the public who may enter thereupon, free of snow, ice, and other frozen water accumulations.

13. NOISE, MUSIC, DISTURBANCES. Lessee shall not suffer or permit sounds from within the Premises to disturb any other occupants of the neighborhood in which the Premises are located at any time. If such sounds can be heard outside the Premises with the unaided human ear, then Lessor may deem them to be so disturbing. The provisions of this paragraph shall be deemed to be of the essence of this Lease.

14. MISC. Lessee may not sublet, mortgage, or encumber any interest or portion of this Lease or the Premises; and any purported subletting, mortgaging or encumbrancing thereof, or of any portion of the Premises by Lessee is void *ab initio*. There shall be no cooking or baking done in or about the Premises, except in one (1) microwave oven in a breakroom upon the Premises, if any. Lessee shall not store or place, or cause to be stored or placed, any items of any sort (including both valuables and refuse) in entry areas or outdoor areas of the Premises, except in receptacles specially designed and intended for that purpose. Lessee shall not permit the Premises to be used for any unlawful purpose, nor in violation of any applicable law, including all applicable environmental laws, ordinances, and regulations. Lessee shall keep the Premises, at Lessee’s own expense, in a clean, sightly and healthful condition, and shall comply with all statutes, ordinances, and other applicable law pertaining to the Premises. No right or remedy exercisable shall be deemed to 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 under this Lease or existing at law or in equity. The headings given the paragraphs of this Lease are for ease of use only, and are not a substantive part of this Lease.

15. NONWAIVER. The forbearance on the part of Lessor to exercise any right or remedy hereunder shall not be deemed to waive the right or remedy in the future, nor shall the Lessee or any other person be entitled to argue that such forbearance on the part of Lessor constituted a pattern of dealing upon which any party were entitled to rely.

16. CONDITION. Lessee has inspected the lease Premises and found the same to be in satisfactory condition, and has been allowed to inspect the Premises to a degree sufficient to allow the Lessee to come to this conclusion. *Lessee’s taking possession of the Premises shall be conclusive evidence of receipt of the Premises in good working order.* Except as may have been done in a writing duly executed by Lessor, Lessee also acknowledges that neither Lessor nor any agent of Lessor has made any representation as to the condition or state of repair of the Premises, nor made any agreements or promises to repair, alter, or improve the Premises either before or after the execution of this Lease. This provision is not intended to cover the condition of the assets purchased by Lessee from Lessor pursuant to the Asset Purchase Agreement entered into between the Parties hereof, simultaneously herewith.

17. SMOKE DETECTORS. The Premises are equipped with at least one smoke detector. Lessee affirms that the smoke detector(s) is/are present and in good working order at the time that Lessee takes possession. Lessee is responsible for keeping the smoke detector(s) in operating order, including furnishing new alkaline batteries when and as needed, but not less frequently than once per year, notwithstanding that Lessor may elect to do so also. *Under no circumstances may any smoke detector ever be moved, handicapped, or disabled by Lessee. If Lessee, or one under their control disables or moves a smoke detector or suffers this to be done, then the Lessee agrees to be financially responsible for all non-covered losses due to damage or loss of life resulting from a fire in the Premises. If Lessor discovers that a smoke detectors has been moved or disabled, including by the removal of a battery or use of a battery with an inadequate charge remaining to it, then the Lessor may terminate this Lease instantaner, and the parties agree that such a condition that threatens the Premises with irremediable harm and waste.*

18. ABANDONED PROPERTY. *If Lessee has tendered possession of the Premises back to Lessor, or if Lessor has obtained an order of possession (whether a judgment of possession or a prejudgment order of possession) and, in the case of an order of possession, the time by which Lessee was to have quit and vacate the Premises has passed, and personal property remains upon the Premises, then the Lessee irrebuttably warrants to Lessor and Lessor's agents that such personal property has been abandoned by Lessee, and that Lessor (or Lessor's agents) may dispose of or deal with such property without liability with respect thereto to the Lessee or its assignees, whether as a bailee or otherwise.*

19. RIGHT TO ENTER AND INSPECT. Lessor, whether personally or through agents, has the right to enter and inspect any portion of the Premises, or to show it to prospective buyers, at any reasonable time, without such entry and inspection constituting a termination of this Lease, or an interference with the Lessee's possession or rights hereunder.

20. MISC RISKS Lessee shall bear any risk of loss arising from damage to or loss of personal property (including any trade fixtures) located on the Premises. Lessee shall bear the risk of, and shall save Lessor harmless from loss, cost or expense by reason of claims for personal injury and property damage arising out of or in connection with Lessee's occupancy of the Premises, or from actions of invitees, whether due to the fault of Lessee or others, except to the extent that such loss or losses are caused by the misfeasance or malfeasance of Lessor in maintaining any portion of the leased premises for which Lessor is responsible pursuant to the terms hereof. Lessor shall not be liable for any damage or injury either to person or property, sustained by the Lessee or any other person, due to the building or any part thereof, or any appurtenance thereof, becoming out of repair, or for any injury or damage occasioned by or from electricity, hot or cold water, steam or compressed air, or the appliances for the conveyance of either or any of said substances or elements, or by or from plumbing or pipes, or from sewage or sewer gas, or from the bursting, leaking running, or failing to run, overflow or stoppage of any pipes of any kind, or of either connections or attachments or by or from any injury or damage occasioned by or from water, snow or ice, nor for any injury or damage arising from or occasioned by the acts of Lessee or of other persons therein or of owners of adjacent property, except to the extent that such loss or

losses are caused by the misfeasance or malfeasance of Lessor in maintaining any portion of the leased premises for which Lessor is responsible pursuant to the terms hereof. Lessor shall be liable for and shall pay any and all fees, costs and expenses incurred as a result of any hazardous material violations in existence prior to Lessee's occupancy of the lease premises.

21. RENTAL INSURANCE. Lessee is responsible for acquiring and maintaining insurance on Lessee's personal belongings. Such insurance shall be in the form of a policy acceptable to Lessor, in an amount of not less than the amount of the balance at such time on all obligations of Lessee to Lessor, even if such obligations are not yet due and payable; and duly showing at all times Lessor as a loss payee as its interests may appear. Lessee understands and agrees that Lessor's insurance provides NO COVERAGE of Lessee's property, and that, in any event, Lessor shall in no fashion be looked upon as a guarantor or insurer of Lessee's property. The term of this paragraph are of the essence of this agreement.

22. MISC. In the event that any provision hereof is found by a court of competent jurisdiction to be void, then only such provision shall be excised and deemed void, and not the entire Lease, except that such finding would operate to grant the Lessor the right, exercisable within a reasonable time, to terminate the Lease. The parties agree that this Lease was entered into in the State of Indiana, and in the County in which the Premises lie; and that venue for any action pertaining to this Lease would by express agreement of the parties lie in the County in which the Premises lie; and that, by express and special agreement stipulate that the venue for any action arising under this Lease, or pertaining to or in any fashion arising in connection with the Lessee's possession of the Premises, shall lie solely in the Hammond City Court, unless the amounts sought as damages exceeded the jurisdictional limitations of that court under IC33-10.1-2.4 or another provision of the Indiana Code. In the event of a breach by Lessee of any provision hereof, or in the event a Lessee holds over without the explicit and express written consent of Lessor, Lessee(s) shall bear Lessor's reasonable attorney fees and legal/court costs. Other than as may be otherwise provided for herein, Lessee waives all requirements for notice or demand of dishonoring of a check or draft, or otherwise.

23. RESPONSIBILITY FOR INVITEES. Actions or omissions by invitees or guests or persons permitted by Lessee to be present at any time in the Premises shall be the responsibility of the Lessee, and shall be deemed to be the actions or omissions of the Lessee for the purposes of this Lease and obligations of Lessee toward Lessor.

24. UTILITIES. Lessee shall cause all utilities to be put and maintained in the name of Richard Jay Hurt, personally, and not in the corporate name. In the event that Lessee allows or does not prevent the shutting off of gas or electric utilities to the Premises, that shall be deemed to be a material breach by Lessee of this Lease. This paragraph is of the essence of this Lease.

25. EARLY TERMINATION. This Lease may, at the sole option of the Lessor, be terminable upon written notice to the Lessor under any one or more of the following occurrences: [1] Lessee's ceasing to conduct business at the Premises; [2] Lessee's cessation of corporate existence; [3] Lessee's filing a petition for relief under the United States

Bankruptcy Code, or Lessee's being named as debtor in an involuntary petition thereunder; [4] violation by Lessee of any material provision hereof; substantially affecting Lessor's rights and interest hereunder; [5] occurrence of any change in the ownership of Lessee; [6] institution of condemnation or demolition proceedings by a competent governmental or quasigovernmental entity with respect to the Premises; [7] commission of waste upon the Premises; [8] death, insolvency, or discharge in bankruptcy or otherwise from obligations as guarantor hereunder by the Guarantor named hereinabove. As to any breach of a lease term which were not a material term substantially affecting lessor's rights and interest hereunder, upon Notice to Lessee of such breach, Lessee shall cure such breach within thirty (30) days, or shall be deemed in violation of a material term hereof, substantially affecting lessor's rights and interest hereunder. Without limitation, Lessee's obligations under ¶4, of timely payment of rent, under ¶21, under the last sentence of ¶12, under ¶17, and under all provisions relating to safety and nonviolation of applicable laws, shall be deemed to be material provisions hereof substantially affecting lessor's rights and interest hereunder; and this paragraph shall not be deemed to restrict or limit other rights or remedies explicitly provided elsewhere herein.

26. RETURN OF POSSESSION. The Lessor may, at the sole option of the Lessor, upon written notice to the Lessor under any one or more of the following occurrences, reenter the Premises and terminate Lessee's possessory interest therein, without thereby terminating Lessee's obligation to pay rent hereunder, subject to Lessor's obligation to attempt in good faith to mitigate damages: [1] Lessee's ceasing to conduct business at the Premises; [2] Lessee's cessation of corporate existence; [3] Lessee's filing a petition for relief under the United States Bankruptcy Code, or Lessee's being named as debtor in an involuntary petition thereunder; [4] violation by Lessee of any term hereof; [5] occurrence of any change in the ownership of Lessee; [6] commission of waste upon the Premises; [7] death or legal incapacity of Richard Jay Hurt.

27. FIRE AND OTHER CASUALTY. In the event of total or substantially total destruction of the Premises by fire or other casualty, this Lease shall terminate and Lessee shall only be liable to Lessor for rent up to the date of such destruction. In the event of partial damage or destruction of the Premises by fire or other casualty, whereby the Premises shall be rendered temporarily untenable, then Lessor shall have the right to reenter the Premises for the purpose of repairing the same; and there shall be a temporary abatement of rent during the period of the Premises' untenability for that portion of the square footage of the Premises which shall be temporarily untenable and unsuitable for Lessee's business. Provided, the Premises shall not be deemed untenable for any period of time during which Lessee conducts business using the Premises. Provided further, in the absence of an agreement to the contrary between the parties, an untenability of the premises for less than three (3) months shall be deemed a temporary untenability or partial destruction; while a period of untenability longer in duration shall be deemed a total or substantially total destruction for the purposes of this paragraph.

28. NONASSIGNABILITY. Lessee shall not assign any right or obligation under this

Lease; and any attempt to do so shall be void *ab initio*. Lessor may, upon notice to lessee, assign any of its rights or obligations hereunder, to another entity.

29. TAX MATTERS. All increases in real estate taxes pertaining to the Premises, over the annual amount assessed for the tax year 2004, payable in 2005, otherwise born by the Lessor or Lessor's assignee, shall be the responsibility of Lessee. Upon written notice from Lessor of an increase in the real estate tax payable for the Premises, the monthly rent amount otherwise due from Lessee to Lessor shall increase by one twelfth of the annual increase. Lessor shall be responsible for and pay all real estate taxes on the Lease Premises. In the event of the notice of sale of said real estate by the Auditor of Lake County (Tax Sale) due to Lessor's failure to make timely payment of said taxes, Lessor hereby agrees that Lessee may pay said taxes and any penalties and interest due thereon on Lessor's behalf, and deduct the full amount of said payments from the rent due to Lessor, following said payment by Lessee, as a credit against the Rent Amount due hereunder.

30. OTHER INSURANCE. Lessee shall obtain and at all times maintain premises liability insurance coverage, acceptable to Lessor, showing Lessor as a loss payee, and covering the lease Premises in an amount of not less than One Million Dollars (\$1,000,000.00).

31. FIRST RIGHT OF REFUSAL. Upon Lessor's written notice to Lessee of his intent to sell the leased premises to a bona fide buyer at any time during the initial and/or extended Lease term, Lessee shall have the exclusive first right of refusal for the purchase of said premises for the amount and on the terms of any written and binding bona fide offer to purchase presented to and accepted by Lessor. Lessor shall as a condition hereof, provide written notice of Lessee's rights hereunder to said Buyer as an acknowledged provision of any bona fide offer to purchase. Upon Lessor's acceptance of said offer with written notice thereof to Lessee, Lessee shall within three (3) business days of receipt of said notice, exercise by written notice to Lessor, its First Right of Refusal, indicating Lessee's intent to purchase said premises for the amount on the terms of any written binding bona fide offer accepted by Lessor. Lessee's failure to exercise its First Right of Refusal within three business days of receipt of a bona fide offer to purchase, or written waiver of said Right of Refusal by Lessee, the sale of the leased premises by Lessor shall be subject to and conditioned upon Lessee's rights under this Lease. Upon consummation of the sale of the Lease Premises by Lessor to a third-party, as contemplated by this Paragraph, Lessee's First Right of Refusal shall be extinguished. Nothing in this provision shall limit or prohibit Lessor's right to transfer his interest in the leased premises to any entity controlled by Lessor, subject to and conditioned upon Lessee's rights under this Lease.

32. REMEDIES CUMULATIVE. Lessor's remedies hereunder are deemed cumulative except where explicitly stated to be otherwise.

33. BINDING EFFECT. The covenants and agreements contained herein shall apply to and inure to the benefit of the parties hereto, and their respective hereunder-permitted heirs, successors, transferees and assigns.

34. PORTIONS SEVERABLE. If any term or provision of this Lease shall be found by a court of competent jurisdiction to be illegal or unenforceable, then such provision shall be

deemed severed and excised, while the remainder of the terms of this Lease shall remain in effect.

Lessor: George Simonian

Lessee: Vanilla Blue Marketing Group, Inc.

By: *George Simonian*

By: *[Signature]*

Date: 4-23-04

Date: 4/23/04

Richard Jay Hurt

[Signature]

Date: 4/23/04

