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MICHAEL A. BROWN
RECORDER

16

FIRST AMENDMENT TO THE
AMENDED AND RESTATED
DECLARATION OF LAKE PARK TOWNHOMES III CONDOMINIUM
Hobart, Indiana

020064743

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF LAKE PARK TOWNHOMES III CONDOMINIUM is made this 28th day of July, 2006, by SD & AS Enterprises, LLC, an Indiana limited liability company (hereinafter referred to as "Declarant").

WITNESSETH THAT:

WHEREAS, on the 25th day of July, 2006, Declarant caused to be filed an Amended and Restated Declaration of Lake Park Townhomes III Condominium, as document number 2006 064316, in the Office of the Recorder of Lake County, Indiana; and

WHEREAS, this First Amendment to the Amended and Restated Declaration is necessary in order to reflect the correct name of the condominium owners' association, which was changed in order to comply with the requirements of the Indiana Secretary of State for incorporating the association;

NOW THEREFORE, pursuant to the authority established in Article XVII., entitled "Amendment", of said Amended and Restated Declaration, Declarant hereby amends said Amended and Restated Declaration as follows:

1. Paragraph C. of Article I is hereby amended to state:

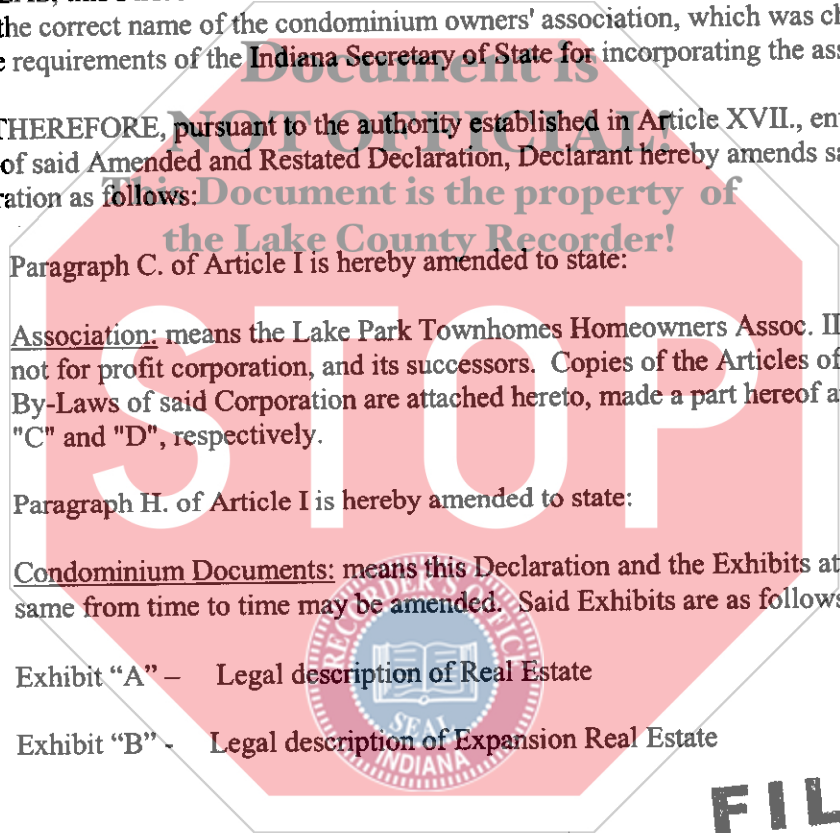
Association: means the Lake Park Townhomes Homeowners Assoc. III, Inc., an Indiana not for profit corporation, and its successors. Copies of the Articles of Incorporation and By-Laws of said Corporation are attached hereto, made a part hereof and marked Exhibits "C" and "D", respectively.

2. Paragraph H. of Article I is hereby amended to state:

Condominium Documents: means this Declaration and the Exhibits attached hereto as the same from time to time may be amended. Said Exhibits are as follows:

Exhibit "A" - Legal description of Real Estate

Exhibit "B" - Legal description of Expansion Real Estate



FILED

AUG 10 2006

PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

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28
CT

15099

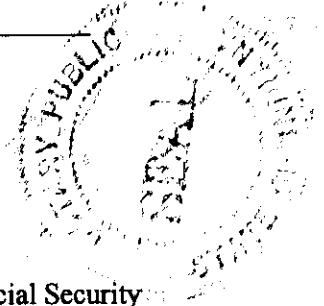
Witness my hand and notarial seal this 28TH day of JULY, 2006.

Signature of Notary: Chris Fox

Printed Name of Notary: Chris Fox

My County of Residence: Ponder

My Commission Expires: 11-5-2009



I affirm, under penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law.

Chris Fox

Chris Fox

This instrument was prepared by Chris Fox, Attorney at Law.





ARTICLES OF INCORPORATION FOR A NONPROFIT CORPORATION

State Form 4162 (R10/1-03) Corporate Form No. 384-1 (October 1984)
Approved by State Board of Accounts 1995

TODD ROKITA
SECRETARY OF STATE
CORPORATIONS DIVISION
302 W. Washington St., Rm. 8016
Indianapolis, IN 46204
Telephone: (317) 232-6576

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IND. SECRETARY OF STATE

NOTES:
1. Nonprofit corporations must qualify with the Internal Revenue Service and the Indiana Department of Revenue. It is strongly suggested you do not complete or file this form before contacting both agencies.
2. Article VII must be completed appropriately. Please see (1) above.

APPROVED
IND. SECRETARY OF STATE

JUL 20 2006

Todd Rokita

INSTRUCTIONS:
1. Use 8 1/2" x 11" white paper for attachments.
2. Present original and one (1) copy to the address in the upper right corner of this form.
3. Please type or print.
4. Please visit our office on the web at www.sos.in.gov.

ARTICLES OF INCORPORATION

The undersigned incorporator or incorporators, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Act"), execute the following Articles of Incorporation.

Name of the Corporation: (the name must include the word "Corporation", "Incorporated", "Limited", "Company" or one of the abbreviations thereof):
Lake Park TOWNHOMES Homeowners Assoc. III, INC.

Principal Office: The address of the principal office of the Corporation is:

Post office address 405 GREENBRIAR LN.	City CRETE	State ILLINOIS	ZIP code 60417
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The purposes for which the Corporation is formed are:

To supervise, maintain and enforce the use, regulation and the development of certain common areas adjacent and/or related to condominium and home ownership in the Lake Park Development Phase III.

NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

APPROVED AND FILED
Todd Rokita
IND. SECRETARY OF STATE

The Corporation is a:

public benefit corporation, which is organized for a public or charitable purpose;
 religious corporation, which is organized primarily or exclusively for religious purposes; or
 mutual benefit corporation (all others).

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:

Name of Registered Agent
J. J. Stankiewicz, Attorney

Address of Registered Office (street or building) 7870 Broadway	City Merrillville	State Indiana	ZIP code 46410
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Indicate if Corporation will have members:
 Yes No

(Continued on the reverse side)

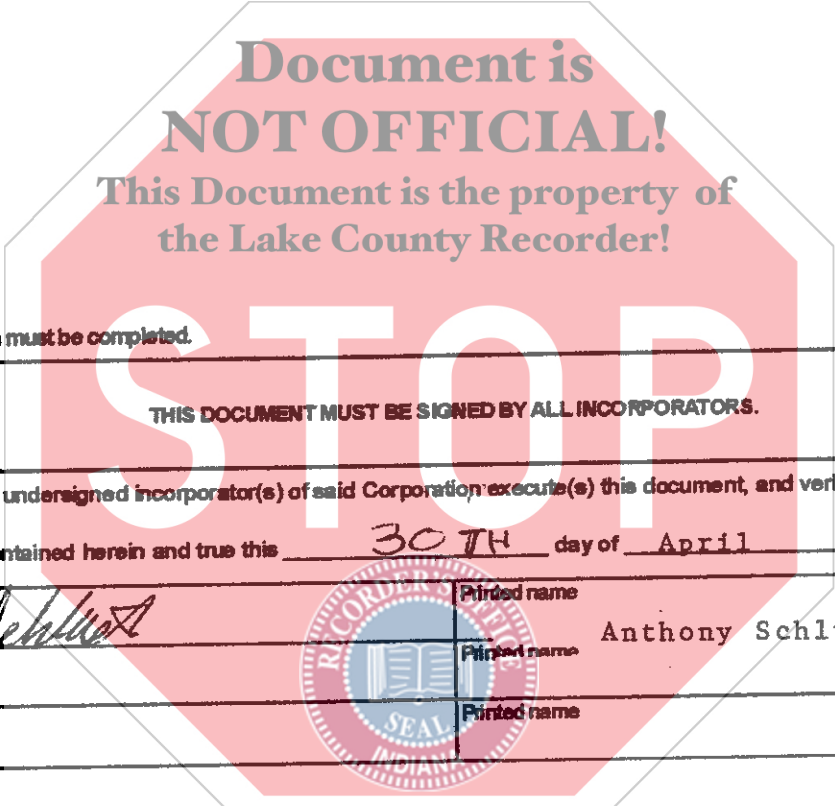
Exhibit "C"

Name(s) and address(es) of the incorporator(s) is/are as follows:

Name	Number and Street or Building	City	State	ZIP code
Anthony Schlueter	465 GREENBRIAR	CRETE	ILLINOIS	60417

Refer to Indiana Code 23-17-22-5 for permitted activities following Dissolution.

Upon dissolution, transfer will be to then existing members, or, if none at the time, to those then benefitting or being served by the Corporation, pursuant to IC 23-17-22-5(7)



* Please note this section must be completed.

THIS DOCUMENT MUST BE SIGNED BY ALL INCORPORATORS.

In witness whereof, the undersigned incorporator(s) of said Corporation execute(s) this document, and verify(ies) subject to penalties of perjury that the facts contained herein and true this 30TH day of April, 2006.

Signature <i>Anthony Schlueter</i>	Printed name Anthony Schlueter
Signature	Printed name
Signature	Printed name

This instrument was prepared by: (name) J. J. Stankiewicz Attorney at Law			
Address 7870 Broadway North Suite	City Merrillville	State Indiana	ZIP code 46410

BY-LAWS

OF

LAKE PARK TOWNHOMES HOMEOWNERS ASSOC. III, INC.

Section 1. Identity and Miscellaneous.

1.1 LAKE PARK TOWNHOMES HOMEOWNERS ASSOC. III, INC.

1.2 The fiscal year of the Association shall be the calendar year, unless otherwise established by the Board of Directors.

1.3 The seal of the corporation shall bear the name of the corporation and the words "Corporation Not For Profit" and the year of incorporation.

1.4 The condominium Developer herein is SD & AS Enterprises, LLC, an Indiana limited liability company.

1.5 Words and phrases used herein shall have the same meaning as that term or phrase is defined in the Declaration of Condominium.

Section 2. Members.

2.1 The annual members meeting shall be held at the office of the corporation at 7:30 P.M. o'clock on the third Wednesday in July of each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour of the next succeeding day.

2.2 Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from fifteen (15 %) of the entire membership.

2.3 Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving notice. Notice of meeting may be waived before or after the meetings.

2.4 The votes of the Owner of a Condominium Unit owned by more than one Person shall be cast by the Person named in a certificate signed by all of the owners of the Condominium Unit and filed with the Secretary of the Association, such that only one Condominium Unit Owner shall be entitled to cast the votes for each Condominium Unit described in Section 2.5. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the votes of such Condominium Unit Owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

Exhibit "D"

2.5 Each voting member of the Association shall be entitled to cast one vote for each percent interest (and fraction thereof) in the Common and Limited Common Areas and Facilities appurtenant to the Condominium Unit, as set forth in the Statement of Interest in Article V of the Declaration of condominium. For example, only the voting member, owning an Condominium Unit to which a 1/4th or 25% interest in the Common and Limited Common Areas and Facilities is appurtenant, shall be entitled to cast 1/4th or 25% votes.

2.6 A quorum at members' meetings shall consist of persons entitled to cast fifteen percent (15%) of votes of the entire membership. The joining of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

2.7 Proxies. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

2.8 Approval or disapproval of a Condominium Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the votes of such Condominium Unit Owner of in an Association meeting.

2.9 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.10 The order of business at annual members' meeting, and as far as practical at all other members' meeting shall be:

- a. Call to order by the Association President or his designate;
- b. Calling of the roll and certifying of proxies;
- c. Proof of notice of meeting or waiver of notice;
- d. Reading and disposal of any unapproved minutes;
- e. Reports of officers;
- f. Reports of committees;
- g. Election of inspectors of elections;
- h. Election of directors;
- i. Unfinished business;
- j. New Business;
- k. Adjournment;

Section 3. Directors.

3.1 The Board of Directors shall consist of two (2) persons, until the date of the annual meeting following the date of the expiration of the Developer's rights under Section 3.2c below and on and after such time the Board of Directors shall consist of three (3) persons, each whom shall be elected from a geographical district of the condominium, which contains, to the extent possible, an equal number of Condominium Units. Said geographical district shall be determined by a resolution adopted by a majority of all the directors (not a majority of a quorum). Each member of the Board of Directors shall be either a Condominium Unit Owner or be designated by the Developer as provided in the Declaration and the Articles of Incorporation.

3.2 Election of directors shall be conducted in the following manner:

- a. Members of the Board of Directors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association.
- b. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by a majority of the remaining directors (not a majority of a quorum).
- c. Anything herein contained to the contrary notwithstanding, for so long as the condominium Developer legally or equitably owns any Condominium Unit, but in no event beyond five (5) years after the date of recording of the Declaration of Condominium, it shall elect a majority of the directors, who need not be residents of Condominium Units or Condominium Unit Owners.

3.3 The term of each director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed.

3.4 The organization meeting of newly-elected board of directors shall be held within ten (10) days of their election at such time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.

3.5 Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived.

3.6 Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the votes of the entire Board. No less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

3.7 Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.8 A quorum at director's meetings shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Declaration of Condominium, or elsewhere herein. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting any business which might have been transacted at the meetings as originally called may be transacted without further notice. The joining of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

3.9 The presiding officer at directors' meetings shall be the President. In the absence of the presiding officer, the Vice President shall preside.

3.10 Directors' fees, if any, shall be determined by the members.

Section 4. Powers and Duties of the Board of Directors.

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes, the Articles of Incorporation of the Association and the Declaration of Condominium. Such powers and duties of the Board of Directors shall be exercised in accordance with the provisions of the Declaration of Condominium and shall include but shall not be limited to those set forth in the Articles of Incorporation.

Section 5. Officers.

5.1 The executive officers of the corporation shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the directors at any meeting. Any person may hold two or more offices except that neither the President nor the Vice President shall also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

5.3 The Vice President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the President or the directors.

5.4 The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of an Association and as may be required by the directors or the President.

5.5 The Treasurer or his designee shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

5.6 The compensation to all officers and employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director, with the Developer or its affiliates for the management of the condominium, or any part thereof.

Section 6. Fiscal Management.

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

6.1 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Condominium Unit. Such an account shall designate the name and address of the Condominium Unit Owner, the amount of each Assessment against the owners, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due upon Assessments.

6.2 Budget. The Board of Directors shall adopt an annual budget which shall contain estimates of the costs of performing the function of the Association, including, but not limited to, the following items:

a. Common Ordinary Expense Fund Budget

- (1) For the Common Expense Account; estimates of the cost of:
 - Maintenance and operation of Common and Limited Common Areas and Facilities;
 - Landscaping, lawn mowing, snow removal;
 - Maintenance of paved areas, streets and walkways, and parking facilities;
 - Utility services;
 - Liability insurance;
 - Casualty insurance;
 - Administration;
 - Taxes:
 - Water and sewage assessments;
 - Legal, accounting, and other professional services.
- (2) For the Income Account, an estimate of all income to be received except for the income to be received except for the income (or interest) earned on Assessments collected for the Common Capital Improvement Fund.
- (3) For the Emergency Account, an estimate of funds needed to defray the cost of an emergency, except for an emergency, the expenditure for which would constitute a common capital improvement.

b. Common Capital Improvement Fund Budget

- (1) For the Alteration and Improvement Account, an estimate of the cost for alteration and improvement of the physical facilities of a capital improvement nature.
- (2) For the Reconstruction and Replacement Reserve Account, an estimate of the cost of reconstruction and replacement of to the physical facilities of a capital improvement nature, which are not covered by insurance.
- (3) For the Income Account, an estimate of all income to be received from investment of Assessments for the Common Capital Improvement Fund.

(4) For the Emergency Account, an estimate of the funds needed to defray the cost of an emergency, the expenditure for which would constitute a common capital improvement.

c. Assessments for both Funds shall be based upon the difference between the expected expenses and the expected income.

6.3 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawal orders signed by such persons as are authorized by the Board of Directors.

6.4 Maintenance, repair, replacement and alteration of the Property and the method of paying for same, and the designation and removal of personnel necessary for same, and the manner of collecting Assessments for Common Expenses, shall be set forth in the Declaration of Condominium, and established herein.

6.5 Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall be at least the amount of the total annual assessment against members for Common Expenses. The premiums on such bonds shall be paid by the Association.

Section 7. Parliamentary Rules.

7.1 Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the corporation or with the Statutes of the State of Indiana, or the Declaration of Condominium.

Section 8. Promulgation and Amendment of Rules and Regulations.

8.1 The Board of Directors shall promulgate and may amend the Rules and Regulations in accordance with the provisions of the Declaration of Condominium by a vote of a majority of all the directors (not a majority of a quorum). No Rule or Regulation shall be valid if it is in conflict with the Declaration of Condominium or Indiana Law.

8.2 The Rules and Regulations of the Association shall be enforced in accordance with Article XVI of the Declaration of Condominium.

Section 9. Amendments.

9.1 Amendments to the By-Laws shall be proposed and adopted in the following manner:

- a. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- b. A resolution adopting a proposed amendment must receive approval of sixty percent (60%) of all of the directors (not sixty percent [60%] of a quorum) and sixty percent (60%) of a quorum of the members.

- c. **Initiation.** An amendment may be proposed by either two (2) or more directors or by ten (10) or more member of the Association.
- d. **Effective date.** An amendment when adopted shall become effective only after being recorded in the Office of the Recorder of Lake County, Indiana.
- e. **These By-Laws shall be amended, if necessary, so as to make the same consistent with the provision of the Declaration of Condominium.**



REAL ESTATE LEASE

THIS LEASE is made this _____ day of _____, 19____, between _____ ("Landlord"),

and _____ ("Tenant").

Landlord, in consideration of the rent and covenants herein contained, leases to Tenant, and Tenant lets from Landlord, the following described premises (the "Premises"), being real estate (including any improvement or improvements now or hereafter located on it) in _____ County, Indiana, or a part of such real estate, described as follows:

The street address of the Premises is _____
This Lease is upon the following terms and conditions:

SECTION 1. TERM.

1.01 The term of this Lease shall begin on the _____ day of _____, 19____, and shall end on the _____ day of _____, 19____.

SECTION 2. RENT AND MANNER OF PAYMENT.

2.01 Tenant shall pay Landlord total rent in the sum of \$ _____, payable in installments of \$ _____ per month, with the first payment being due and payable on the _____ day of _____, 19____. Subsequent installments shall be paid on the same day of each month thereafter during the Lease term.

2.02 Tenant's failure to pay the full amount of any installment on or before the due date shall be an event of default under this Lease, as hereinafter provided. In addition, if the full amount of any installment is not actually received by Landlord on or before the fifth (5th) day after it is due, then a late charge in a sum equal to five per cent (5%) of the unpaid amount of each installment shall accrue and be immediately due and payable.

2.03 All sums payable to Landlord under this Lease shall be paid to Landlord at the following address: _____ or at such other address as Landlord shall designate in writing delivered to Tenant.

2.04 All sums received by Landlord shall be applied first to rent due and unpaid, second to any late charges due and unpaid and finally to any other sums due hereunder.

SECTION 3. USE OF PREMISES.

3.01 Tenant shall use the Premises only for the following purpose(s): _____

3.02 Tenant shall not use, or permit the use of, the Premises for any unlawful purpose or in violation of any law, order or regulation of any governmental authority or any restrictive covenant relating to the use or occupancy of the Premises.

3.03 If any use of the Premises increases insurance premiums, Tenant shall pay Landlord, upon demand, a sum equal to the increases in premiums.

3.04 Tenant shall not permit any waste or misuse of the Premises.

3.05 So long as Tenant is not in default under this Lease, Tenant shall be entitled to peaceably possess, hold and enjoy the Premises.

3.06 Tenant shall pay, when due, all charges for utility services consumed on or rendered to the Premises while this Lease is in effect.

SECTION 4. TENANT ACCEPTS PREMISES.

4.01 Tenant has inspected the Premises and is satisfied with its physical condition. Except as otherwise specified in this Lease:
(a) Tenant's taking possession of the Premises shall be conclusive evidence of receipt thereof in good order and repair; and
(b) Tenant acknowledges that neither Landlord nor any of his agents has made any representation as to the condition or state of repair of the Premises or made any agreements or promises to repair or improve it either before or after execution of this Lease.

SECTION 5. REPAIRS AND MAINTENANCE.

5.01 Landlord's Obligation.
Landlord agrees, at his sole expense, to keep in good repair and working order (except to the extent damaged by Tenant's fault):
(a) all structural portions of the Premises, including (without limitation) foundations, walls, floors, stairways, roof and exterior portions thereof; and
(b) all electrical, gas, water, central heating, central air conditioning, and plumbing equipment and appliances, and any other equipment and appliances furnished by Landlord under this Lease.

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 good repair and 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).

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 obligations by reason of 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: _____

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 purpose(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 purpose(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 \$ _____, 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.

