LEASE AGREEMENT

THIS LEASE, entered into as of the 1 day of MAY, 2026 by and between Lake Santee Property Owners Association, Inc., a not-for-profit corporation of Decatur and Franklin Counties, Indiana, Lessor, and The Hangout, an Indiana company, Lessee.

WITNESSETH:

That the Lessor hereby leases unto the Lessee, and the Lessee hereby takes from the Lessor as Lessee the following premises situated at Lake Santee, to-wit:

Restaurant facilities within the building known as the Lake Santee Community Building located at 13B SW Wrenn Parkway, Lake Santee Subdivision, consisting of 2140 square feet in the east end of the first floor of said building.

1. The following are the terms and conditions which the respective parties covenant and agree to keep and perform:

A. The term of said contract shall be for the period of May 1, 2026 through October 31, 2026.

B. The restaurant rental fee, of $100.00 per month, payable in advance on the first day of each and every month during the term of this lease.

C. If the Lessor does not receive payment by the 5th of the month a penalty of $5.00 per day shall be added to the rent beginning with the 2nd day of the month.

D. This agreement shall not automatically renew.

2. The Lessor covenants and agrees:

A. That it will maintain in good repair the roof, deck and outside walls of the building. That it will also maintain in good repair all mechanical systems including any required improvements to the range hood and extinguishing system. It will maintain exterior lighting, except on displays or signage owned by the Lessee.

B. That it will allow Lessee to install and erect advertising signs on said premises subject to its written approval and said approval by the Lessor shall not be withheld unreasonably. Said advertising signs shall remain the property of the Lessee.

C. That it will allow Lake Santee clubs, Lake Santee organizations and private individuals with Board approval to prepare or otherwise provide their own food and beverages in or outside the Community Room. Said private groups shall use the food and beverage for self-consumption only. Lessor shall allow organizations and clubs to resell food and beverages during fund raising events with Board approval. The Board shall not permit more than six (6) fund raising events per year involving the sale of food or beverages on days the restaurant is open for business. Lessor shall have no control over or attempt to control catering from sources outside of the Lake Santee Subdivision.

D. That it shall provide fire and extended insurance coverage for the structure, premises and contents owned by Lessor.

E. That it shall agree to have all existing equipment in working condition at the time of first possession by the Lessee. The purchase of any additional equipment shall be the responsibility of the Lessee and the property of the Lessee. Lessor agrees to maintain the walk-in cooler, range hood and associated extinguishing equipment for the term of the lease. Other cooking

equipment provided shall be the responsibility of the Lessee. That it shall at time of first possession by Lessee, provide a complete inventory of all equipment owned by Lessor and shall be signed and attached to said LEASE AGREEMENT.

F. That it agrees to maintain an 80-gallon water heater as needed to provide adequate pressure and 150 degrees F temperature necessary to meet the needs of normal business operations.

G. That it shall provide a certified Board resolution approving the entering into of this lease prior to the execution date.

H. That the leased premises, shall on the execution date, complies with all applicable rules and regulations of the Decatur County Board of Health.

I. That it shall include the following services for the specified monthly rent:

1. Range hood extinguishing system inspection and maintenance two (2) times per year by a certified company.
2. Professional range hood cleaning two (2) times per year.
3. Fire extinguishers shall be inspected and tagged annually.
4. Clean, service and repair heating and air-conditioning as needed.
5. Professional exterminating service on a monthly basis.
6. Snow removal from the parking area.
7. Weekly trash removal from designated area. It shall be the Lessee's responsibility to remove trash from the restaurant and place it in designated area.

J. That it shall allow the Lessee to rent the community room at the usual and customary rates by making reservations at the Association Office.

3. The Lessee covenants and agrees:

A. To pay the rent at the time and in the manner herein provided.

B. To use said premises for the sole purpose of operating a restaurant and catering and may have available alcoholic beverages, beer and wine for their patrons.

C. To maintain in good condition all interior surfaces and to do all interior decorating at their own expense.

D. Not to place any sign or signs upon said building or premises without first obtaining the written consent of the Lessor.

E. To carry, in a company or companies acceptable to the Lessor, "Premises & Operations Liability" insurance for the benefit of Lessor in a minimum amount of one million dollars. If alcoholic beverages are served, to also carry "Liquor Liability" insurance in a minimum amount of one million dollars. The Lessor shall be listed as an "Additional Insured" on each policy and certificates of insurance shall be provided to the Lessor annually on the anniversary of the LEASE AGREEMENT. Lessee is responsible for insurance coverage on its contents.

F. Not to bore or cut into any column, beam or other part of the premises so as to inflict structural damage for any purpose whatsoever or make any alteration or addition to said building without first obtaining the written consent of the Lessor. Drawings or plans shall be provided to the Lessor for all alterations, additions and improvements proposed by the Lessee, along with information as to who will perform

the proposed work. Once the modifications are approved and executed, such alterations, additions and improvements shall be and remain the property of the Lessor upon the termination of this lease; however, nothing herein contained shall prevent the Lessee from removing their business equipment and fixtures and repairing any damages to the premises. All alterations, additions and improvements shall be at the expense of the Lessee unless otherwise agreed. Lessor shall be given the option to purchase all equipment and fixtures installed by the Lessee at the termination of the lease.

G. To permit the Lessor, with Lessee's permission, to enter the premises at any reasonable time for the purpose of inspecting the same or making repairs, said permission not to be unreasonably withheld.

H. To not assign this lease or sublet the premises or any part thereof without first obtaining the written consent of the Lessor, not to be unreasonably withheld.

I. To assume liability and responsibility for janitorial and housekeeping services for the restaurant and the restrooms designated for restaurant patrons. To regularly sweep and clean up spills on flooring.

J. To keep said restaurant facilities and the operation thereof in compliance with all rules and regulations of all regulatory agencies and allow Lessor access to said premises to facilitate its lawful operation. Lessee shall provide a copy of Board of Health inspection reports to the Association Office.

L. To assume responsibility to see that the range hood is in operation at any time cooking equipment is turned on, to prevent the buildup of grease and cooking odors in the building.

M. To make every effort to minimize the amount of grease placed in the drains. To have a grease trap installed on any dishwasher. No garbage disposals may be installed.

N. To attempt to minimize spillage of liquids in bar, kitchen and dining room to avoid damage to community room ceiling, carpeting and fixtures. To promptly clean up any spills or leaks.

O. To keep utilities and other accounts payable paid current. If problems with unpaid bills persist, it shall be considered a default under the terms of this contract.

P. To assume responsibility for all utilities including water, electric, phone, internet, propane gas and monthly sewer fees. To fill the propane tank to 70% capacity at the termination of the lease to equal the gas provided by the Lessor at the time Lessee took possession of premises.

Q. To maintain heat at a minimum of 50 degrees Fahrenheit at all times.

R. To assume responsibility for the community room and equipment when rented by Lessee. Damages to equipment, room or furnishings shall be reported to the office when the key is returned. Key to be returned within 24 hours. All decorations shall be removed following functions. The room and all furnishings including bathrooms, kitchen facilities, tile floors and carpeting are to be left clean. All trashcans are to be emptied. Trash resulting from the function outside the room is to be picked up. Guests at private functions are to be kept under control and are expected to abide by the Rules & Regulations of Lake Santee. Individuals in attendance do not have privileges such as use of the beach, tennis courts, fishing, etc. unless they are members or invited guests of a member.

S. To assume the cost of recharging fire extinguishers and the range hood fire suppression system in the event they are discharged. Lessee must notify Lessor of the discharge of any extinguisher within 24 hours. In no case shall the restaurant operate without the extinguishing system being charged and the system having a current inspection tag.

T. To assume responsibility for the routine cleaning of the range hood screens and visible surfaces.

U. To assume responsibility for cleaning up litter in front of the restaurant including the first row of parking. To clean up litter that may blow from the deck onto the ground. To clean up any spills from the deck reaching the patio below.

V. To work with the Board and its elected recreation director to avoid any conflict of entertainment schedule.

W. To seek prior approval from the Board for any special events or vendors.

X. To be responsible for the cost of damages in excess of "wear and tear" on items such as, but not limited to, window glass, screens, light fixtures, ceiling fans, bath fixtures, bar, counter, chairs, tables, mirrors, walls, ceilings, flooring, etc. To agree to reimburse Lessor within fifteen (15) days of receiving an invoice for repairs.

Y. To fully disclose the names and addresses and ID numbers of all individuals, companies and corporations that are parties to this LEASE AGREEMENT or who have an interest in Lessee.

Z. To provide the Association Office names and phone numbers of responsible individuals who can be contacted in case of problems or an emergency.

AA. To promptly notify the Association Office of needed repairs to refrigeration, heating, air conditioning, lighting (excluding bulbs), plumbing, electrical, windows, or doors.

BB. To be responsible for locking all doors and closing all windows when leaving the premises. If security checks find doors unlocked or windows open, the Lessee will be contacted. Upon being contacted, Lessee must respond and correct the problem.

CC. To be responsible for accepting all deliveries. Lessee should not expect Association employees to receive and/or sign for deliveries of goods and services unless prior arrangements have been made acceptable to the Lessor.

DD. To be present on the day scheduled for pest control, unless prior arrangements have been made acceptable to the Lessor.

EE. To coordinate with the Association Office prior to the installation of any equipment requiring special wiring, plumbing or the turn off of water or electricity for installation and/or removal. To be responsible for the cost of required modifications, unless prior agreements have been made with the Lessor.

FF. To surrender premises, fixtures, furniture and equipment at the termination of this lease in a state of cleanliness and condition, ordinary wear and tear excepted, consistent with the cleanliness and condition upon taking possession of the premises. Prior to vacating the premise, a joint inspection with the Lessor must be requested; otherwise the Lessee shall forfeit the opportunity to arbitrate claims made by the Lessor against the refundable security deposit for damages or uncleanliness.

GG. To return all keys provided by the Lessor or be responsible for the cost of replacing all locks for which all keys are not returned.

4. It is mutually agreed:

A. That at the time of first possession by Lessee, a full inspection of the premise, fixtures, furniture and equipment shall be made with Lessor's representative, noting any damage, defects or uncleanliness.

This inspection report shall be written and signed by both parties and attached to this LEASE AGREEMENT for future reference.

B. That non-member patrons and the public shall have access to the restaurant facilities during business hours. Non-member patrons and the public shall have no use of facilities maintained by Lake Santee Property Owners Association, Inc., for the private use of their members. Said facilities shall include, but not be limited to the beach, tennis courts, basketball courts and the Lake.

C. That both parties shall endeavor to have a mutually successful restaurant facility, which provides needed services and maintains a positive image for the community. Both parties shall strive to maintain a facility that is both profitable and serves the best interest of both Lessor and Lessee.

D. That the basement stairway shall be an unrestricted emergency exit from the Community Room.

E. That if any default shall be made in the payment of rent or any part thereof at the time provided, or if, after thirty (30) days written notice setting forth the default, default shall continue by the Lessee in the performance or observance of any other covenant, agreement or condition herein contained to be performed on their part, or if the Lessee shall be dispossessed or shall abandon or vacate the premises or shall become bankrupt or shall make a general assignment for the benefit of creditors, the Lessor shall have the right to re-enter and take possession of the premises, and the Lessee shall peacefully surrender possession thereof to the Lessor upon written demand and all rights and interests of the Lessee hereunder shall cease and terminate, but nothing herein contained shall affect the Lessor's right to the rental for the term herein specified. Upon taking possession hereunder, the Lessor may at its discretion terminate and end this lease and option by giving the Lessee written notice thereof, or the Lessor may re-let said property and the Lessee shall be liable for and will pay as it accrues, the difference in the rental until the next anniversary of the date of possession.

F. That no amendments or modifications of this Agreement shall be valid and binding unless in writing and executed in the same manner as the execution of this Agreement. While Board Members, Officers, Committee Members or the Manager may discuss matters concerning this Agreement with Lessee, any change in the Agreement must be approved at a Board Meeting and the amendments must be executed in the same manner as this Agreement.

G. That no prior stipulation, agreement or understanding, verbal or otherwise, between the parties or their agents shall be valid or enforceable unless referenced or embodied in the provisions of this Agreement.

H. That if Lessee shall default under the terms of this LEASE AGREEMENT, Lessor shall be entitled to remaining rents due, costs, expenses, including costs of litigation, and reasonable attorney fees.

I. That if Lessor shall default under the terms of this LEASE AGREEMENT, Lessee shall be entitled to costs, expenses, including costs of litigation, and reasonable attorney fees.

J. That any notice or demand provided for herein may be given to the party to be served personally or by certified mail, return receipt requested, addressed to Lessor at its last known address, or to the Lessee at the premises herein leased, or at their last known address.

K. That either party may cancel this lease, for just cause, at the end of any calendar month by giving written notice of intent a minimum of thirty (30) days in advance.

L. That the facility shall be designated "non-smoking". The Lessee may obtain a license to sell tobacco products at the facility. The Lessee shall comply with all laws, rules and regulations involving the sale and use of tobacco and alcohol on the premise. The Lessee shall indemnify and hold harmless the Lessor for any liability caused by failure to abide by restrictions on the sale or use of tobacco or alcohol.

Lake Santee Property Owners Association, Inc., Lessor

By: _____
Steven Knight, President

Attest:

Michael Dora
Michael Dora, Secretary/Treasurer

The Hangout

By: Neil Lauderbaugh

By: Sara Lauderbaugh

EIN:
Phone: 812-767-2777 812-592-5920