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**This Instrument Prepared by and
After Recording Return to:**

Stephen F. Galler, Esq.
c/o 270 East Pearson, L.L.C.
350 West Hubbard Street, Suite #301
Chicago, Illinois 60610

Doc#: 0414242163
Eugene "Gene" Moore Fee: \$38.00
Cook County Recorder of Deeds
Date: 05/21/2004 10:30 AM Pg: 1 of 8

Common Address of Unit:

Residential Unit #503
270 East Pearson Street
Chicago, Illinois 60611

Permanent Index Number:

17-03-228-028-8002
(affects subject property and other land)

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY

UNIT SUBLEASE

THIS UNIT SUBLEASE (this "Sublease") is made and entered into as of the 20th day of May, 2004, by and between 270 East Pearson Condominium Association, an Illinois not-for-profit corporation (hereinafter called "Sublandlord" or the "Association"), and 270 East Pearson, L.L.C., an Illinois limited liability company (hereinafter called "Subtenant" or "270 LLC").

WITNESSETH:

WHEREAS, by that certain Ground Lease dated as of July 31, 2000 (hereinafter called the "**Original Ground Lease**"), Northwestern University, an Illinois corporation (hereinafter, together with its successors and assigns, called "**Landlord**"), as lessor, leased to 270 LLC, as lessee, the property legally described in Exhibit A thereto (the "**Real Estate**"), for a term commencing on July 31, 2000 and ending on July 31, 2099 (subject to extensions or renewals thereof, as set forth in the Original Ground Lease); and

WHEREAS, the Original Ground Lease was recorded on August 2, 2000 as Document No. 00584667, in the Office of the Recorder of Deeds of Cook County, Illinois (the "**Recorder**"), and the Original Ground Lease was re-recorded with the Recorder on August 11, 2000 as Document No. 00614549; and

WHEREAS, on or about October 30, 2000, Landlord and 270 LLC entered into that certain Amendment to Ground Lease (hereinafter called the "**First Amendment**") recorded with the Recorder on March 2, 2001 as Document No. 0010169900, which amended and modified the Original Ground Lease;

WHEREAS, on or about May 20, 2004, Landlord and 270 LLC entered into that certain Second Amendment to Ground Lease (hereinafter called the "**Second Amendment**") recorded with the Recorder on May 20, 2004 as Document No. 0414131096 (the Original Ground Lease, the First Amendment and the Second Amendment shall be hereinafter collectively called the "**Ground Lease**"); and

WHEREAS, 270 LLC has submitted the Real Estate and improvements thereon (collectively, the "**Improvements**") to the Condominium Property Act of the State of Illinois, as amended (the "**Act**"); and

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WHEREAS, on or about May 20, 2004, 270 LLC, the Association and the Landlord entered into that certain Association Assignment recorded with the Recorder on May 20, 2004 as Document No. 0414131102, under which 270 LLC conveyed to the Association all of 270 LLC's right, title and interest as lessee in, to and under the Ground Lease; and

WHEREAS, Subtenant desires to sublease from Sublandlord, and Sublandlord desires to sublease to Subtenant, Residential Unit #503 (hereinafter called the "Unit") in The Belvedere Condominiums (the "Condominium"), legally described on Exhibit "A" attached hereto and made a part hereof, and as otherwise set forth in the plat of survey attached as Exhibit A-2 to the Declaration of Condominium recorded with the Recorder on May 20, 2004, as Document No. 0414131100, as amended from time to time (the "**Declaration**"), together with its undivided percentage interest in the Common Elements (as defined in the Declaration); and

WHEREAS, Sublandlord desires to convey to Subtenant all of its right, title and interest to any and all improvements in or constituting the Unit.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Sublandlord and Subtenant hereby agree as follows:

1. **Demise; Use.** Sublandlord hereby leases to Subtenant and Subtenant hereby leases from Sublandlord the Unit, together with its aggregate undivided percentage interest in the common elements, for the term and upon the other terms and conditions hereinafter set forth, to be used and occupied by Subtenant solely for the purposes permitted in the Declaration and Ground Lease and for no other purpose. Sublandlord also hereby grants, bargains, sells and conveys all of its right, title and interest in and to all improvements in or constituting the Unit, subject to the terms and conditions of this Sublease, the Declaration and Ground Lease. Sublandlord also hereby grants to Subtenant, its successors and assigns, as rights and easements appurtenant to the above leasehold estate, the rights and easements for the benefit of the property set forth in the Declaration, and Sublandlord reserves to itself, its successors and assigns, the rights and easements set forth in the Declaration for the benefit of the remaining property described therein. The conveyances described herein shall be subject to the following permitted encumbrances: (1) current, non-delinquent real estate taxes which are not yet due and payable as the date hereof and real estate taxes for subsequent years; (2) special municipal taxes or assessments for improvements not yet completed and unconfirmed special municipal taxes or assessments; (3) the terms and provisions of the Declaration and any amendments thereto; (4) the terms and provisions of the Ground Lease, including any further amendments thereto or assignments or subleases thereof; (5) public, private and utility easements, including without limitation (a) any easements established by, or implied from, the Declaration and any amendments thereto, and/or (b) that certain Declaration of Covenants, Conditions, Restrictions and Easements dated as of May 20, 2004 and recorded on May 20, 2004 as Document No. 0414131098 and any amendments thereto, relating to relationship between Belvedere Property and 270 East Pearson Garage Property, and/or (c) that Declaration of Covenants, Conditions, Restrictions and Easements dated as of June 25, 2003 and recorded on June 27, 2003 as Document No. 0317834092 and any amendments thereto, relating to the property located at 250 East Pearson, and/or (d) that certain Declaration of Covenant, Conditions, Restrictions and Easements dated as of September 5, 2003 and recorded on September 11, 2003 as Document No. 03254322159 and any amendments thereto, relating to the property located at 840 North Lake Shore Drive, and/or (e) that certain Reciprocal Easement Agreement dated as of May 20, 2004 and recorded on May 20, 2004 as Document No. 0414131099 and any amendments thereto, relating to the property located at 850 North Lake Shore Drive; (6) covenants, conditions and restrictions of record; (7) applicable zoning and building laws, ordinances and restrictions; (8) roads and highways, if any; (9) limitations and conditions imposed by the Illinois Condominium Property Act, as amended from time to time; (10) encroachments, if any, which do not materially, adversely impair the use and enjoyment of the Residential Unit as a residence; (11) installments due after the date hereof for assessments established pursuant to the Declaration; (12) matters over which Chicago Title Insurance Company has insured over in its owner's policy issued to Grantee; (13) acts done or suffered by Grantee or anyone claiming by, through or under Grantee; (14) Grantee's mortgage, if any; (15) leases, licenses and managements agreements affecting the Common Elements (as defined in the Declaration); and (16) the terms and provisions of the Unit Sublease being conveyed hereby, which are described in Exhibit "A" attached hereto.

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2. **Term.** The term of this Sublease shall commence (the "**Commencement Date**") on the later to occur of (a) May 20, 2004 and (b) the date upon which Sublandlord delivers possession of the Unit to Subtenant and, unless sooner terminated pursuant to the provisions hereof, shall terminate on the earlier of (i) the date of termination of the term of the Ground Lease, and (ii) the date of any withdrawal of the Unit from the Condominium pursuant to the terms of the Declaration. This Sublease shall not otherwise be terminable by Subtenant or Sublandlord.
3. **Rent.** Subtenant shall not be obligated to pay to Sublandlord rental for the Unit for any portion of the term hereof falling within the initial stated term of the Ground Lease. In the event that the Ground Lease is extended or renewed beyond the initial stated term thereof, then Subtenant shall be responsible for payment of its allocable share of rental due under the Ground Lease for such renewal or extension period, all as more particularly described in the Ground Lease and the Declaration.
4. **Additional Rent; Payments; Interest.**
- (A) Subtenant shall also pay to Sublandlord all other amounts payable by Sublandlord under the Ground Lease which are (i) attributable to the Unit (as distinguished from the entire premises subject to the Ground Lease) and which are not a common expense under the Declaration, or (ii) attributable to Subtenant, its agents, employees, or invitees, including amounts expended or incurred by Landlord on account of any default by Subtenant which gives rise to a default under the Ground Lease.
- (B) Each amount payable by Subtenant under this Sublease, unless a date for payment of such amount is provided for elsewhere in this Sublease or Declaration, shall be due and payable on the fifth (5th) day following the date on which Landlord or Sublandlord has given notice to Subtenant of the amount thereof, but in no event later than the date on which any such amount is due and payable under the Ground Lease or the Declaration, as the case may be.
- (C) All amounts payable to Sublandlord under this Sublease shall be deemed to be additional rent due under this Sublease. All additional rent shall be paid without setoff or deduction whatsoever and shall be paid to Sublandlord at its office at 350 West Hubbard Street, Suite #301, Chicago, Illinois 60610, or at such other place as Sublandlord may designate by notice to Subtenant. All past due additional rent shall bear interest at the Lease Interest Rate under the Ground Lease in effect from time to time from the date due until paid.
5. **Condition of Unit, Construction of Improvements and Insurance.**
- (A) No promise of Sublandlord to alter, remodel or improve the Unit, and no representation respecting the condition of the Unit or the Condominium shall have been made by Sublandlord to Subtenant. Upon the expiration or termination of the Ground Lease or the Sublease, Subtenant shall surrender the Unit in the condition required under the Ground Lease.
- (B) Subtenant shall perform all improvements, alterations and changes to the Unit only in accordance with the terms of the Declaration and the Ground Lease and shall not permit any mechanic's liens to attach to the Unit, Real Estate, or Improvements.
- (C) Subtenant hereby agrees to carry insurance of the kinds and amounts required by the Declaration and Ground Lease. All policies of liability insurance shall name as additional insured the Landlord and Sublandlord and their respective officers, directors or partners, as the case may be, and the respective agents and employees of each of them.

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6. The Ground Lease.

(A) This Sublease and all rights of Subtenant hereunder and with respect to the Unit are subject to the terms, conditions and provisions of the Ground Lease, as amended from time to time. The term "Ground Lease" shall include any amendments or restatements of the Ground Lease or any new ground lease under Section 6.6 or, Article 25 of the Ground Lease. Subtenant hereby assumes and agrees to perform and be bound by, with respect to the Unit, all of Sublandlord's obligations, covenants, agreements and liabilities under the Ground Lease and all terms, conditions, provisions and restrictions contained in the Ground Lease which are stated to be the obligation of the Unit Owner (defined in the Ground Lease) or which relate to the Unit, are capable of being performed by a Unit Owner and which are not the obligation of the Association under the Declaration. In addition, the following provisions shall also apply relating to the Ground Lease:

(1) If Subtenant desires to take any other action and the Ground Lease would require that Sublandlord obtain the consent of Landlord before undertaking any action of the same kind, Subtenant shall not undertake the same without the prior written consent of Sublandlord. Sublandlord may condition its consent on the consent of Landlord being obtained. Subtenant shall not contact Landlord directly for such consent;

(2) All rights given to Landlord and its agents and representatives by the Ground Lease to enter the premises covered by the Ground Lease shall be binding upon Subtenant and shall inure to the benefit of Sublandlord and its respective agents and representatives with respect to the Unit;

(3) Sublandlord shall also have all other rights, and all privileges, options, reservations and remedies, granted or allowed to, or held by, Landlord under the Ground Lease;

(4) Subtenant shall not do anything or suffer or permit anything to be done which could result in a default under the Ground Lease;

(5) Subtenant may assign, mortgage or otherwise transfer or permit the transfer of this Sublease or any interest of Subtenant in this Sublease, or permit the use of the Unit by persons other than Subtenant, or sublet the Unit or any part thereof in accordance with Article 6 of the Ground Lease, but subject to the terms of the Declaration.

(6) Subtenant shall not have any right to any portion of the proceeds of any award for a condemnation or other taking, or a conveyance in lieu thereof, of all or any portion of the Condominium, the premises subject to the Ground Lease or the Unit, or with respect to any insurance proceeds payable to Subtenant except as may be provided in the Declaration; and

(7) Subtenant shall not be entitled to exercise any rights of first offer or refusal or to receive any payments for improvements except as may be provided in the Declaration.

(B) Sublandlord does not assume and shall not have any of the obligations or liabilities of Landlord under the Ground Lease.

(C) Upon any sale or assignment of this Sublease, the party making such sale or assignment shall be released from all obligations and liabilities under this Sublease and the Ground Lease.

7. Declaration. This Sublease is subject to all rights, easements, covenants, conditions, restrictions and reservations contained in the Declaration, as amended from time to time, the same as though the provisions of the Declaration were recited in full in this Sublease. Subtenant hereby assumes and agrees to perform faithfully and be bound by, with respect to the Unit, all terms, conditions, provisions and restrictions contained in the Declaration which are stated to be the obligation of the Unit Owner (as defined in the Declaration).

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8. **Default by Subtenant.**

(A) Upon the happening of any of the following:

- (1) Subtenant fails to pay any other amount due from Subtenant hereunder and such failure continues for three (3) days after notice thereof from Sublandlord to Subtenant;
- (2) Subtenant fails to perform or observe any other covenant or agreement set forth in this Sublease and such failure continues for seven (7) days after notice thereof from Sublandlord to Subtenant; or
- (3) Any other event occurs which involves Subtenant or the Premises and which would constitute a default under the Ground Lease if it involved Sublandlord or the premises covered by the Ground Lease,

Subtenant shall be deemed to be in default hereunder, and Sublandlord may exercise all rights and remedies available to it under this Sublease or the Declaration and all rights and remedies of Landlord set forth in the Ground Lease in the event of a default by Sublandlord thereunder, which remedies shall be exclusive.

(B) If Subtenant fails to make any payment or perform any covenant or agreement to be performed hereunder by Subtenant, Sublandlord may make such payment or undertake to perform such covenant or agreement (but shall not have any obligation to Subtenant to do so). In such event, amounts so paid and amounts expended in undertaking such performance, together with all costs, expenses and attorneys' fees incurred by Sublandlord (including interest from the date expended by Sublandlord until repaid by Subtenant at the Lease Interest Rate under the Ground Lease in effect from time to time) shall be additional rent payable by Subtenant.

(C) Sublandlord may amend the terms of Ground Lease or extend the term of the Ground Lease without the consent of Subtenant.

9. **Waiver of Claims and Indemnity.** The provisions of Section 8.8 of the Ground Lease and Article 15 of the Ground Lease shall apply to Sublandlord and Subtenant in the same manner as to Landlord and Sublandlord, respectively, thereunder.

10. **Successors and Assigns.** This Sublease shall be binding upon and inure to the benefit of the successors and assigns of Sublandlord and shall be binding upon and inure to the benefit of the successors and assigns of Subtenant.

11. **Entire Agreement.** This Sublease, together with the Ground Lease and the Declaration, contains all the terms, covenants, conditions and agreements between Sublandlord and Subtenant relating in any manner to the rental, use and occupancy of the Unit. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect. The terms, covenants and conditions of this Sublease cannot be amended except by a written instrument signed by Sublandlord and Subtenant.

12. **Notices.**

(A) In the event any notice from the Landlord or otherwise relating to the Ground Lease is delivered to the Unit or is otherwise received by Subtenant, Subtenant shall deliver such notice to Sublandlord within two (2) days of such delivery or receipt.

(B) Notices and demands required or permitted to be given by either party to the other with respect to this Sublease shall be in writing and shall be served pursuant to the terms of the Declaration.

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IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date aforesaid.

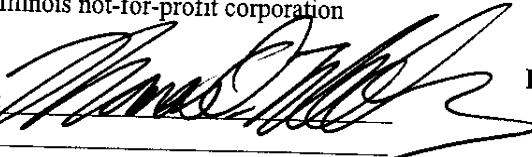
SUBLANDLORD:

SUBTENANT:

**270 EAST PEARSON
CONDOMINIUM ASSOCIATION,**
an Illinois not-for-profit corporation

270 EAST PEARSON, L.L.C.,
an Illinois limited liability company

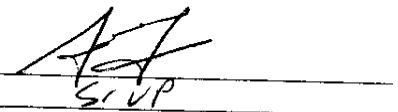
By:
Its:



By: **LAKE SHORE, L.L.C.,**
an Illinois limited liability company, its sole member

By: **LR DEVELOPMENT COMPANY LLC,**
a Delaware limited liability company, its sole member

By:
Its:



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EXHIBIT "A"

LEGAL DESCRIPTION OF UNIT

UNIT 503 IN THE BELVEDERE CONDOMINIUMS (AS HEREINAFTER DESCRIBED AND DELINEATED ON A SURVEY) TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, WHICH UNIT AND COMMON ELEMENTS ARE COMPRISED OF:

THE LEASEHOLD ESTATE, CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY NORTHWESTERN UNIVERSITY, A CORPORATION OF ILLINOIS, AS LESSOR, AND 270 EAST PEARSON, L.L.C., AN ILLINOIS LIMITED LIABILITY COMPANY, AS LESSEE, DATED AS OF JUNE 31, 2000, WHICH LEASE WAS RECORDED AUGUST 2, 2000 AS DOCUMENT 000584667, AND RECORDED AUGUST 11, 2000 AS DOCUMENT NUMBER 00614549, AND AS AMENDED BY AMENDMENT TO GROUND LEASE RECORDED MARCH 2, 2001 AS DOCUMENT NUMBER 0010169900 AND SECOND AMENDMENT TO GROUND LEASE DATED AS OF MAY 20, 2004 AND RECORDED MAY 20, 2004 AS DOCUMENT NUMBER 0414131096, WHICH LEASE, AS AMENDED, DEMISES THE LAND (AS HEREINAFTER DESCRIBED) FOR A TERM OF 99 YEARS COMMENCING JULY 31, 2000 (EXCEPT THE BUILDINGS AND IMPROVEMENTS LOCATED ON THE LAND), AND WHICH SURVEY IS ATTACHED AS AN EXHIBIT TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0414131100, AS AMENDED, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

Common Address: 270 East Pearson Street, Unit #503, Chicago, Illinois 60611

PIN #: 17-03-228-028-8002 (affects subject property and other land)