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Karen A.Yarbrough
Cook County Recorder of Deeds
Date: 07/16/2013 03:32 PM Pg: 1 of 29

COLLATERAL ASSIGNMENT OF LEASE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LEASE AGREEMENT dated as of November 18, 2010 ("Assignment") is made by Veronica S. O'Neill and Thomas V. O'Neill (each individually referred to as "Assignor" and collectively as "Assignors"), in favor of Itasca Bank & Trust Company of 308 W. Irving Park Road, Itasca, IL 60143 ("Assignee").

RECITALS

- A. Assignee has provided those certain loan facilities of even date herewith in the principal amount of One Million Two Hundred Sixty Two Thousand Two Hundred Eighty Nine (\$1,262,239.00) (collectively, "Loan") to Shiloh, LLC, an Illinois limited liability company ("Shiloh") and TVO Acquisition Corporation, an Illinois corporation ("TVO" and together with Shiloh, the "Borrowers"), as evidenced by that certain Business Loan and Security Agreement by and among Borrowers and Assignee ("Loan Agreement") and those certain Promissory Notes of even date herewith ("Note").
- B. Assignors are the lessee/tenants under that certain Proprietary Lease dated November (*undated*), 1993 of premises known as Apartment 1, 4, 5, and 6 in such Lease and also known as Apartment 2, 1421 North State Parkway, Chicago, Illinois 60610-1503 ("Premises") pursuant to which 1421 North State Parkway Tenants Corporation, an Illinois corporation ("Landlord"), and which is attached hereto and incorporated herein by reference as Exhibit A ("Lease") and which states that the undersigned Veronica S. O'Neill is the owner of 55% of the capital shares of the Landlord.
- C. Assignors have a direct financial interest in Borrowers as owners and officers thereof, and have personally benefited from Assignee's agreement to provide the Loan to Borrowers.
- D. It is a condition precedent to the granting of the Loan and a requirement of the Assignee as lender to the Borrowers and holder of the personal guarantees of the Assignors that Assignors provide this Collateral Assignment in favor of Assignee as Collateral for the Loan and as security for all other indebtedness owed by Borrowers to Assignee.
- E. In the event of any inconsistency between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall control. Any capitalized term not otherwise defined herein shall have the definition ascribed to such term under the Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the Assignors hereby acknowledge, the Assignors hereby agree for the benefit of the Assignee as follows:

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AGREEMENTS AND ASSIGNMENT

1. **Grant of Security Interest.** Assignors hereby grant, transfer, set over and assign to Assignee, all of the right, title and interest of each Assignor in and to (i) each Assignor's interest as tenant under the Lease; (ii) all of the revenues, issues, profits, proceeds, receipts, income, accounts and other receivables arising out of or from their interest in the Lease, ancillary rights (including with regard to 1421 North State Parkway Tenant's Corporation), or any sale, renewal, extension, supplement, amendment, substitution or other modification whatsoever arising from the Lease of from the Premises which is the subject matter of the Lease, including, without limitation, lease termination fees, purchase option fees and other fees and expenses payable under any lease; and (iii) all subsequent leases of the Premises and all subleases now or hereafter existing, of all or any part of the Premises; and (iv) all tenant improvements and fixtures located on the Premises. This Assignment is an absolute transfer and assignment of the foregoing interests to Assignee given to secure:

1.1. Payment by Borrowers when due of (i) the indebtedness arising from the Loan evidenced by the Note, Loan Agreement or other Loan Documents and any and all renewals, extensions, replacements, amendments, modifications and refinancings thereof; (ii) any additional indebtedness of any type owing from Borrowers to Assignee; (iii) any and all other indebtedness and obligations that may be due and owing from time to time to Assignee by Borrower under or with respect to the Loan Documents; and (iv) all costs and expenses paid or incurred by Assignee in enforcing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees;

1.2. Observance and performance by Borrower of the covenants, conditions, agreements, representations, warranties and other liabilities and obligations of Borrower or any other Obligor to, in favor of or benefiting Assignee which are evidenced or secured by or otherwise provided in the Note, Loan Agreement, this Assignment or any of the other Loan Documents, together with all amendments, renewals and modifications thereof; and

1.3. Payment by Assignors when due of all sums due to Assignee pursuant to each guaranty of an Assignor.

2. **Representations and Warranties of Assignor.** Each Assignor represents and warrants to Assignee that:

2.1. This Assignment, as executed by Assignor, constitutes the legal and binding obligation of Assignor enforceable in accordance with its terms and provisions;

2.2. Assignor or Borrower is the tenant under the Lease;

2.3. There is no other existing assignment of Assignor's entire or any part of its interest in or to the Lease;

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2.4. Assignor has not executed any instrument or performed any act which may prevent Assignee from operating under any of the terms and provisions hereof or which would limit Assignee in such operation; and

2.5. There are no defaults by the landlord and, to Assignee's knowledge, there are no material defaults by tenants under the Lease.

3. **Covenants of Assignor**. Assignor covenants and agrees that so long as this Assignment shall be in effect:

3.1. Assignor shall not lease or sublease any portion of the Premises unless Assignor obtains Assignee's prior written consent to all aspects of each such lease.

3.2. Assignor shall observe and perform all of the covenants, terms, conditions and agreements contained in the Lease to be observed or performed by the tenant thereunder, and Assignor shall not do or suffer to be done anything to impair the security thereof. Assignor shall not (i) release the liability of any person under the Lease, (ii) withhold rent or make monetary advances and off-setting the same against future rentals, (iii) consent to any claim of a total or partial eviction, (iv) consent to a termination or cancellation of the Lease, except as specifically provided therein, or (v) enter into any oral leases with respect to all or any portion of the Premises.

3.3. Assignor shall not make any other assignment of its entire or any part of its interest in or to the Lease, or any of all rents, issues, income or profits assigned hereunder, except as specifically permitted by the Loan Documents, and except for any assignment previously made to Assignee in connection with prior loans to Borrower or Assignor;

3.4. Assignor shall not modify the terms and provisions of the Lease, nor shall Assignor give any consent (including, but not limited to, any consent to any assignment of, or subletting under, any Lease, except as expressly permitted thereby) or approval, required or permitted by such terms and provisions or cancel or terminate the Lease, without Assignee's prior written consent.

3.5. Assignor shall not accept a surrender of any Lease or convey or transfer, or suffer or permit a conveyance or transfer, of the Premises or of any interest in the Lease so as to effect, directly or indirectly, proximately or remotely, a merger of the estates and rights of, or a termination or diminution of the obligations of, Assignors thereunder; any termination fees payable under a Lease for the early termination or surrender thereof shall be paid jointly to Assignors and Assignee.

3.6. Assignor shall, at their sole cost and expense, appear in and defend any and all actions and proceedings arising under, relating to or in any manner connected with any Lease or the obligations, duties or liabilities of the lessor or any tenant or guarantor thereunder, and shall pay all costs and expenses of Assignee, including court costs and reasonable attorneys' fees, in any such action or proceeding in which Assignee may appear.

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3.7. Assignor shall give prompt notice to Assignee of any notice of any default under the Lease received from any landlord, tenant or guarantor thereunder.

3.8. Assignors shall enforce the observance and performance of each covenant, term, condition and agreement contained in each Lease to be observed and performed by each party thereunder and shall immediately notify Assignee of any material breach by the tenant or guarantor under the Lease.

3.9. Assignors shall not permit the Lease to become subordinate to any lien or liens other than liens securing the indebtedness secured hereby or liens for general real estate taxes not delinquent.

3.10. If any tenant or landlord under any Lease is or becomes the subject of any proceeding under the Federal Bankruptcy Code, as amended from time to time, or any other federal, state or local statute which provides for the possible termination or rejection of the Leases assigned hereby, Assignor covenants and agrees that if any such Lease is so terminated or rejected, no settlement for damages shall be made without the prior written consent of Assignee, and any check in payment of damages for termination or rejection of any such Lease will be made payable both to Assignor and Assignee. Assignors hereby assign any such payment to Assignee and further covenants and agrees that upon the request of Assignee, they duly endorse to the order of Assignee any such check, the proceeds of which shall be applied in accordance with the provisions of Section 8 below.

4. **Rights Prior to Default.** Unless or until an Event of Default (as defined in Section 6 below) shall occur, Assignor shall have the right to use and possess the Premises and all rights and profits assigned hereunder, and to retain, use and enjoy the same. Upon the occurrence of an Event of Default, Assignor's right to possess the Premises and income and profits therefrom shall immediately terminate without further notice thereof to Assignor. Assignee shall have the right to notify the Landlord and other interested persons of the existence of this Assignment at any time.

5. **Events of Default.** An "Event of Default" shall occur under this Assignment upon the occurrence of (i) a breach by Assignor of any of the covenants, agreements, representations, warranties or other provisions hereof which is not cured or waived within the applicable grace or cure period, if any, set forth in the Note or Loan Agreement (ii) any other Event of Default described in the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents, (iii) any default by the Assignors pursuant to their guaranties.

6. **Rights and Remedies upon Default.** In addition and not in limitation of remedies set forth in the Loan Agreement and other Loan Documents, at any time upon or following the occurrence of any Event of Default, Assignee, at its option, may exercise any one or more of the following rights and remedies without any obligation to do so, without in any way waiving such Event of Default, without further notice or demand on Assignor, without regard to the adequacy of the security for the obligations secured hereby, without releasing Assignor, Borrower or any Guarantor of the Note from any obligation, and with or without bringing any

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action or proceeding to foreclose the Mortgage or any other lien or security interest granted by the Loan Documents:

6.1. Declare the unpaid balance of the principal sum of the Note, together with all accrued and unpaid interest thereon, immediately due and payable;

6.2. Enter upon and take possession of the Premises, either in person or by agent or by a receiver appointed by a court, and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem necessary or proper, with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee, to make, enforce, modify and accept the Lease, to obtain and evict occupants, to fix or modify rents, and to do any other act which Assignee deems necessary or proper;

6.3. Either with or without taking possession of the Premises, demand, sue for, settle, compromise, collect, and give acquittances for all rents, issues, income and profits of and from the Premises and pursue all remedies for enforcement of the Lease and all the tenant's rights therein and thereunder. This Assignment shall constitute an authorization and direction to all parties to the Lease, without proof of default hereunder, upon receipt from Assignee of written notice to thereafter to comply with any notice or demand by Assignee for observance or performance of any of the covenants, terms, conditions and agreements contained in the Lease to be observed or performed for the benefits of Assignors and Assignors shall facilitate in all reasonable ways Assignee's rights as a tenant under the Lease; and

6.4. Make any payment or do any act required herein of Assignors in such manner and to such extent as Assignee may deem necessary, and any amount so paid by Assignee shall become immediately due and payable by Assignors with interest thereon until paid at the Default Rate and shall be secured by this Assignment.

7. **Application of Proceeds.** All sums collected and received by Assignee out of the rents, issues, income and profits of the Premises following the occurrence of any one or more Events of Default shall be applied in accordance with the Illinois Mortgage Foreclosure Law (Chapter 735, Sections 5/15 1101 et seq., Illinois Compiled Statutes) and, unless otherwise specified in such act, in such order as Assignee shall elect in its sole and absolute discretion.

8. **Limitation of Assignee's Liability.** Assignee shall not be liable for any loss sustained by Assignor or Borrower resulting from Assignee's failure to let the Premises or from any other act or omission of Assignee in managing, operating or maintaining the Premises following the occurrence of an Event of Default. Assignee shall not be obligated to observe, perform or discharge, nor does Assignee hereby undertake to observe, perform or discharge any covenant, term, condition or agreement contained in any Lease to be observed or performed by the Tenant thereunder, or any obligation, duty or liability of Assignor under or by reason of this Assignment. Assignors shall and do hereby agree to indemnify, defend (using counsel satisfactory to Assignee) and hold Assignee harmless from and against any and all liability, loss or damage which Assignee may incur under the Lease or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against

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Assignee by reason of any alleged obligation or undertaking on its part to observe or perform any of the covenants, terms, conditions and agreements contained in any Lease. Should Assignee incur any such liability, loss or damage under any Lease or under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall become immediately due and payable by Assignors with interest thereon at the Default Rate and shall be secured by this Assignment. This Assignment shall not operate to place responsibility upon Assignee for the care, control, management or repair of the Premises or for the carrying out of any of the covenants, terms, conditions and agreements contained in the Lease, nor shall it operate to make Assignee responsible or liable for any waste committed upon the Premises by any tenant, occupant or other party, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, occupant, licensee, employee or stranger. Nothing set forth herein or in the Mortgage, and no exercise by Assignee of any of the rights set forth herein or in the Mortgage shall constitute or be construed as constituting Assignee as a "mortgagee in possession" of the Premises, in the absence of the taking of actual possession of the Premises by Assignee pursuant to the provisions hereof or of the Mortgage.

9. **No Waiver.** Nothing contained in this Assignment and no act done or omitted to be done by Assignee pursuant to the rights and powers granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under any of the Loan Documents. This Assignment is made and accepted without prejudice to any of the rights and remedies of Assignee under the terms and provisions of such instruments, and Assignee may exercise any of its rights and remedies under the terms and provisions of such instruments either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Assignee may take or release any other security for the performance of the obligations secured hereby, may release any party primarily or secondarily liable therefor, and may apply any other security held by it for the satisfaction of the obligations secured hereby without prejudice to any of its rights and powers hereunder.

10. **Further Assurances.** Assignors shall execute or cause to be executed such additional instruments (including, but not limited to, general or specific assignments of such Leases as Assignee may designate) and shall do or cause to be done such further acts, as Assignee may request, in order to permit Assignee to perfect, protect, preserve and maintain the assignment made to Assignee by this Assignment.

11. **Severability.** If any provision of this Assignment is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Assignee and Assignor shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Assignment and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

12. **Successors and Assigns.** This Assignment is binding upon Assignors and their legal representatives, successors and assigns, and the rights, powers and remedies of Assignee under this Assignment shall inure to the benefit of Assignee and its successors and assigns.

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13. **Written Modifications.** This Assignment shall not be amended, modified or supplemented without the written agreement of Assignors and Assignee at the time of such amendment, modification or supplement.

14. **Duration.** This Assignment shall become null and void at such time as Assignor or Borrower shall have paid all indebtedness due and owing from Borrowers or Assignors to Assignee, together with all interest thereon, and shall have fully paid and performed all of the other obligations secured hereby and by the other Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

15. **Notices.** All notices, demands, requests and other correspondence which are required or permitted to be given hereunder shall be deemed sufficiently given when delivered or mailed in the manner and to the addresses of Assignor and Assignee, as the case may be, as specified in the Mortgage.

16. **Waiver of Trial by Jury.** ASSIGNORS AND ASSIGNEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL, OR KNOWINGLY CHOSEN NOT TO BE SO REPRESENTED, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS ASSIGNMENT OR ANY LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS ASSIGNMENT OR THE LOAN OR (ii) ARISING FROM ANY BANKING OR LENDING RELATIONSHIP EXISTING IN CONNECTION WITH THIS ASSIGNMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. ASSIGNOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST ASSIGNEE OR ANY OTHER PERSON INDEMNIFIED UNDER THIS ASSIGNMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

17. **General Representations.** Assignors warrant that the Lease is the only document executed by them concerning the Premises described therein; that the Lease is genuine, valid and subsisting, and in all respects what it purports to be; that Assignors are fully competent to enter into the Lease; that Assignors have good right to make this Assignment and have not heretofore alienated, assigned, or otherwise disposed of said Lease or any part thereof or any of the sums due or to become due thereunder; that no Event of Default as defined in the Lease has occurred and is continuing and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder; that all signatures, names and addresses, amounts and other statements and facts contained therein are true and correct; that the Premises described in the Lease have been delivered to Assignors and been accepted by said Assignor. Assignors do hereby ratify and confirm all that Assignee, its successors and assigns, shall lawfully do or cause to be done by virtue of this Assignment, and does hereby covenant to execute and deliver to Assignee upon its demand, any and all instruments that Assignee may deem to be advisable at any time or times to carry out the purpose and intent of this Assignment or to enable Assignee to enforce any right or rights it may have, hold or enjoy, now or in the future, under any of the terms hereof and/or under the terms of

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any security agreement or other agreement by and between Borrower or their successors or assigns and Assignee or its successors and assigns, or it may require or desire for its protection.

This Assignment shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

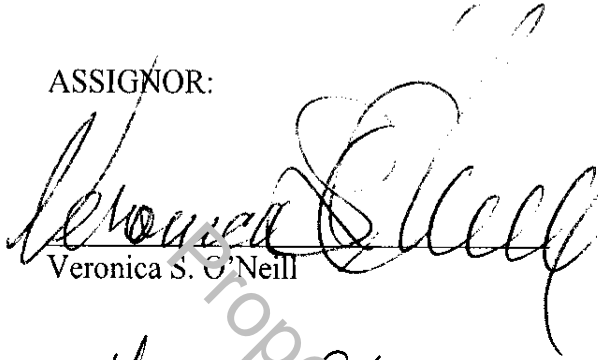
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Signature follows on the next page.]

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IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment as of the date first above written.

ASSIGNOR:

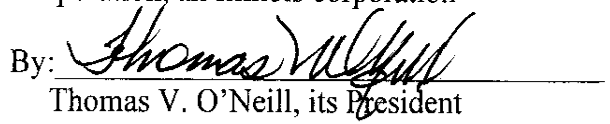

Veronica S. O'Neill

As Landlord under the above-described Lease, the undersigned acknowledges and lodges this Assignment as of the date above written.

LANDLORD:

1421 North State Parkway Tenants Corporation, an Illinois corporation


Thomas V. O'Neill, for waiver of homestead, if any

By: 
Thomas V. O'Neill, its President

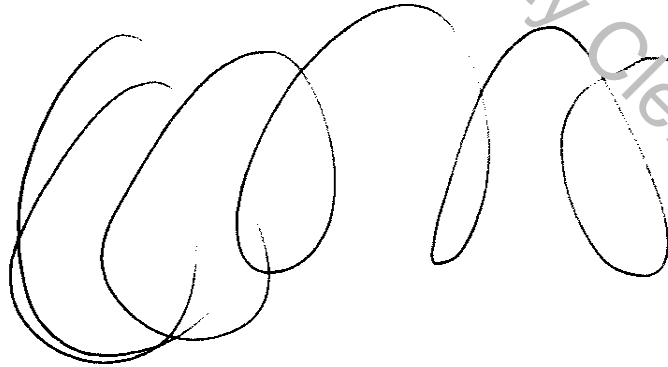
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EXHIBIT A

COPY OF LEASE

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A large, handwritten scribble or signature in black ink, consisting of several overlapping loops and curves, positioned below the diagonal watermark text.

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1421 NORTH STATE PARKWAY TENANTS CORPORATION,

PROPRIETARY LEASE**COPY**

AGREEMENT, made as of November, 1993, between 1421 North State Parkway Tenants Corporation, an Illinois corporation having its office at 1421 North State Parkway, Chicago, Illinois and being the sole holder of the beneficial interest in American National Bank and Trust Company of Chicago Trust No. 77408 (hereinafter called the "Lessor") and VERONICA S. O'NEILL, presently residing at 1421 N. Hart Hwy, (hereinafter called the "Lessee").

W I T N E S S E T H :

Whereas the Lessor is the owner of a parcel of land and the building thereon known as and by the street number 1421 North State Parkway, Chicago, Illinois, and legally described in Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Building"); and

Whereas the Lessor, in accordance with a plan to provide cooperative ownership of apartments in the Building, has leased or proposes to lease the apartments in the Building to the several owners of its capital shares by instruments known as proprietary leases; and

Whereas the Lessee is the owner of 55% of the capital shares of the Lessor which have been allocated to the Apartment hereinafter designated;

Now, Therefore, in consideration of the premises and of the rents, covenants and agreements hereinafter set forth, the Lessor hereby leases to the Lessee, subject to the terms and conditions hereof and the Lessee hires from the Lessor, all the rooms as presently partitioned on the 4th floor of the Building, known as Apartment 4146, and as delineated in Exhibit "B" attached hereto and made a part hereof (and hereinafter referred to as the "Apartment"), along with the right to the exclusive use and possession of the Limited Common Areas contiguous to and/or serving the Apartment, as further delineated on Exhibit "B", subject, however to the perpetual, non-exclusive easement created by the By-Laws of the Corporation for reasonable ingress and egress to each apartment and portion of the Common Areas upon, over and along the Limited Common Areas;

To Have and to Hold the Apartment with its appurtenances unto the Lessee, his legal representatives and authorized assigns from November, 1993 until the 30th day of September, 2056 (unless the term shall sooner expire as hereinafter in this Lease provided) at a rent, for each year or portion of year, during said term, equal to that proportion of the Lessor's Cash Requirements (as determined by the Board of Directors of the Lessor and as hereinafter defined) for such year or portion of year which the number of capital shares specified in the recitals of this Lease bears to the total number of capital shares of the Lessor issued and outstanding on the date of the determination of Lessor's Cash Requirements, together with the additional rent hereinafter provided. Rent shall be payable in monthly installments, in advance at such place as shall be determined from time

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to time by resolution of the Board of Directors of the Lessor, and additional rent shall be payable at the same place and as hereinafter provided.

The failure of the Board of Directors of the Lessor to determine the Lessor's Cash Requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of the Lessee from the obligation to pay the rent or any installment thereof, but the Lessor's Cash Requirements last determined for any year or portion thereof shall thereafter continue to be the basis for determining the rent until the Lessor's Cash Requirements shall be redetermined.

The power and authority to determine and establish the amount of, and to require payment of, the Lessor's Cash Requirements and the rent above provided for, shall be possessed only by the Board of Directors of the Lessor, and not by any creditor, receiver or trustee of the Lessor or any representative of any such creditor, receiver or trustee of the Lessor or by any Board of Directors elected by any such creditor, receiver or trustee or by the representative of any such creditor, receiver or trustee. Every such determination by the Board of Directors, within the bounds of this agreement of Lease, shall be final and conclusive as to the Lessee, and any expenditures made by the Lessor's officers, or by Lessor's duly appointed managing agent under the direction or with the approval of the Lessor's Board of Directors, within the bounds of this Lease, shall, as against the Lessee, be deemed necessary and properly made.

1. The Lessor and Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which the Lessor was incorporated.

2. In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there shall be specified, the number of capital shares of the Lessor allocated to the apartment covered thereby, which number, in relation to the total number of capital shares of the Lessor then issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the Lessor's Cash Requirements which shall be payable as rent by the Lessee. In the event that, after the fixing of the amounts payable as rent by lessees under proprietary leases for any period of time, one or more additional proprietary leases be made, thus increasing the aggregate number of shares specified in all proprietary leases, the rent to be paid under such additional lease or leases, unless and until the Board of Directors of the Lessor shall otherwise fix the rent to be paid under all proprietary leases, shall be at the same rate per capital share specified in such additional lease or leases as is applicable to the capital shares specified in all other proprietary leases in effect at the time of the fixing and determination of the Lessor's Cash Requirements, and the rent payable for such period of time by lessees under such other proprietary leases shall not be modified or affected by any increase in the aggregate number of shares specified in all proprietary leases.

3. The Lessee shall pay the rent to the Lessor or, if so directed by the Lessor, to its duly appointed managing agent, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor.

4. The Lessee shall not occupy or use the Apartment, or permit the same or any part thereof to be occupied or used, for any purpose other than as a private dwelling apartment or, subject to the provisions of Paragraph 5 hereof, by anyone other

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than the Lessee, Members of the Lessee's Family, and the Lessee's employees and servants.

5. The Lessee shall not sublet the whole or any part of the Apartment for any term to any person or persons or permit the same to be occupied by any persons other than Members of the Lessee's Family, the Lessee's employees and servants, unless consent thereto shall have been duly given by the Lessor or a majority of the then authorized total number of directors of the Lessor or the holders of two-thirds of the capital shares of the Lessor then issued and outstanding which shall be evidenced by an instrument, in writing, signed by an officer of the Lessor pursuant to due authorization: (i) of the Board of Directors of the Lessor; or (ii) of a majority of the then authorized total number of directors of the Lessor; or (iii) of the holders of two-thirds of the capital shares of the Lessor then issued and outstanding, as the case may be, and the Board of Directors or shareholders of the Lessor, as the case may be, may condition any consent given to a proposed subletting upon compliance by the Lessee with any requirements made with respect to such subletting and upon the payment by the Lessee of all expenses incurred by the Lessor and/or shareholders of the Lessor in connection with such subletting. Whenever the Lessee applies for consent to any subletting the Lessee shall deliver to the Lessor a copy of the proposed sublease to which consent is requested.

Notwithstanding the foregoing, however, no consent or payment of any kind shall be required with respect to any subletting by the Lessee to a Member of the Lessee's Family, as hereinafter defined.

6. The Lessee shall not assign this Lease or transfer the shares allocated to the Apartment or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, until:

(a) an instrument of assignment, executed and acknowledged by the assignor, shall have been delivered to the Lessor;

(b) an agreement by the assignee assuming and agreeing to perform and comply with all the covenants and conditions of this Lease to be performed or complied with by the Lessee from and after the effective date of the assignment shall have been executed and acknowledged by the assignee and delivered to the Lessor, but no such assumption agreement shall be required if the assignee surrenders the assigned lease and enters into a new proprietary lease for the remainder of the term as herein provided;

(c) all capital shares of the Lessor allocated to the Apartment shall have been duly transferred to the assignee, with any required transfer stamps affixed;

(d) (i) all sums due from the Lessee under this Lease; and (ii) a sum to be fixed by the Board of Directors to cover reasonable legal, title search and other expenses incurred by the Lessor and its managing agent, if any, and the fee of said managing agent, if any, in connection with such assignment and transfer of shares shall have been paid to the Lessor.

(e) consent to such assignment shall have been duly given by an instrument, in writing, signed either: (i) by a majority of the then authorized total number of directors of the Lessor; or (ii) when duly authorized either by a resolution of the Lessor's Board of Directors or by the holders of two-thirds of the shares of the Lessor then issued and outstanding, by any officer of the Lessor, provided that no such consent shall be required in the

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case of an assignment, transfer, devise or bequest of this Lease to the Lessee's spouse.

In the event the Lessee (or any one of them) shall die during the term of this Lease, the Board of Directors of the Lessor shall not unreasonably withhold consent to any assignment or transfer of this Lease and the shares allocated to the Apartment by devise or bequest or by assignment by the administrator or executor of the Lessee, provided that such devisee, legatee or assignee shall be a financially responsible Member of the Lessee's Family, as hereinafter defined (other than the Lessee's spouse as to whom no consent is required).

Whenever, under the provisions of the Lease, the Lessee shall be permitted to assign and shall so assign this Lease, and the assignee shall assume all of the unfulfilled obligations of the assignor hereunder either by an instrument in writing delivered to the Lessor or by surrendering the assigned lease and entering into a new lease for the remainder of the term, the assignor shall have no further liability on any of the covenants of this Lease thereafter to be performed. At the option and election of the Lessor any assigned lease shall be surrendered and cancelled and a new proprietary lease for the remainder of the term of this Lease shall in such case be entered into between the Lessor and the assignee.

Neither the Lessee nor his executor, administrator or personal representative, nor any trustee or receiver of the property of the Lessee, nor anyone to whom the interest of the Lessee shall pass by law shall be entitled to assign this Lease or to sublet or use the Apartment, or any part thereof, except upon compliance with the requirements of this lease. The restrictions on the subletting and the occupancy of the Apartment and on the assignment of this Lease, as hereinbefore set forth, are an especial consideration and inducement for the granting of this Lease by the Lessor to the Lessee.

No demand or acceptance of rent from any assignee hereof, or from any subtenant or other person in possession, shall constitute or be deemed to constitute a consent to or approval of any assignment, sublease or occupancy.

A pledge of capital shares of the Lessor and an assignment of this Lease in connection therewith as collateral security shall not be deemed a violation of any covenant or condition of this Lease relating to the transfer of such shares or the assignment of this Lease, but neither the pledgee nor any transferee of the pledge shall have the right to vote said shares or to acquire ownership thereof or to acquire a proprietary lease of the Apartment by assignment or otherwise, or to sublet or occupy the Apartment except upon compliance with all of the provisions of Paragraphs 5 or 6 of this Lease.

7. If the Lessee shall at any time sublet the Apartment, with or without the Lessor's consent, and shall default in the payment of any rent, the Lessor may, at its option, as long as such default shall continue, demand and receive the rent due or becoming due from such subtenant to the Lessee, up to an amount sufficient to pay all sums due from the Lessee to the Lessor, and any such payment of such subrent to the Lessor shall be sufficient payment and discharge of such subtenant as between such subtenant and the Lessee to the extent of the amount so paid.

8. Subject to the provisions of Paragraph 15 hereof, the Lessor shall maintain and operate the Building as a first-class apartment house, and: (a) shall keep the lobbies, public halls,

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Building and the apartments therein, and the Lessor shall have the right to collect the same, as additional rent, for its own account and the account of other lessees. In addition to decorating the Apartment and putting and keeping the interior of the Apartment in good repair, as aforesaid, the Lessee shall be responsible for the maintenance or replacement of any plumbing fixtures, ranges, lighting fixtures, refrigerators and other equipment that may at any time be in the Apartment.

11. The Lessee shall not, without first obtaining the written consent of the Lessor (which consent shall not be unreasonably withheld or delayed), make in the Apartment, or on any terrace or balcony appurtenant thereto, any structural alteration or any alteration of the water, gas or steam pipes, electrical conduits or plumbing, or any through-wall air conditioning unit or equipment installation, nor shall the Lessee install any electrical or other equipment which shall impose an excessive load on such pipes, conduits or plumbing or on existing water, gas, steam or electric supplies or, except as hereinafter authorized, remove any additions, improvements or fixtures from the Apartment. If the Lessee or any prior lessee shall have heretofore placed or shall hereafter place in the Apartment any special additions, improvements or fixtures, such as and without limiting the generality of the foregoing, mantels, lighting fixtures, refrigerators, air conditioning units and equipment, ranges, woodwork, panelling, ceilings, doors or decorations, then the Lessee shall have the right, during the term of this Lease, to remove the same at the Lessee's own expense, provided: (a) that the Lessee at the time of such removal shall not be in default in the payment of rent or additional rent or in the performance of any provision or condition of this Lease; (b) that prior to any such removal, the Lessee shall give written notice thereof to the Lessor; (c) that the Lessee shall pay the cost of any such removal and shall repair any damage to the Building and the Apartment resulting therefrom; and (d) that the Lessee shall replace and re-install at the Lessee's own expense any equipment that was in the Apartment at the beginning of the term or, at the Lessee's option, shall put the Apartment in tenable condition by installing standard equipment of a kind and quality customary in the Building and satisfactory to the Lessor.

On the expiration of the term hereby granted, or upon a sooner termination of this Lease, the Lessee shall surrender to the Lessor possession of the Apartment with all additions, improvements and fixtures then included therein, except as hereinabove provided. Any additions, improvements or fixtures not removed by the Lessee at or prior to the termination of this Lease shall be deemed abandoned and shall become the property of the Lessor. Any other personal property not removed by the Lessee at or prior to the termination of this Lease may be removed by the Lessor to any place of storage and stored for the account of the Lessee without the Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of the Lessor or of the Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

12. In case there shall be filed a notice of mechanic's lien against the Building for, or purporting to be for, labor or material alleged to have been furnished or delivered at the Building or the Apartment to or for the Lessee, or anyone claiming under the Lessee, the Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to cause such lien to be discharged within five days after notice from the Lessor, then the Lessor may cause such

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lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect from the Lessee, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment. Any such sums shall be payable as and when bills therefor are rendered, and in case of failure on the part of the Lessee to pay same the Lessor, at its option, may add the amount thereof to the next installment of rent due under this Lease.

13. The Lessor and its agents shall be permitted to visit and examine the Apartment at any reasonable hour of the day, and workmen may enter at any reasonable time, when authorized by the Lessor or the Lessor's managing agent, if any, to make or facilitate repairs in any part of the Building and to remove such portions of the walls, floors and ceilings of the Apartment as may be required for the purpose of making such repairs, but the Lessor shall at its own cost and expense thereafter restore the Apartment to its former condition. If the Lessee shall not be personally present to permit entry into the Apartment at any time when an entry shall be necessary due to a situation of an emergency nature, the Lessor or the Lessor's agents may forcibly enter the Apartment without rendering the Lessor or such agent liable to any claim or cause of action for damages by reason thereof (if during each entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this Lease; and the right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability whatsoever for the care or supervision of the Apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained or therewith in any manner connected, except as may be herein specifically provided.

14. (a) If the Lessee shall fail to make repairs as herein required, or shall fail to comply with any other covenant or condition of this Lease on his part to be performed, the Lessor may, after ten days' notice to the Lessee (or if the Lessee or any person dwelling in the Apartment shall expressly request the Lessor, its agents or servants, to perform any act not hereby required to be performed by the Lessor, the Lessor may, without such notice) make such repairs, comply with such covenant or condition, or perform such act or arrange for others to do the same, without liability on the Lessor; and, in such event, the Lessor, its agents, servants, and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor made by Lessor shall be so construed whether or not made in the name of the Lessee.

(b) The Lessee agrees to indemnify the Lessor against and to save the Lessor harmless from all liability, loss, damage and expense arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Lessee or any person dwelling or visiting in the Apartment, or by the Lessor, its agents, servants and contractors when acting as agent for the Lessee as in this Lease provided.

(c) In addition to other legal remedies hereinbefore or hereinafter provided for, in case of violation of any covenants by the Lessee, the same shall be restrainable by injunction and neither the mention herein nor the election hereafter of one or more of the remedies provided, shall preclude the Lessor from enforcing any other right, remedy, option, election or priority allowed by law, whether or not herein specifically set forth.

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policies or prejudice the right of the Lessor or recover thereunder. The Lessor agrees that it will request the Lessor's insurance carriers to include in each of the Lessor's policies a suitable clause or endorsement, as aforesaid, provided that no extra cost shall be charged therefor, and upon request, the Lessor or its managing agent, if any, shall advise the Lessee whether or not it has been able to obtain such a clause or endorsement in its policies.

18. If upon, or at any time after, the happening of any of the events mentioned in subdivision (a) to (h) inclusive of this Paragraph 18, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this Lease shall expire on the date so fixed as if that were the date originally fixed for its expiration, and all right, title and interest of the Lessee hereunder shall thereupon cease and expire, and the Lessee shall thereupon quit and surrender the Apartment to the Lessor, and thereupon the Lessor shall have the right to re-enter the Apartment and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the Apartment in its former estate as if this Lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of re-entry, repossession and removal herein granted and reserved:

(a) If at any time during the term of this Lease the Lessee shall cease to be the owner of all of the capital shares of the Lessor which are heretofore stated to be owned by the Lessee and allocated to the Apartment, or if this Lease shall pass or be assigned to anyone who is not then the owner of all of said shares.

(b) If at any time during the term of this Lease: (1) the Lessee shall be adjudicated a bankrupt under the laws of the United States; or (2) a receiver of all of the property of the Lessee, or of this Lease, or of the capital shares of the Lessor allocated to the Apartment, shall be appointed under any provisions of the laws of the State of Illinois or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within sixty days; or (3) the Lessee shall make a general assignment for the benefit of creditors; or (4) any of the capital shares of the Lessor owned by the Lessee and allocated to the Apartment shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty days; or (5) this Lease or the shares allocated to the Apartment shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this Lease in the manner herein permitted (but this subsection (5) shall not be applicable if this Lease or the shares allocated to the Apartment shall pass to the executors or administrators of the Lessee).

(c) If at any time there be an assignment or purported assignment of this Lease without full compliance with the requirements of Paragraph 6 hereof, or if at any time there be any subletting hereunder without full compliance with the requirements of Paragraph 5 hereof, or if any unauthorized person shall be permitted to use or occupy the Apartment, and, in the case of any such subletting or unauthorized use or occupancy, the Lessee shall fail to cure such condition within ten days after written notice from the Lessor.

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(d) If the Lessee shall be in default for a period of one month in the payment of any rent or additional rent, or of any installment thereof herein provided for, and shall then fail to cure such default within ten days after written notice thereof shall have been given by the Lessor.

(e) If the Lessee shall default in the performance of any covenant or provision hereof, other than the covenant to pay rent or covenants otherwise provided for in this Paragraph 18, and shall fail to cure any such default within thirty days after written notice thereof shall have been given by the Lessor, provided, however, that if said default consists in failure to perform any act the performance of which requires any substantial period of time, then if within said period of thirty days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, the Lessee shall be deemed to have cured said default.

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of the then authorized total number of directors of the Lessor and the holders of two-thirds or more of the capital shares of the Lessor then issued and outstanding, at a meeting of such shareholders duly called to take action on the subject, that because of objectionable conduct on the part of the Lessee, or of a person dwelling in or visiting the Apartment, the tenancy of the Lessee is undesirable (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the house rules hereto attached or hereafter established in accordance with the provisions of this Lease, or to permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the Building or the Apartment, shall be deemed to be objectionable conduct).

(g) If at any time the Lessor shall determine, by action of its Board of Directors concurred in by the affirmative vote of two-thirds of the then authorized total number of directors, and upon the affirmative vote of the holders of two-thirds or more of its capital shares then issued and outstanding, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases.

(h) If at any time the Building or a substantial portion thereof shall be taken by condemnation proceedings.

19. (a) In the event of the Lessor's resuming possession of the Apartment either by summary proceedings, action of ejectment or otherwise because of default by the Lessee in the payment of rent or additional rent, or any part thereof, or on the expiration of the term under the provisions of subsections (a), (b), (c), (d), (e) or (f) of Paragraph 18 hereof, the Lessee shall continue to remain liable for payment of the rent which would have become due hereunder from time to time. No suit brought to recover any installment of such rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time: (i) relet the Apartment for its own account; or (ii) relet the Apartment as the agent of the Lessee, in the name of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this Lease, and may grant concessions or free rent, in its discretion. Within ten days after reletting the Apartment, as aforesaid, the Lessor shall notify the Lessee as to whether the Apartment has been relet for the account of the Lessee or for the Lessor's own account. The fact that the Lessor may have relet as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet for its own account and will no longer relet the Apartment as agent for the Lessee. If the Lessor relets the Apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including a reasonable amount for decoration, alterations and repairs in and to the Apartment,

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apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (1) September 30, 2056; (2) the date as of which a new proprietary lease covering the Apartment shall have become effective; (3) the date the Lessor gives written notice to the Lessee that it has relet the Apartment for its own account or that it will no longer relet the Apartment as agent for the Lessee; (4) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee as above provided, the Lessor shall have no further duty to account to the Lessee for any avails of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

(b) On the termination of this Lease under subdivisions (a), (b), (c), (d), (e) or (f) of Paragraph 18, or otherwise because of default by the Lessee, the Lessee shall surrender to the Lessor the certificate for the capital shares of the Lessor owned by the Lessee and allocated to the Apartment. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the Apartment and issue a new certificate for the capital shares of the Lessor owned by the Lessee and allocated thereto. When a purchaser therefor is found, provided that the issuance of such shares and such lease to such purchaser is authorized in the manner provided in Paragraph 6(e) hereof. Upon such issuance the share certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. Upon the issuance of any such new proprietary lease and certificate, the Lessee's continuing liability hereunder, if not theretofore terminated, shall cease and the Lessee shall only be liable for rent and expenses accrued to that time. The Lessor shall apply the proceeds received from the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, reasonable attorneys' fees and other expenses incurred by the Lessor, and if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus to the Lessee, but if insufficient the Lessee shall remain liable for the balance of the indebtedness.

20. This Lease may not be cancelled without the joint written consent of the Lessor and the Lessee.

21. Subject to all the applicable provisions of this Lease and to the use of any terrace or balcony by the Lessor to enable it to fulfill its obligations hereunder, if the Apartment embraces a terrace or balcony or a portion thereof, the Lessee shall have and enjoy the exclusive use of such terrace or balcony. The Lessee shall not install any walls, enclosures, awnings or plantings on any such terrace or balcony, except with the prior written approval of the Lessor or its managing agent. It shall be the Lessee's duty to keep such terrace or balcony clear and free from ice, snow and debris and to provide proper drainage therefor and the Lessor shall have no duties or obligations with respect to any of such matters. The Lessor shall have the right to erect on the roof of the Building, for its use and for the use of other lessees, radio or television aerials and antennae or other necessary or desirable improvements and the Lessor and/or

22. The Lessor hereby establishes the house rules appended to this Lease for the management and control of the Building, and may also from time to time alter, amend and repeal such rules and make additions thereto as its Board of Directors may reasonably deem necessary or desirable, and this Lease shall be in all respects subject to the appended rules, to all reasonable changes and modifications therein, and to all new rules of which notice has been given to the Lessee, and the Lessee shall obey all such

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rules and see that they are faithfully observed by his family, guests, employees and subtenants, but the Lessor shall not be responsible to the Lessee for the non-observance or violation of such rules by any other lessee or person other than employees of the Lessor.

23. This Lease is and shall remain subject and subordinate to: (a) all present and future mortgages constituting liens on the Building and/or the land on which it stands and to any and all extensions, modifications, consolidations, replacements, and renewals thereof; (b) all present and future ground, underlying or overriding leases affecting the Building and/or the land on which it stands and to all extensions, modifications, replacements and renewals thereof; and (c) all present and future mortgages affecting any such ground, underlying or overriding leases and to any and all extensions, modifications, consolidations, replacements and renewals thereof. The Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by any lessor of any ground, underlying or overriding lease or any mortgagee or by the Lessee for the purpose of more formally subjecting this Lease to the lien of any such mortgage, ground, underlying or overriding lease, and the duly elected officers, for the time being, of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon such demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

24. The Lessor shall keep full and correct books of account at its principal office or at such other place in Chicago, Illinois as the Board of Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or his representatives. The Lessor shall deliver to the Lessee within four months after the end of each fiscal year an annual report of corporate affairs including a balance sheet and operating statement certified by an independent certified public accountant.

25. In the event that, as of the date of the commencement of this Lease, any third party should be in possession or have a right to possession of the Apartment pursuant to any lease, rental or occupancy agreement or as a statutory tenant or otherwise, then the Lessor does hereby assign to the Lessee any and all of the Lessor's rights therein or against said third party, including the right to collect rent falling due and becoming payable after the date of the commencement of this lease and under such lease, rental or occupancy agreement, statutory tenancy or other arrangement, and the Lessor shall deliver to the Lessee any and all leases and other documents in its possession relating thereto.

26. In the event that as of the date of the commencement of this Lease the Lessee has the right to possession of the Apartment under any lease, rental or occupancy agreement or as a statutory tenant or otherwise, then this Lease shall supersede such prior lease, rental or occupancy agreement, statutory tenancy or other arrangement, and such prior lease, rental agreement, statutory tenancy or other arrangement shall be null and void and of no force and effect after the date of commencement of this Lease, except for tenant's or occupant's obligations which have theretofore arisen thereunder.

27. All proprietary leases of apartments in the Building heretofore executed are, and all such leases hereafter executed shall be, in the form of this Lease, except with respect to the statement as to the number of capital shares owned by the Lessee,

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until the form is amended for subsequent use and is approved by lessees owning at least two-thirds in amount of the Lessor's capital shares then issued and outstanding. The Lessor will not make or consent to any change or alteration in the terms or conditions of any proprietary lease which shall have been executed by the Lessor unless such change or alteration shall be similarly approved. Any such approval shall be evidenced by written consent or affirmative vote taken at a shareholders' meeting called for such purpose.

28. (a) The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the covenants or conditions hereof, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver of such default or a relinquishment for the future of the right to enforce such covenant or exercise such option or right thereafter but such covenant or option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in writing and signed by an officer of the Lessor pursuant to authority contained in a resolution of its Board of Directors.

(b) To the extent, if any, permitted by law, the respective parties shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the use or occupancy of the Apartment, or any claim of damages resulting from any act or omission of the parties in any way connected with this Lease or the Apartment.

29. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense (whether paid or not) in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, the expense thereof to the Lessor, including reasonable attorneys' fees and disbursements, shall be paid by the Lessee to the Lessor, on demand, as additional rent.

30. Any notice by the Lessor to the Lessee or by the Lessee to the Lessor shall be deemed to have been duly given, and any demand by the Lessor on the Lessee or by the Lessee on the Lessor shall be deemed to have been duly made, only if in writing and delivered personally or sent by certified or registered mail addressed to the Lessor, 1421 North State Parkway, Chicago, Illinois, or to the Lessee at 1421 North State Parkway, Chicago, Illinois or such other address as may be designated by the Lessor or the Lessee, as the case may be, in the manner herein set forth for the giving of notices.

31. The Lessee upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed and complied with as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the Apartment without any suit, trouble or hindrance from the Lessor.

32. The capital shares of the Lessor held by the Lessee and allocated to the Apartment have been acquired and are owned subject to the following conditions agreed upon with the Lessor and with each of the other proprietary lessees for their mutual benefit:

(a) The shares represented by each certificate are transferable only as an entirety.

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(b) The shares shall not be sold except to the Lessor or to an assignee of this Lease after compliance with all of the provisions of Paragraph 6 of this Lease relating to assignments.

33. Except as otherwise in this Lease provided, the references herein to the Lessor shall be deemed to include its successors and assigns, and the references herein to the Lessee or to a shareholder of the Lessor shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of the Lessee or of such shareholder; and the covenants herein contained shall apply to, bind and inure to the benefit of the Lessor and its successors and assigns, and, subject to the provisions of Paragraph 6 hereof, the Lessee and the executors, administrators, legal representatives, legatees, distributees and assigns of the Lessee.

34. The provisions of this Lease cannot be changed orally.

35. If more than one person is named as Lessee hereunder, the Lessor may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Lessee hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this Lease, or any request for consent to assignment or subletting. Each person named as Lessee shall be fully liable for all of the Lessee's obligations hereunder. Any notice by the Lessor to any person named as Lessee shall be sufficient, and shall have the same force and effect as though given to all persons named as Lessee.

36. If any clause or provision herein contained shall be adjudged invalid, such fact shall not affect the validity of any other clause or provision of this Lease, or give rise to any cause of action in favor of either party as against the other.

37. A. "Lessor's Cash Requirements" whenever used herein shall mean the amount in cash which the Board of Directors of the Lessor by resolution duly adopted shall in its judgment estimate to be necessary or proper: (1) for the operation, maintenance, care and improvement of the corporate property during the year or portion of the year for which such estimate is made; (2) the creation of such reserve for contingencies as may seem proper; and (3) the payment of, or establishment of a reserve for, any other obligations, except for that certain indebtedness secured by that certain Trustee Mortgage, dated May 21, 1976, by and between First Federal Savings and Loan Association, as mortgagee, and American National Bank and Trust Company of Chicago as Trustee under Trust No. 77408, as mortgagor, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred - after giving consideration to: (a) income reasonably expected to be received during such period (other than rent under proprietary leases); and (b) surplus which the Board of Directors in its discretion may deem applicable. While the Board of Directors, of the Lessor may, from time to time, by resolution duly adopted, modify its prior estimates and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof, no such determination shall have any retroactive effect on the amount of the rent payable by the Lessee for any period elapsed prior to the date of such determination.

Any sums which the Lessee may pay hereunder and which are used to meet the Lessor's Cash Requirements for mortgage amortization payments or any other mortgage principal payments, shall not be deemed income to the Lessor but shall be deemed contributions to the capital of the Lessor, and shall be credited by the Lessor upon its books to an account entitled "Paid-in Surplus."

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B. "Member of the Lessee's Family" as used herein, shall be deemed to mean the Lessee's spouse, parents, parents-in-law, brothers and sisters, children, grandchildren, children-in-law and stepchildren, nieces, nephews, or if the Lessee be more than one person, of any of the Lessees.

C. "Issued and outstanding" wherever used herein as relating to the capital shares of the Lessor shall be deemed to include only the capital shares of the Lessor issued to and outstanding in the names of persons holding proprietary leases on apartments in the Building, and shall not include any shares authorized but unissued, nor any shares previously issued, but returned to the treasury on cancellation of proprietary leases.

D. "Common Areas" as used herein; shall mean all of the property described in Exhibit "A" along with the Building thereon, excluding the individual apartments but including, without limitation, the land, foundation, roofs, walls, outside walks and driveways and parking areas. Structural columns located within the boundaries of an apartment shall be part of the Common Areas.

E. "Limited Common Areas" as used herein shall mean those portions of the Common Areas contiguous to and/or serving an apartment exclusively as an inseparable appurtenance thereto. Any portion of the Common Areas which by its nature or location is clearly intended to serve exclusively a certain apartment or apartments (but less than all of the apartments) or the lessee or lessees thereof shall be deemed a Limited Common Area. The Limited Common Area shall include those patios, terraces, parking areas and corridors designated on Exhibit "B".

18. On the termination of all proprietary leases, whether by expiration of their term or otherwise, the Building and the other assets of the Lessor shall be operated and managed and disposed of in such manner as shall seem proper to the Board of Directors, provided, however, that a meeting of shareholders shall be held not later than one month after such termination at which the directors shall be instructed by vote of the holders of a majority of the shares of the Lessor as to the future management and operation of the corporate property.

19. Lessor is hereby given, and shall have at all times until the fulfillment of all of the obligations of Lessee hereunder, a first and valid lien upon the interest of Lessee hereunder, and upon the Apartment and all refrigerators, stoves, venetian blinds and attached floor coverings placed in or about the Apartment by Lessee whether exempt by law or not, and upon the shares of Lessor owned by Lessee, to secure the payment of any and all sums which may at any time become due to Lessor hereunder, which lien may, at the option of Lessor, be foreclosed in equity, or in any other lawful manner, at any time when any such sum or any portion thereof shall become past due hereunder, and in the event of any such foreclosure, a receiver may, at the option of Lessor, be appointed to take possession of any or all of the property covered by such lien and to relet all or such portion of the Apartment as such receiver shall, pursuant to order of court, see fit. The shares of Lessor held by Lessee are hereby continuously and irrevocably pledged by Lessee to Lessor as security for the due and punctual performance of any and all obligations of Lessee to Lessor pursuant to the provisions of this Lease. Lessor shall have and is hereby irrevocably given the right to sell such shares (and assign this Lease) in the event of a termination of this Lease under the provisions of paragraph 18 hereof. If Lessor is unable to obtain possession of the certificate for such shares and of Lessee's copy of this Lease from Lessee at the time of such sale, it may by resolution of its Board of Directors declare such certificate cancelled and such Lease terminated, and may issue a new certificate and a new

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Lease to the purchaser of such shares. Such shares may be sold by Lessor at public or private sale, on not less than thirty (30) days' notice in writing to Lessee, for cash or upon such terms of credit as may seem reasonable and proper to Lessor, and at any such sale Lessor or its agents may bid for and purchase such shares. The proceeds of such sale shall be applied first to the payment of any indebtedness of Lessee to Lessor hereunder, and next to the costs incurred by Lessor in connection with any defaults under and the termination of this Lease and the conduct of such sale, including reasonable attorney's and broker's fees. The balance, if any, of such proceeds, shall be paid to Lessee. Should the proceeds of such sale be insufficient to cover the indebtedness of Lessee and the costs above specified, Lessee shall be liable to Lessor for the difference. In the event of any such sale, Lessor shall have, and it is hereby irrevocably given, the right to enter into a proprietary lease with the purchaser of such shares covering the Apartment, and Lessee hereby recognizes the right of occupancy of any such lessee.

IN WITNESS WHEREOF, the Lessor has caused its corporate seal to be hereunto affixed and this instrument to be signed by its duly authorized officer, and the Lessee has executed this instrument under seal, the day and year first above written.

1421 NORTH STATE PARKWAY
 TENANTS CORPORATION, sole holder
 of the beneficial interest in
 American National Bank and Trust
 Company of Chicago Trust No. 77408

By: _____
 President

AMERICAN NATIONAL BANK AND TRUST
 COMPANY OF CHICAGO, not personally
 but solely as trustee under Trust
 No. 77408

By: _____

Its: _____

 (r.s.)
VERONICA S. O'NEILL
 Lessee

 (L.S.)
 Lessee

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STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

On the _____ day of November, 1993, before me personally appeared Ardeen W. McGhee, to me known, who being by me duly sworn, did depose and say that he resides at 1421 North State Parkway, Chicago, Illinois; that he is the President of 1421 North State Parkway Tenants Corporation, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

 Notary Public

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

On the _____ day of November, 1993, before me personally appeared Verinda S. O'Neill, to me personally known and known to me to be the individual(s) described in and who executed the foregoing instrument, and duly acknowledged to me that she (they) executed the same.

 Notary Public

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, Grantor, personally known to be the same persons whose names are subscribed to the foregoing instrument as such _____ Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said national banking association, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that said Assistant Secretary, as custodian of the corporate seal of said national banking association, caused the corporate seal of said national banking association to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said national banking association, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____,

MY COMMISSION EXPIRES:

 Notary Public

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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 31 AND THE NORTH 5 FEET OF LOT 30 IN BLOCK 3 IN THE
CATHOLIC BISHOP OF CHICAGO'S LAKE SHORE DRIVE ADDITION
TO CHICAGO, BEING A SUBDIVISION OF THE NORTH 18.83
ACRES OF FRACTIONAL SECTION 3, TOWNSHIP 39 NORTH, RANGE
14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

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HOUSE RULES

ONE. The public halls and stairways of the Building shall not be obstructed or used for any purpose other than ingress to and egress from the apartments in the Building.

TWO. Children shall not play in the public halls or stairways.

THREE. No lessee shall make or permit any disturbing noises in the Building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other occupants of the Building. No lessee shall play upon any musical instrument or permit to be operated a phonograph or a radio or television loudspeaker or other sound producing device in such lessee's apartment between the hours of eleven o'clock P.M. and the following eight o'clock A.M. if the same shall disturb or annoy other occupants of the Building, and in no event shall any lessee practice or suffer to be practiced either vocal or instrumental music for more than two hours in any day or between the hours of six o'clock P.M. and the following nine o'clock A.M. No lessee shall give vocal or instrumental instruction at any time.

FOUR. Each lessee shall keep such lessee's apartment in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, terraces or balconies thereof, any dirt or other substance.

FIVE. No article shall be placed in the halls or on the staircase landings nor shall anything be hung or shaken from the doors, windows, terraces or balconies or placed upon the window sills of the Building.

SIX. No shades, awnings, window guards, ventilators or air conditioning devices shall be used in or about the Building except such as shall have been approved by the Lessor, which approval the Lessor shall not unreasonably withhold or delay.

SEVEN. No sign, notice or advertisement shall be inscribed or exposed on or at any window or other part of the Building, except such as shall have been approved by the Lessor; nor shall anything be projected out of any window of the Building without similar approval.

EIGHT. No bicycles, scooters, shopping carts, baby carriages, or similar vehicles shall be allowed to stand in the public halls, passageways, areas or courts of the Building.

NINE. Water-closet and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other articles be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus shall be paid for by the lessee in whose apartment it shall have been caused.

TEN. No bird or other animal shall be kept or harbored in the Building without permission of the Lessor. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on leash.

ELEVEN. No radio or television aerial shall be attached to or hung from the exterior of the Building without the approval of the Lessor.

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TWELVE. The agents of the Lessor, and any contractor or workman authorized by the Lessor, may enter any apartment at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

THIRTEEN. The Lessor shall have the right from time to time to curtail or relocate any space devoted to storage or laundry purposes.

FOURTEEN. Garbage and refuse from the apartments shall be deposited in such place and at such times and in such Lessor may direct.

FIFTEEN. The Lessor may retain a passkey to each apartment. No lessee shall alter any lock or install a new lock on any door leading into his apartment without the prior approval of the Lessor, which approval the Lessor shall not unreasonably withhold or delay. If such approval is given, the Lessee shall provide the Lessor with a key for Lessor's use.

SIXTEEN. No contractor or workman shall be permitted to do any work in an apartment that would disturb any other resident between the hours of 6:00 P.M. and 8:00 A.M. or on Saturday, Sunday or legal holidays without the prior consent of the Lessor.

SEVENTEEN. Any consent, approval or permissions given under these house rules by the Lessor; (a) may be given by the Lessor's managing agent; (b) must be in writing; and (c) shall be revocable at any time.

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LEGAL DESCRIPTION

LOT 31 AND THE NORTH 5 FEET OF LOT 30 IN BLOCK 3 IN CATHOLIC BISHOP OF CHICAGO LAKE SHORE DRIVE ADDITION, BEING A SUBDIVISION OF THE NORTH 18 83/100THS CHAINS OF FRACTIONAL SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMON ADDRESS: 1421 NORTH STATE PARKWAY, CHICAGO, IL

PIN: 17-03-102-011-0000

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