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LEASE AGREEMENT

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THIS LEASE made the 3RD day of APRIL, 1986, by and between American National Bank & Trust Company of Chicago, Trustee under Trust Agreement dated the 21ST day of MARCH 1986, and known as Trust Number 66969, (hereinafter referred to as "Landlord"), party of the first part; and Centre West, Inc., a corporation duly authorized under the laws of the State of Illinois, having its office and Principal place of business at 5261 West Lake Street, Chicago, Illinois 60644, (hereinafter referred to as "Tenant"), party of the second part,

WITNESSETH:

ARTICLE ONE

Premises and Term

SECTION 1.01. The Landlord, for and in consideration of the terms, covenants and conditions herein contained, does hereby demise, lease and let to the Tenant and the Tenant does hereby hire and take from the Landlord, upon and subject to the terms, covenants and conditions herein contained, the following:

ALL those pieces or parcels of land and premises with the buildings and improvements now or hereafter erected thereon, situate, lying and being in the City of Chicago, County of Cook, State of Illinois, to wit;

THE WEST 16.06 FEET OF LOT 3 AND ALL OF LOTS 4 AND 5 IN BLOCK 1 IN THE RESUBDIVISION OF BLOCK 1 AND LOTS 1 TO 11, INCLUSIVE, IN BLOCK 2 OF JEROME E. BATES' SUBDIVISION OF THAT PART OF THE WEST HALF OF THE EAST HALF OF THE NORTH EAST QUARTER OF THE SOUTH WEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, SOUTH OF LAKE STREET OTHERWISE KNOWN AS 5249-63 WEST LAKE STREET, AND 343-55 N. LOCKWOOD, CHICAGO, ILLINOIS.

PERMANENT INDEX NUMBER: 16-09-305-001-0000 VOLUME: 550 ^{RP} AU

TOGETHER with all and singular the appurtenances, rights, privileges and easements in any wise pertaining thereto; and

ALL of said land and premises with the buildings and improvements now or hereinafter collectively called the "demised premises" and being the same premises and property which were conveyed and transferred by the Tenant to the Landlord by deed bearing even date herewith;

BUT SUBJECT, HOWEVER, to the encumbrances, restrictions, conditions and other matters set forth in Schedule B attached hereto and made a part hereof;

TO HAVE AND TO HOLD the demised premises for a term of five (5) years commencing on the 3RD day of APRIL, 1986 and expiring at midnight on the 2ND day of APRIL, 1991 (hereinafter called the "term"), unless this lease shall sooner end and terminate as hereinafter provided, (the initial term, together with any extension or extensions thereof, if so extended, or as shortened by any earlier termination of this lease, being hereinafter called the "demised term").

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ARTICLE TWO

Rent

SECTION 2.01. The Tenant covenants and agrees to pay to the Landlord, promptly when due, without notice or demand and without deduction or set-off of any amount for any reason whatsoever, as annual rent for the demised premises during the initial term, the sum of THIRTY ONE THOUSAND TWO HUNDRED AND NO/100THS (\$31,200.00) DOLLARS Said annual rent shall be payable in equal monthly installments, in advance, in the amount of TWO THOUSAND SIX HUNDRED AND NO/100THS (\$2,600.00) DOLLARS on the fifth day of each month during the term. At the initial closing, Tenants shall pay to Landlord an amount equal to the proportionate rental share of the remaining term for the month of closing.

SECTION 2.02. All amounts payable under Section 2.01 of this Article, as well as all other amounts payable by the Tenant to the Landlord under the terms of this lease, shall be paid, at the office of the Landlord set forth above, or at such other place within the continental limits of the United States as the Landlord shall from time to time designate by notice to the Tenant, in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment.

SECTION 2.03. It is intended that the annual rent provided for in Section 2.01 hereof shall be an absolute net return to the Landlord throughout the initial term of this lease, free of any expense, charge or other deduction whatsoever, with respect to the demised premises and/or the ownership, leasing, operation, management, maintenance, repair, rebuilding, use or occupation thereof, or of any portion thereof, or with respect to any interest of the Landlord therein except only as otherwise expressly provided in Section 3.08 hereof.

Section 2.04. The parties herein agree that after Tenant has made twelve consecutive timely monthly payments to Landlord, Landlord shall credit to Tenant on a monthly basis an amount equal to \$100.00 per month for the next twelve month period, providing all ensuing and subsequent payments are "timely" paid. Thereafter monthly credits are to increase \$100.00 on a once a year (twelve month) basis. Total credits received will be applied to the balance due at the termination of this lease. Timely paid shall mean paid "in full and on time."

ARTICLE THREE

Expenses, Taxes and Other Charges

SECTION 3.01. The Tenant agrees, subject, however, to the provisions of Section 3.08, and 4.03 hereof, that it will pay and discharge, punctually as and when the same shall become due and payable, each and every item of expense, of every kind and nature whatsoever, for the payment of which the Landlord is, or shall or may be or become liable by reason of its estate or interest in the demised premises or any portion thereof, or by reason of any rights or interest of the Landlord in or under this lease, or by reason of or in any manner connected with or arising out of the ownership, leasing, operation, management, maintenance, repair, rebuilding, use, or occupancy of the

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demised premises or any portion thereof. Without limitation of the generality of the foregoing, but subject, however, to the provisions of Section 3.08 hereof, the Tenant further agrees that it will pay and discharge, punctually as and when the same shall become due and payable without penalty, all real estate taxes, business and occupation taxes, gross sales occupational license taxes, water charges, sewer charges assessments (including, but not limited to, assessments, public improvements or benefits) and all other governmental impositions and charges of every kind and nature whatsoever, whether or not now customary or within the contemplation of the parties hereto and regardless of whether the same shall be extraordinary or ordinary, general or special, unforeseen or foreseen, or similar or dissimilar to any of the foregoing (each such tax, water charge, sewer charge, assessment and other governmental imposition and charge which the Tenant is obligated to pay hereunder being hereinafter sometimes called a "Tax"), except only those taxes specifically excluded by Section 3.08 hereof, which, at any time during the initial or any extended term hereof, shall be or become due and payable and which:

- (a) shall be levied, assessed or imposed upon or against the demised premises or any portion thereof, or any interest of the Landlord therein or under this lease; or
- (b) shall be or become liens upon or against said demised premises or any portion thereof, or any such interest of the Landlord therein, or under this lease; or
- (c) shall be levied, assessed or imposed upon or against the Landlord by reason or any actual or asserted engagement by the Landlord, directly or indirectly, in connection with the demised premises or any portion thereof; or
- (d) shall be levied, assessed or imposed upon or against, or which shall be measured by, and rents or rental income, as such, payable to or on behalf of the Landlord, in connection with the demised premises or any portion thereof, or any interest of the Landlord therein; or
- (e) shall be levied, assessed or imposed upon or in connection with the ownership, leasing, operation, management, maintenance, repair, rebuilding, use or occupancy of the demised premises or any portion thereof;

under or by virtue of any present or future law, statute, ordinance, regulation or other requirement of any governmental authority whatsoever, whether federal, state, county, city, municipal or otherwise, it being the intention of the parties hereto that, in so far as the same may lawfully be done, the Landlord shall be free from all such expenses and all such real estate taxes, personal property taxes, privilege taxes, excise taxes, business and occupation taxes, gross sales taxes, occupational license taxes, water charges, sewer charges, assessments and all other governmental impositions and charges of every kind and nature whatsoever, except only those taxes specifically excluded by Section 3.08 hereof, and that this lease shall yield to the Landlord not less than the annual rent reserved hereunder throughout the initial and any extended term hereof.

SECTION 3.02. If by law any Tax is payable, or may at the option of the taxpayer be paid, in installments, the Tenant may, whether or not interest shall accrue on the unpaid balance thereof, pay the same, and any accrued interest or any unpaid balance thereof, in installments as each installment becomes due and payable, but in any event before any fine, penalty, interest or cost may be added thereto for nonpayment of any installment or interest.

Section 3.03. In addition to monthly payments for rental of the subject premises, lessee agrees to deposit with Landlord, acting as escrowee, an amount equal to one-twelfth the annual fire and extended liability insurance premium, and one-twelfth the annual real estate tax bill. Additionally, starting with the September, 1986 rental payment, Tenant will deposit with Landlord an amount equal to \$650.00 for the next 15 months and an amount equal to \$250.00 with the December 1987 Payment to create a TEN THOUSAND AND NO/100THS (\$10,000.00) SECURITY DEPOSIT ESCROW ACCOUNT WITH THE LANDLORD. All funds held in escrow will be credited to purchaser at the lease-end buy out closing.

SECTION 3.04. Deleted.

SECTION 3.05. Deleted.

SECTION 3.06. Deleted.

SECTION 3.07. Deleted.

SECTION 3.08. It is expressly understood and agreed that the Tenant shall not be required to pay any of the following taxes or governmental impositions which shall be imposed against the Landlord by any governmental authority, whether federal, state, county, city, municipal, or otherwise, to wit:

- (a) any estate, inheritance, devolution, succession, transfer legacy or gift tax which may be imposed upon or with respect to any transfer of the Landlord's interest in the demised premises;
- (b) any capital stock tax or other tax imposed against the Landlord for the privilege or franchise of doing business as a corporation;
- (c) any premiums, occupational license or other tax imposed with respect to the conduct by the Landlord of the business, as such, of issuing policies or contracts of insurance;
- (d) any income tax levied upon or against the income of the Landlord, including any rental income derived by the Landlord from the demised premises;

it being further expressly understood and agreed that, nothing in this Article Three shall relieve the Tenant of the obligation for the payment of any gross sales, occupational license, privilege, excise or other present or future tax, license, fee or other charge imposed against the Landlord by any governmental authority, whether federal, state, county, city, municipal or otherwise, in

respect of the ownership, leasing use, occupation, management, operation, maintenance, repair or rebuilding of the demised premises or any portion thereof, irrespective of whether the same shall be measured in whole or in part by the rental or other income derived therefrom by the Landlord. A schedule of monthly payments, including lease rental, real estate tax escrow and insurance escrow is attached hereto as schedule A.

ARTICLE FOUR

Use and Compliance With Laws, Etc.

SECTION 4.01. Deleted.

SECTION 4.02. The Tenant shall, throughout the demised term, and at no expense whatsoever to the Landlord, promptly comply, or cause compliance, with all laws and ordinances and the orders, rules, regulations and requirements of all federal, state, county and municipal governments and appropriate departments, commissions, boards and officers thereof, foreseen or unforeseen, ordinary as well as extraordinary, and whether or not the same shall presently be within the contemplation of the parties hereto or shall involve any change of governmental policy or require structural or extraordinary repairs, alterations or additions and irrespective of the cost thereof, which may be applicable to the demised premises, including, without limitation, the fixtures and equipment thereof and the sidewalks, curbs and vaults, if any, adjoining the demised premises. The Tenant accepts the demised premises in the actual condition in which the same are as of the date of this lease, and assumes all risks, if any, resulting from any present or future latent or patent defects therein or from the failure of said premises to comply with all legal requirements applicable thereto, and the Tenant acknowledges that the Landlord has made no representations as to the condition or manner of construction of the improvements erected on the demised premises.

SECTION 4.03 The Tenant shall have the right to contest by appropriate legal proceedings, without cost or expense to the Landlord, the validity of any law, ordinance, order, rule, regulation or requirement of the nature herein referred to, provided, however, that, if requested so to do by the Landlord, the Tenant shall first furnish to the Landlord a bond, in form and amount, and issued by a surety company, reasonable satisfactory to the Landlord, guaranteeing to the Landlord compliance by the Tenant with such law, ordinance, order, rule, regulation or requirement, and indemnifying the Landlord against any and all liability, loss and damage which the Landlord may sustain by reason of the Tenant's failure or delay in complying therewith. The Landlord shall have the right, but shall be under no obligation, to contest by appropriate legal proceedings, at the Landlord's expense, any such law, ordinance, rule, regulation or requirement.

SECTION 4.04. No abatement, diminution or reduction of the annual rental, or of any additional rent or other charges required to be paid by the Tenant pursuant to the terms of this lease, shall be claimed by, or allowed to, Tenant for any inconvenience, interruption, cessation or loss of business or otherwise caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of

America, or of the State, County or City governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war, civil commotion, strikes or riots, or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Landlord, nor shall this lease be affected by any such causes. No diminution of the amount of space used by the Tenant caused by legally required changes in the construction, equipment, operation or use of the demised premises shall entitle the Tenant to any reduction or abatement of annual rental, additional rent or any other charges required to be paid by the Tenant hereunder. The provisions of this Section 4.04 are expressly made subject to the provisions of Article Eleven hereof.

ARTICLE FIVE

Public Utility Charges

SECTION 5.01. The Tenant agrees to pay or cause to be paid all charges for gas, water, sewer, electricity, light, heat, power, telephone or other communication service or other utility or service used, rendered or supplied to, upon or in connection with the demised premises throughout the demised term, and to indemnify the Landlord and save it harmless against any liability or damages on such account. The Tenant shall also at its sole cost and expense procure or cause to be procured any and all necessary permits, licenses or other authorizations required for the lawful and proper use, occupation, operation and management of the demised premises and for the lawful and proper installation and maintenance upon the demised premises of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such service to or upon the demised premises. The Tenant expressly agrees that the Landlord is not, nor shall it be, required to furnish to the Tenant or any other occupant of the demised premises, during the demised term, any water, sewer, gas, heat, electricity, light, power or any other facilities, equipment, labor, materials or services of any kind whatsoever.

ARTICLE SIX

Indemnification and Non-Liability of Landlord

SECTION 6.01. The Tenant covenants and agrees, at its sole cost and expense, to indemnify and save harmless the Landlord against and from any and all claims by or on behalf of any person, firm or corporation, arising from the conduct or management of or from any work or thing whatsoever done in or about the demised premises during the demised term, and further to indemnify and save the Landlord harmless against and from any and all claims arising from any condition of any building on the demised premises, or of any vaults, passageways or spaces therein or appurtenant thereto, or arising from any breach or default on the part of the Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed, pursuant to the terms of this lease, or arising from any act or negligence of the Tenant, subtenants or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm or corporation (other than those caused by the Landlord or its servants and employees) occurring during the demised term, in or about the demised premises, or upon or under the sidewalks and

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the land adjacent thereto, and from and against all costs, counsel fees, expense and liabilities incurred in or about any such claim, action or proceeding being brought thereon; and in case any action or proceeding be brought against the Landlord by reason of any such claim, the Tenant upon notice from the Landlord covenants to resist or defend such action or proceeding by counsel satisfactory to the Landlord.

SECTION 6.02. The Tenant covenants and agrees to pay, and to indemnify the Landlord against, all legal costs and charges, including counsel fees, lawfully and reasonably incurred in obtaining possession of the demised premises after default of the Tenant or upon expiration or earlier termination of the demised term, or in enforcing any covenant or agreement of the Tenant herein contained.

SECTION 6.03. The Tenant further covenants and agrees that the Landlord shall not be responsible or liable to the Tenant, or any person, firm or corporation claiming by, through or under the Tenant for, or by reason of, any defect in any building or buildings on the demised premises or in any engines, boilers, elevators, machinery, electric wiring or fixtures, or other equipment or apparatus or appliances in any such building, or for any failure or defect of water, heat, electric light or power supply, or of any apparatus or appliance in connection therewith, or from any injury or loss or damage to person or property resulting therefrom, and the Landlord shall not be responsible or liable to the Tenant, or any person, firm or corporation claiming by, through or under the Tenant, for any injury, loss or damage to any persons or to the demised premises, or to any property of the Tenant, or of any other person, contained in or upon the demised premises, caused by or arising or resulting from the electric wiring, or plumbing, water, steam, sewerage, or other pipes, or by or from any machinery or apparatus, or by or from any defect in or leakage, running or overflow of water or sewerage in any part of said premises, or by or from any other defect whatsoever, or by or from any injury or damage caused by, arising or resulting from lightning, wind, tempest, water, snow or ice, in, upon or coming through or falling from the roof, skylight, trapdoors windows, marquees, metal or glass awning over the sidewalk or otherwise, or by or from other actions of the elements, or from any injury or damage caused by or arising, or resulting from acts or negligence of any occupant or occupants (other than the Landlord and its servants and employees) of adjacent, contiguous or neighboring premises, or any other cause whatsoever.

ARTICLE SEVEN

Maintenance and Repairs, Covenant Against Waste
and Right of Inspection

SECTION 7.01. The Tenant shall, throughout the demised term, and at no expense whatsoever to the Landlord, take good care of the demised premises and the buildings and improvements now or hereafter erected thereon (including, but not by way of limitation, the building equipment appertaining thereto and the sidewalks and curbs adjacent thereto and any vaults which the Tenant has the right to use) and, subject to the rights of the Tenant under Article Nine of this lease, shall not do or suffer any waste with respect thereto, and the Tenant shall promptly make all repairs, interior and exterior, structural and

non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, necessary to keep said buildings and improvements in good and lawful order and condition, and irrespective of the availability or sufficiency of any fire or other insurance proceeds payable with respect thereto, to restore the same, following any damage or destruction by reason of any fire or other casualty, or by reason of any settling of said buildings or improvements, to such extent that, upon the completion of such restoration work, the value of said buildings and improvements shall be substantially equal to the value thereof immediately prior to such damage or destruction. When used in this Article, the term "repairs" as applied to building equipment shall include replacements, restoration and/or renewals when necessary. The provisions and conditions of Article Nine applicable to changes or alterations shall similarly apply to repairs required to be done by the Tenant under this Article. The Tenant shall keep and maintain all portions of the demised premises, including without limitation, all building equipment, heating plant and system, air conditioning plant and system, and the sidewalks adjoining the same, in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice, and the Tenant shall not permit or suffer any overloading of the floors or roof of any building on the demised premises. Except as otherwise provided in Article Sixteen, nothing herein contained shall be construed to prevent the Tenant or any subtenant, sublessee, or other occupant claiming under or through the Tenant from removing from the demised premises trade fixtures, furniture, and equipment (other than building equipment) on the condition, however, that the Tenant shall, at its own cost and expense, and it hereby agrees to, repair any and all damages to the demised premises resulting from or caused by the removal thereof.

SECTION 7.02. The Tenant shall permit the Landlord and the authorized representatives of the Landlord to enter the demised premises at all reasonable times during usual business hours for the purpose of exhibiting or inspecting the same and of making any necessary repairs to the demised premises and performing any work therein that may be necessary to comply with any laws, ordinances, rules, regulations or requirements of any public authority, or that may be necessary to prevent waste or deterioration in connection with the demised premises, which the Tenant is obligated, but has failed, to make, perform, or prevent, as the case may be. Nothing in this lease shall imply any duty upon the part of the Landlord to do any such work or to make any alterations, repairs additions or improvements to the demised premises, of any kind whatsoever, (including, but not limited to, repairs and other restoration work made necessary due to any fire or other casualty and irrespective of the sufficiency or availability of any fire or other insurance proceeds which may be payable in respect thereof). All expenses incurred by Landlord in making repairs to the premises shall be subject to reimbursement by Tenant to Landlord within a reasonable period of time, not to exceed four (4) months from the date of Landlord's initial outlay of funds. The performance thereof by the Landlord shall not constitute a waiver of the Tenant's default in failing to perform the same. The Landlord shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage of the Tenant or any other occupant of the demised premises or part thereof, by reason of making repairs or the performance of any work on the demised premises or on account of bringing materials, supplies and equipment into or through the demised premises during the course thereof and the obligations of the Tenant under this lease shall not thereby be affected in any manner whatsoever. The Landlord shall, however, in connection with the doing of any such work cause as little inconvenience, annoyance,

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disturbance, loss of business or other damage to the Tenant or any such other occupant as may be reasonably possible in the circumstances.

ARTICLE EIGHT

Mechanics' Lien

SECTION 8.01. The Tenant shall not suffer or permit any liens to stand against the demised premises or any part thereof by reason of any work, labor, services or materials done for, or supplied, or claimed to have been done for, or supplied to, the Tenant or anyone holding the demised premises or any part thereof through or under the Tenant. If any such lien shall at any time be filed against the demised premises, the Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing the same, by either payment, deposit or bond. If the Tenant shall fail to discharge any such lien within such period, then, in addition to any other right or remedy of the Landlord, the Landlord may, but shall not be obligated to, procure the discharge of the same either by paying the amount claimed to be due by deposit in court or bonding, and/or the Landlord shall be entitled, if the Landlord so elects, to compete the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor with interest, costs and allowances. Any amount paid or deposited by the Landlord for any of the aforesaid purposes, and all legal and other expenses of the Landlord, including counsel fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with interest thereon at the rate of 2 1/2% per month at an effective interest rate of 30% per annum, shall become due and payable forthwith by the Tenant to the Landlord, or, at the option of the Landlord, shall be payable by the Tenant to the Landlord as additional rent, as provided in Article Twelve hereof.

SECTION 8.02. Nothing in this lease shall be deemed to be, or construed in any way as constituting, the consent or request of the Landlord, expressed or implied, by inference or otherwise, to any person, firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the demised premises or any part thereof, nor as giving the Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials which might in any way give rise to the right to file a lien against the Landlord's interest in the demised premises. The Landlord shall have the right to post and keep posted at all reasonable times on the demised premises any notices which the Landlord shall be required so to post for the protection of the Landlord and the demised premises from any such lien.

SECTION 8.03. The Tenant agrees that all liens or encumbrances levied against the subject real estate prior to and during the term of the leasehold estate shall remain of record, and, Tenant agrees to take title subject to said liens or encumbrances at the time title interest is transferred back to Tenant.

ARTICLE NINE

Alterations

SECTION 9.01. The Tenant agrees that it will make no structural altera-

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tions to the building or buildings now or hereafter erected upon the demised premises. The Tenant further agrees that it will not make any other alterations which would change the character of said building or buildings, or which would weaken or impair the structural integrity, or lessen the value of said building or buildings, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

SECTION 9.02. Except as expressly limited by the foregoing Section 9.01 hereof, the Tenant is granted the irrevocable right, at its own cost, to make such alterations, additions, enlargements and improvements in and to the building or buildings now or hereafter erected upon the demised premises as it may deem desirable for its use, but subject, however, to the following provisions:

- (a) the same shall be performed in a first-class workmanlike manner;
- (b) if plans and specifications are necessary, or customarily prepared, in the making of any such alterations, the Tenant shall cause such plans and specifications to be prepared and will furnish copies thereof to the Landlord prior to the commencement of such alterations. The Tenant further agrees that, before the commencement of any such alterations, it will file such plans and specifications with, and obtain the approval thereof by, all municipal or other governmental departments or authorities having jurisdiction thereof. The originals of all such approvals, authorizations, permits and consents of governmental authorities shall be delivered to and retained by the Landlord. The Landlord shall execute and deliver to the Tenant such consent by the Landlord as may be required by any such departments or authorities, it being understood, however, that any such consent or consents by the Landlord shall not operate or be construed as a consent by the Landlord for the purpose of filing any lien or making any charge of any kind whatsoever against either the Landlord or the demised premises;
- (c) all such alteration work shall be done subject to, and in accordance with, all applicable laws, rules, regulations, and other requirements of all governmental authorities having jurisdiction thereof and of the local Board of Fire Underwriters or of any similar body;
- (d) the Tenant shall procure and maintain such insurance, bonds and other forms of indemnification, if any, as the Landlord may reasonably require in connection with such alteration work;
- (e) the Tenant shall promptly pay and discharge all costs; expenses, damages and other liabilities which may arise in connection with or by reason of such alteration work;
- (f) the Tenant shall pay the amount of any increase in premiums on insurance policies occasioned by making of any such alterations.

SECTION 9.03. All such alterations made by the Tenant shall immediately be and become part of the realty and the sole and absolute property of the Landlord and shall remain upon and be surrendered with the demised premises at the expiration or other termination of this lease.

SECTION 9.04. All salvage material in connection with any demolition or alteration which the Tenant is permitted to make hereunder shall belong to the Tenant.

SECTION 9.05. Schedule B attached hereto. Incorporate agreed work to be performed by tenant and time periods for completion of said work. Tenant shall be granted reasonable extension of time to perform said work. However, it is agreed that all work is to be completed within 60 days of initial projected completion date.

ARTICLE TEN

Insurance and Damage

SECTION 10.01. Throughout the demised term, the Tenant shall cause the buildings now erected and those which may hereafter be erected on the demised premises, and all building equipment and fixtures appurtenant thereto, to be insured, in the name of the Landlord (or, at the Tenant's option, in the names of the Landlord and the Tenant as their respective interests may appear) by insurance companies satisfactory to the Landlord and licensed to do business in the State of Illinois in such respective amounts as shall be sufficient to prevent the Landlord from becoming a co-insurer of any loss:

- (a) against loss or damage by fire and against such other risks, of a similar or dissimilar nature as shall be insurable against under present or future standard forms of fire and extended coverage policies, and
- (b) against risk of war damage whenever such insurance shall be written when a state of war, civil commotion or public emergency exists, and
- (c) if, and so long as, the demised premises shall be equipped with any boiler or boilers, other than low pressure boilers, against loss and liability resulting from property damage, personal injury or death caused by explosion of boilers, heating apparatus or other pressure vessels on the demised premises, and
- (d) against such other risks as the Landlord shall, from time to time, reasonably require.

All insurance required by this Section 10.01 shall be evidenced by policies in form and substance which are then standard in the State of Illinois and shall provide that such insurance as to the interest of the Landlord, shall

not be invalidated by any act or omission of the Tenant, or any occupant of the demised premises, which might otherwise result in a forfeiture of said insurance. It is the intention of the parties hereto that the Tenant shall procure, maintain in force at all times, pay for and deliver to the Landlord all of the insurance policies hereinabove referred to at such times and in such manner that the Landlord's interest in the demised premises shall at all times during the demised term be protected and evidenced by, and the Landlord shall be in possession of valid and binding policies or contracts of insurance as herein required. All renewal binders or policies shall be delivered to the Landlord not less than twenty (20) days prior to the expiration of the policy or policies to be renewed.

SECTION 10.02. Unless and to the extent otherwise required by the Landlord at the time of any loss, the loss, if any, under any or all of the policies provided for under Section 10.01 hereof, shall be adjusted with the insurance company or companies by and at the cost of the Tenant, but if the loss shall be in excess of Ten Thousand Dollars (\$10,000), no final adjustment shall be made with the insurance company or companies without the written approval of the Landlord of the amount of the adjustment. The loss so adjusted shall be paid to the Tenant if the same is less than Ten Thousand Dollars (\$10,000), and to the Landlord if the same equals or exceeds Ten Thousand Dollars (\$10,000). All such policies shall provide that losses, if any, thereunder shall be adjusted and paid as hereinabove provided.

SECTION 10.03. The Tenant further agrees that, throughout the demised term, it will, upon written request of the Landlord, pay to the Landlord, as and when such costs shall accrue, the costs to the Landlord of maintaining public liability insurance protecting the Landlord against claims of any and all persons, firms and corporations for personal injury, death, fire, or property damage occurring upon, in or about the demised premises, or in or about the adjoining streets, sidewalks and passageways, such insurance to afford protection to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to injury or death to a single person or persons and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one accident and to the limit of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to property damage. Additionally, loss of business income (loss of rental) insurance is to be procured with coverage in an amount equal to \$144,000.00 per year. If available, coverage is to include a broad form CGL endorsement with expanded coverage to include an "all risk" type of insurance endorsement with employee/employer automobile liability coverage. All policies for such insurance as is provided for in this Section shall be obtained by the Tenant on behalf of Tenant and Landlord in a carrier of the parties mutual consent.

SECTION 10.04. In case any present or future building or buildings on the demised premises shall be damaged or destroyed by fire or any other casualty whatsoever:

- (a) All insurance moneys, if any, paid to the Landlord, as provided in Section 10.02 hereof, on account of such damage, shall be applied in the following manner:
 - (i) There shall be paid to the Tenant from said insurance moneys such part thereof as shall equal the cost to the

Tenant of making such temporary repairs or doing such other work, as, in the Tenant's opinion may be necessary in order to protect the demised premises pending adjustment of the insurance loss or the making of permanent repairs, restoration or reconstruction of the demised premises.

- (ii) There shall be paid to the Tenant from said insurance moneys such part thereof as shall equal the cost to the Tenant of repairing, restoring or reconstructing the demised premises, or any part thereof, or of erecting a new building or part thereof, so that, upon completion of such repairs, restoration, reconstruction or erection, the building or buildings immediately prior to the occurrence of such damage; and if prior to the commencement of such proposed repairs, restoration reconstruction or erection, the Landlord and the Tenant shall be unable to agree as to whether the value upon completion thereof will be not less than the value immediately prior to the occurrence of such damage, then such question shall be determined by arbitration. All costs of arbitration to be borne by losing party.
- (iii) Payments to the Tenant pursuant to paragraphs (i) or (ii) of this subsection (a) from such insurance moneys paid to the Landlord shall be made by the Landlord to the Tenant from time to time as the work progresses, in amounts equal to the cost of labor and material incorporated into and used in such work and builders' architects' and engineers' fees and other charges in connection with such work, upon delivery to the Landlord of a certificate of the Tenant's architect in charge of such work, certifying that the amounts so to be paid to the Tenant are payable to the Tenant in accordance with the provisions of this Section 10.04 and that such amounts are then due and payable by the Tenant or have theretofore been paid by the Tenant.
- (b) All insurance moneys, if any, paid to the Tenant as provided in Section 10.02 hereof, on account of such damage shall be applied in the following manner, to wit: There shall be retained by the Tenant such part thereof as shall be equal to the cost to the Tenant of making such temporary repairs, or doing such other work as may be necessary in order to protect the demised premises pending adjustment of the insurance loss or the making of permanent repairs, restoration or reconstruction of the demised premises, and the cost to the Tenant of repairing, restoring or reconstructing the demised premises.
- (c) In the event that any of the insurance moneys paid by the insurance companies to either the Landlord or the Tenant, as hereinabove provided, shall remain after the completion of such repairs, restoration, reconstruction or erection, the excess

shall be retained by or paid to the Landlord to be applied against any unpaid rent and to the next ensuing installment. Thereafter, additional funds in excess of payments made hereunder shall be equally split between the parties.

- (d) If the Tenant does not commence such work as hereinabove set forth within a period of ninety (90) days after the date of any partial damage or destruction or within six (6) months after the date of any total destruction of the demised premises, or if the Tenant shall have commenced such work and shall fail to complete the same within a reasonable time thereafter, all insurance moneys paid or payable by such insurance companies shall be paid to and/or retained by the Landlord. Said periods of ninety (90) days and of six (6) months referred to above shall be extended to the extent that the Tenant or any of its contractors or subcontractors or materialmen are delayed or hindered by strikes, riots, fire, acts of God or the public enemy or inability to obtain construction materials due to war or governmental interferences, or other conditions unavoidable or beyond the control of the Tenant. All such work shall be done in accordance with plans and specifications to be submitted to and approved by the Landlord.
- (e) In the event of such damage by fire or other casualty, the provisions of this lease shall be unaffected and the Tenant shall remain and continue liable for the payment of all rent, real estate taxes, assessments and all other charges required hereunder to be paid by the Tenant, as though no damage by fire or other casualty had occurred.

SECTION 10.05. The Landlord and the Tenant each agrees that it will cooperate with the other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance moneys that may be due in the event of, any loss or damage, and that it will execute and deliver to such other party such instruments as may be required to facilitate the recovery of any insurance moneys.

SECTION 10.06. The Tenant agrees to give prompt notice to the Landlord with respect to all fires or other casualties occurring upon the demised premises, where the apparent damage to the building or buildings thereon resulting therefrom shall equal or exceed Ten Thousand Dollars (\$10,000).

SECTION 10.07. The tenant hereby agrees to indemnify Landlord for all costs and expenses incurred by Landlord relating to losses due to fire, and extended liability and coverage under the aforementioned insurance policy and endorsement.

ARTICLE ELEVEN

Condemnation

SECTION 11.01. If the whole or any material part of the building or part

of the premises shall be taken or condemned for any public or quasi-public use or purpose, the term, at the option of Landlord, shall end upon the date when the possession of the part so taken shall be required for such use or purpose and Landlord shall be entitled to receive the entire award without any payment to Tenant. Rent shall be apportioned as of the date of such termination and for that portion of the premises, if any, not taken and for which the term continues. All costs and expenses relating to Landlord's obligation including but not limited to attorney's fees, appraisals and filing costs are to be deducted from the condemnation award prior to any disbursements.

ARTICLE TWELVE

Landlord's Right to Perform Tenant's Covenants

SECTION 12.01. The Tenant covenants and agrees that if it shall at any time fail to pay any Tax pursuant to the provisions of Article Three hereof, or take out, pay for, maintain or deliver any of the insurance policies provided for in Article Ten hereof, or shall fail to make any other payment or perform any other act which the Tenant is obligated to make or perform under this lease, then the Landlord may, but shall not be obligated so to do, after ten (10) days' notice to and demand upon the Tenant and without waiving, or releasing the Tenant from, any obligations of the Tenant in this lease contained, pay any such Tax, effect any such insurance coverage and pay premiums therefor, and may make any other payment or perform any other act which the Tenant is obligated to perform under this lease, in such manner and to such extent as shall be necessary, and, in exercising any such rights, pay necessary and incidental costs and expenses, employ counsel and incur and pay reasonable attorneys' fees. All sums so paid by the Landlord and all necessary and incidental costs and expenses in connection with the performance of any such act by the Landlord, together with interest thereon at the rate of thirty percent (30%) per annum from the date of the making of such expenditure by the Landlord, shall be deemed additional rent hereunder and, except as otherwise in this lease expressly provided, shall be payable to the Landlord on demand or at the option of the Landlord may be added to any rent then due or thereafter becoming due under this lease, and the Tenant covenants to pay any such sum or sums with interest as aforesaid and the Landlord shall have (in addition to any other right or remedy of the Landlord) the same rights and remedies in the event of the non-payment thereof by the Tenant as in the case of default by the Tenant in the payment of the rent. Tenants shall have the right prior to entry of judgment for default to cure in full all amounts then due to Landlord and reinstate the Leasehold estate on a twice a calendar year basis only.

ARTICLE THIRTEEN

Conditional Limitation-Default Provisions

SECTION 13.01. This lease and the demised term are subject to the limitation that if, at any time during the demised term, any one or more of the following events (herein called an "event of default") shall occur, that is to say:

- (a) if the Tenant shall make an assignment for the benefit of its creditors; or

- (b) if any petition shall be filed against the Tenant in any court, whether or not pursuant to any statute of the United States or of any State, in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and the Tenant shall thereafter be adjudicated bankrupt, or such petition shall be approved by the court, or the court shall assume jurisdiction of the subject matter, or if such proceedings shall not be dismissed within ninety (90) days after the institution of the same; or if any such petition shall be so filed by the Tenant; or
- (c) if, in any proceeding, a receiver or trustee be appointed for all or any portion of the Tenant's property, and such receivership or trusteeship shall not be vacated or set aside within ninety (90) days after the appointment of such receiver or trustee; or
- (d) if the Tenant shall vacate or abandon the demised premises and permit the same to remain unoccupied and unattended for more than fifteen (15) days; or
- (e) if the Tenant shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, otherwise than as expressly permitted hereunder, or if this lease or the estate of the Tenant hereunder shall be transferred, or passed to, or devolve upon, any person, firm or corporation other than the Tenant herein named, except in the manner permitted hereunder; or
- (f) if the Tenant shall fail to pay any installment of the rent set forth in Section 2.01 of this lease, or any part thereof, when the same shall become due and payable, and such failure shall continue for ten (10) days after notice thereof from the Landlord to the Tenant. However, on a once a calendar year basis, Tenant shall be allowed the right to fall behind in one monthly rental payment. Said delinquent payment to be paid by Tenant with interest then accruing to Landlord, within two months of said payments' original due date, or;
- (g) if the Tenant shall fail to pay any item of additional rent or any other charge required to be paid by the Tenant hereunder (other than the payment of the rental as set forth in said Section 2.01 and such failure shall continue for thirty (30) days after notice thereof from the Landlord to the Tenant; or
- (h) if the tenant fails to perform and/or complete repair and restoration work as listed on Schedule B attached hereto. The parties agree that an event of default shall occur if tenant's covenant of repair is not followed, provided reasonable extensions, not to exceed 60 days, shall be granted by Landlord to Tenant for the completion of said work, Landlord shall have the option to waive, in writing, strict compliance with this provision, or;
- (i) if the Tenant fails to maintain an occupancy rate at the subject premises of at least eighty five percent (85%) for a period of three consecutive months, or;

- (j) if the Tenant fails to pay utility payments, including but not limited to water taxes, heating fuel, electric, and sewer charges, on a timely basis. An event of default will occur upon shutoff by any of the utility companies servicing the subject premises. Additionally, on a quarterly basis (per year), Tenant agrees to forward to Landlord with the next monthly payment, when due, verification of payments, and balances due for the utilities, servicing the subject real estate, or;
- (k) if the Tenant shall fail to perform or observe any other requirement of this lease (not hereinbefore in this Section 13.01 specifically referred to) on the part of the Tenant to be performed or observed, and such failure shall continue for thirty (30) days after notice thereof from the Landlord to the Tenant,

then upon the happening of any one or more of the aforementioned events of default, and the expiration of the period of time prescribed in any such notice, the Landlord may give to the Tenant a notice (hereinafter called "notice of termination") of intention to end the term of this lease at the expiration of five (5) days from the date of service of such notice of termination, and at the expiration of such five (5) days, this lease and the term hereof, as well as all of the rights, title and interest of the Tenant hereunder, shall wholly cease and expire in the same manner and with the same force and effect as if the date of expiration of such five (5) day period were the date originally specified herein for the expiration of this lease and the demised term, and the Tenant shall then quit and surrender the demised premises to the Landlord, but the Tenant shall remain liable as hereinafter provided.

SECTION 13.02. If this lease shall be terminated as in the preceding Section 13.01 hereof provided, the Landlord, or the Landlord's agents or servants, may immediately or at any time thereafter re-enter the demised premises and remove therefrom the Tenant, its agents, employees, servants, licensees, and any subtenants and other persons, firms or corporations, and all or any of its or their property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and repossess and enjoy said premises, together with all additions, alterations and improvements thereto.

SECTION 13.03. In case of any such termination, re-entry, or dispossession by summary proceedings or otherwise, the annual rent and all other charges required to be paid by the Tenant hereunder shall thereupon become due and be paid up to the time of such termination, re-entry or dispossession, and the Tenant shall also pay to the Landlord all expenses which the Landlord may then or thereafter incur for legal expenses, attorneys' fees, brokerage commissions, and all other costs paid or incurred by the Landlord for restoring the demised premises to good order and condition and for altering and otherwise preparing the same for reletting. The Landlord may, at any time and from time to time, relet the demised premises, in whole or in part, either in its own name or as agent of the Tenant, for a term or terms which, at the Landlord's option, may be for the remainder of the then current term of this lease, or for any longer or shorter period, and (unless the statute or rule of law which governs or shall govern the proceeding in which such damages are to be proved, limits or shall limit the amount of such claim capable of being so proved and allowed,

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in which case the Landlord shall be entitled to prove as and for liquidated damages and have allowed an amount equal to the maximum allowed by or under any such statute or rule of law).

The Landlord, at its option, may make such alterations, repairs and/or decorations in the demised premises as in its reasonable judgment the Landlord considers advisable and necessary, and the making of such alterations, repairs and/or decorations shall not operate or be construed to release the Tenant from liability hereunder. The Landlord shall in no event be liable in any way whatsoever for failure to relet the demised premises, or in the event that the demised premises are relet, for failure to collect rent thereof under such reletting; and in no event shall the Tenant be entitled to receive any excess of such annual rents over the sums payable by the Tenant to the Landlord hereunder. Suit or suits for the recovery of such damages or any installments thereof, may be brought by the Landlord from time to time at its election, and nothing therein contained shall be deemed to require the Landlord to postpone suit until the date when the term of this lease would have expired if it had not been terminated under the provisions of this lease, or under any provision of law, or had the Landlord not re-entered into or upon the demised premises.

SECTION 13.04. The Tenant, for itself and any and all persons claiming through or under the Tenant, including its creditors, upon the termination of this lease and of the demised term in accordance with the terms hereof, or in the event of entry of judgment for the recovery of the possession of the demised premises in any action or proceeding, or if the Landlord shall enter the demised premises by process of law or otherwise, hereby waives any right of redemption provided or permitted by any statute, law or decision now or hereafter in force, and does hereby waive, surrender and give up all rights or privileges which it or they may or might have under and by reason of any present or future law or decision, to redeem the demised premises or for a continuation of this lease for the term hereby demised after having been dispossessed or ejected therefrom by process of law, or otherwise. The Tenant waives all right to trial by jury in any summary or other judicial proceedings hereafter instituted by the Landlord against the Tenant in respect to the demised premises.

SECTION 13.05 Anything in this Article Thirteen to the contrary notwithstanding, it is expressly understood that, with respect to any event of default within the purview of subdivision (k) of Section 13.01 hereof, if such event of default is of such a nature that it cannot, with due diligence, be cured within a period of thirty (30) days, the Landlord shall not be entitled to serve a notice of termination upon the Tenant, as provided in said Section 13.01, if the Tenant shall have commenced the curing of such default within the period of thirty (30) days referred to in said subdivision (k) and so long as the Tenant shall thereafter proceed with all due diligence to complete the curing of such default, it being the intention hereof that, in connection with any default not susceptible of being cured with due diligence within thirty (30) days, the time of the Tenant within which to cure the same shall be extended for such period as may be necessary to complete the same with all due diligence.

ARTICLE FOURTEEN

Cumulative Remedies-Waiver-Oral Change

SECTION 14.01. Every term, condition, agreement or provision contained

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in this lease shall be deemed to be also a covenant.

SECTION 14.02. The specified remedies to which the Landlord may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Landlord may be lawfully entitled in case of any breach or threatened breach by the Tenant of any provision of this lease.

SECTION 14.03. The failure of the Landlord to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of any such term, covenant, condition, provision, agreement or option. A receipt and acceptance by the Landlord of rent or any other payment, or the acceptance of performance of anything required by this lease to be performed, with knowledge of the breach of any term, covenant, condition, provision or agreement of this lease, shall not be deemed a waiver of such breach, nor shall any such acceptance of rent in a lesser amount than is herein provided for (regardless of any endorsement on any check, or any statement in any letter accompanying any payment of rent) operate or be construed either as an accord and satisfaction or in any manner other than as a payment on account of the earliest rent then unpaid by the Tenant, and no waiver by the Landlord of any term, covenant, condition, provision or agreement of this lease shall be deemed to have been made unless expressed in writing and signed by the Landlord. Regardless of Landlords actions, or forbearance to act, Lessor acknowledges, that time is of the essence in connection with all sums due Landlord.

SECTION 14.04. In addition to the other remedies in this lease provided, to the contrary notwithstanding, the Landlord shall be entitled to the restraint by injunction of any violation or attempted or threatened violation, of any of the terms, covenants, conditions, provisions or agreements of this lease.

SECTION 14.05. This lease shall not be affected by any laws, ordinances or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this lease affecting or regulating or attempting to affect or regulate the rent herein reserved or continuing in occupancy the Tenant or any sublessees or assignees of the Tenant's interest in the demised premises beyond the date of termination of their respective leases, or otherwise.

SECTION 14.06. This lease may not be changed orally, but only by agreement in writing signed by the party against whom enforcement of the change, modification or discharge is sought or by his agent.

ARTICLE FIFTEEN

Quiet Enjoyment

SECTION 15.01. The Landlord covenants and agrees that the Tenant, upon paying the rent herein reserved, and performing and observing the covenants, conditions and agreements hereof upon the part of the Tenant to be performed and observed, shall and may peaceably hold and enjoy the said demised premises

during the term hereof, without any let, interruption or disturbance from the Landlord, subject, however, to the terms of this lease. This covenant shall be construed as running with the land to and against subsequent owners and successors in interest, and is not, nor shall it operate or be construed as, a personal covenant of the Landlord, except to the extent of the Landlord's interest in said demised premises and only so long as such interest shall continue, and thereafter this covenant shall be binding only upon such subsequent owners and successors in interest, to the extent of their respective interests, as and when they shall acquire the same, and only so long as they shall retain such interest.

ARTICLE SIXTEEN

Surrender of Premises

Section 16.01. The Tenant shall, upon the expiration or termination of this lease for any reason whatsoever, surrender to the Landlord the buildings, structures and building equipment then upon the demised premises, together with all alterations and replacements thereof then on the demised premises, in good order, condition and repair, except for reasonable wear and tear. Title to all of the Tenant's trade fixtures, furniture and equipment (other than building equipment) installed in the demised premises shall remain in the Tenant, and upon expiration or other termination of this lease, the same may and, upon the demand of the Landlord, shall, be removed and any resultant damage to the demised premises shall be repaired, by and at the expense of the Tenant, provided however, that if, upon any such expiration or other termination of this lease, the Tenant shall be delinquent or in default under any of the provisions hereof, the Tenant shall not, without the Landlord's consent, be entitled to remove any such trade fixtures, furniture or equipment unless and until such delinquency or default shall have been cured and if such delinquency or default shall not have been cured by the Tenant within thirty (30) days after the date of such expiration or termination, all such trade fixtures, furniture and equipment of the Tenant shall, at the Landlord's option, be and become the absolute property of the Landlord.

ARTICLE SEVENTEEN

Assignments, Subletting and Encumbrances

Section 17.01. The Tenant shall not assign, mortgage or otherwise encumber this lease, or sublet all or any part of the demised premises, without the prior consent of the Landlord in each instance; provided however, that the Landlord's consent shall not be unreasonably withheld. No assignment or sublease of the whole or any part of the demised premises by the Tenant shall in any way affect or reduce any of the obligations of the Tenant under this lease, but this lease shall continue in full force and effect. If this lease be assigned, or if the demised premises or any part thereof be sublet or occupied by anybody other than the Tenant, the Landlord may, after default by the Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of the Tenant from the further performance by the Tenant of the terms,

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covenants and conditions of this lease on the part of the Tenant to be performed. Any violation of any provision of this lease, whether by act or omission, by any assignee, subtenant or similar occupant, shall be deemed a violation of such provision by the Tenant, it being the intention and meaning of the parties hereto that the Tenant shall assume and be liable to the Landlord for any and all acts and omissions of any and all assignees, subtenants and similar occupants. The consent by the Landlord to any assignment, encumbrance, or subletting shall not be construed in any way to relieve the Tenant from obtaining the express consent in writing of the Landlord to any further assignment, encumbrance, or subletting.

ARTICLE EIGHTEEN

Tenant's Payment At Lease Termination

Section 18.01. Notwithstanding anything contained herein to the contrary, the tenant shall pay to the order of Landlord or Landlord's assignee in an amount equal to \$25,000.00 (plus any accrued interest charges, rents, additional rents, expenses, or costs heretofore unpaid) upon the expiration date of this five year lease. In exchange for said payments, Landlord shall reconvey title to the subject premises to the Tenants or Tenant's assignee. The parties herein agree to set a date for the transfer of said title interest immediately after the termination of this leasehold estate. Additionally, the parties herein agree that all credits and/or debits accrued during the term of this lease agreement shall be adjusted at the final transfer of title date.

ARTICLE NINETEEN

Estoppel Certificate by Tenant

Section 19.01. The Tenant agrees at any time and from time to time, upon not less than ten (10) days prior request by the Landlord to execute, acknowledge and deliver to the Landlord a statement in writing certifying that this lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating modifications), and the dates to which the rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser of the fee or mortgage or assignee of any mortgage upon the fee of the demised premises.

ARTICLE TWENTY

Notices

Section 20.01. All notices, demands and requests by either party to the other shall be in writing. All notices, demands and requests by the Landlord to the Tenant shall be sent by United States registered or certified mail, postage prepaid, address to the Tenant, to the attention of its President, at

Centre West Corporation
5261 West Lake Street
Chicago, Illinois 60644

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with a copy of same to;

Mr. J. F. Klunk
Attorney at Law
Law Offices of James A. McCarron
221 North LaSalle Street
Suite 1906
Chicago, Illinois 60601

or at such other place as the Tenant may from time to time designate in a written notice to the Landlord. All notices, demands and requests by the Tenant to the Landlord shall be sent by United States registered or certified mail, postage prepaid, addressed to the Landlord, to the attention of Mr. and Mrs. Frank X. Starshak; at;

Mr. and Mrs. Frank X. Starshak
P.O. Box 42648
Chicago, Illinois 60642

with a copy of same to;

Mr. Lawrence H. Binderow
Attorney at Law
105 West Madison Street
Suite 1204
Chicago, Illinois 60602

or at such other place as the Landlord may from time to time designate in a written notice to the Tenant. Notices, demands and requests which shall be served upon the Landlord or the Tenant in the manner aforesaid shall be deemed to have been served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States registered or certified mail as aforesaid, in any post office or branch post office regularly maintained by the United States Government.

ARTICLE TWENTY ONE

Invalidity of Particular Provisions

Section 21.01. If any term or provision of this lease or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE TWENTY TWO

Covenants to Bind and Benefit Respective Parties

Section 22.01. Subject to the provisions of Articles Fifteen and Seventeen hereof, the terms, conditions, covenants, provisions and agreements herein

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contained shall be binding upon and inure to the benefit of the Landlord, its successors and assigns, and the Tenant, its successors and assigns.

ARTICLE TWENTY THREE

Captions and Headings

Section 23.01. The captions and headings throughout this lease are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this lease nor in any way affect this lease.

ARTICLE TWENTY FOUR

Tax Code Election

Section 24.01. The parties herein agree that for Federal Income Tax purposes only, that this sale/leaseback transaction shall be treated as a financing transaction in the nature of a mortgage loan. Notwithstanding anything contained in this paragraph, the agreement between the parties for all other purposes other than Federal Income Taxation shall be deemed a lease agreement with the applicable leasehold estate, and all provisions of said lease pertaining to terms, conditions, and obligations shall be guided by the applicable laws relating to leasehold estates.

ARTICLE TWENTY FIVE

Prepayment Restriction

Section 25.01. Notwithstanding anything contained herein to the contrary, the parties agree that Lessee shall not schedule a lease buy-out closing prior to the date of October 1, 1987.

ARTICLE TWENTY SIX

Additional Collateral

Section 26.01. As a guarantee of leasehold covenant performance the tenants under this lease agreement have executed at the inception of this lease a junior (second) mortgage on real estate commonly known as 5150 South Calumet Avenue, Chicago, Cook County, Illinois in the amount of \$20,000.00. In the event of a default under the terms of this leasehold agreement, lessors shall have the option to execute rights under the mortgage foreclosure act pertaining to standard defaults under the covenants of this second mortgage/Trust Deed against 5150 South Calumet Avenue.

Section 26.02. Notwithstanding anything contained in this paragraph, the agreement between the parties for all other purposes other than federal taxation shall be deemed a lease agreement with the applicable leasehold estate, and

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all provisions of said lease pertaining to terms, conditions, and/or obligations shall be guided by the applicable terms relating to leasehold estates.

ARTICLE TWENTY SEVEN

Section 27.01. As a further guarantee of leasehold covenant performance, the following officers and directors of Centre-West Inc., have executed personal guarantees of performance under this lease:

Otis J. Williams
SS# 346-36-3093
212 South Second Avenue
Maywood, Illinois 60153

Mr. Joseph R. Williams
SS# 346-42-4821
3643 West Cermak Street
Chicago, Illinois 60623

Ms. Sarah M. Williams
SS# 344-74-9690
3235 West Franklin
Chicago, Illinois 60624

Mr. Andrew L. Williams
SS# 346-46-3928
212 South Second Avenue
Maywood, Illinois 60153

Mr. Elijah P. Williams
SS# 346-36-4881
420 West Fullerton Parkway
Chicago, Illinois 60614

Mrs. Dorothy A. Williams
SS# 034-39-5640
12701 South Green Street
Chicago, Illinois 60643

The personal guarantors shall provide the Landlord hereunder with any changes of their home address within 30 days there of.

Any notices required under this Article shall be made in duplicate as follows:

- (A) To the guarantor at his/her home address as shown above or as changed from time to time, sent by U.S. registered or certified mail, with postage prepaid, and;
- (B) To the guarantor in care of Centre-West Inc., and its attorney as provided in Article 20 herein above


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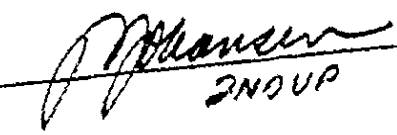
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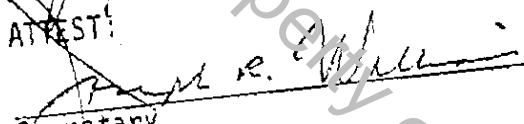
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CENTRE-WEST, INCORPORATED

AMERICAN NATIONAL BANK & TRUST CO.
TRUSTEE UNDER TRUST AGREEMENT
DATED MARCH 21, 1986, AND KNOWN AS
TRUST #66969


By: O. E. Williams, President-Tenant


J. Manser
2ND VP

ATTEST:

J. E. Williams
Secretary

This instrument is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally and as trustee, as witness, all the covenants and conditions herein contained shall be binding on AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO and its successors, as provided and agreed and shall be enforceable in all respects as if it were a deed or be enforceable against the AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO by reason of any of the covenants, statements, representations or warranties contained in this instrument.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

SCHEDULE A
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SCHEDULE NO.	TIME PERIOD		ITEMS	PAYMENTS AMOUNT	BEGINNING AMOUNT	BALLOON	
	BEGIN	FINISH				CREDIT	ENDING AMOUNT
Schedule I	Apr. 1, 1986	Aug. 31, 1986	Payments Taxes Insurance	\$2600-- 1080-- 1293-- <u>4973--</u>		\$ -0-	THE PARTIES HEREIN ACKNOWLEDGE THAT THERE SHALL BE NO PREPAYMENT PRIOR TO THE DATE OF OCTOBER 1, 1987.
Schedule II	Sept. 1, 1986	Mar. 31, 1987	Payments Taxes Insurance Sec. Deposits	2600-- 1080-- 1293-- 650-- <u>5623--</u>		-0-	
Schedule III	Apr. 1, 1987	Nov. 30, 1987	Payments Taxes Insurance Sec. Deposits	2600-- 1080-- 1293-- 650-- <u>5623--</u>	25000--	100--	24200--
Schedule IV	Dec. 1, 1987	Dec. 31, 1987	Payments Taxes Insurance Sec. Deposits	2600-- 1080-- 1293-- 250-- <u>5223--</u>	24200--	100--	24100--
Schedule V	Jan. 1, 1988	Mar. 31, 1988	Payments Taxes Insurance	2600-- 1080-- 1293-- 4973--	24100--	100--	23800--
Schedule VI	Apr. 1, 1988	Mar. 31, 1989	Payments Taxes Insurance	2600-- 1080-- 1293-- 4973--	23800--	200--	21400--
Schedule VII	Apr. 1, 1989	Mar. 31, 1990	Payments Taxes Insurance	2600-- 1080-- 1293-- 4973--	21400--	300--	17800--
Schedule VIII	Apr. 1, 1990	Mar. 31, 1991	Payments Taxes Insurance	2600-- 1080-- 1293-- 4973--	17800--	400--	13000--
Schedule IX	Apr. 1, 1991	BALLOON DUE			\$13000--		
		If Tenant chooses to use Security Deposit escrow,			(10000--)		
		balance remaining to be paid.			\$ 3000--		

\$100.00 per month payment reduction is based on rents being paid in full and on time for a period year of 12 months commencing April 1-- this may or may not coincide with a calendar year.

For the sake of consistency in the example, the dollar amounts used for Taxes and Insurance are shown as a constant; the actual amounts for future years may vary from the amounts shown.

Parties agree to amount the full extended liability insurance escrow payments shall be an amount equivalent to \$1361.08 on a monthly basis.

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REPAIRS TO IMPLEMENTED ON LAKE-LOCKWOOD PROPERTY

SCHEDULE "B"

I. BACKPORCHES

1. Each of the backporches have been checked for repairs needed to strengthen the porches. The current porch areas need little in the way of repairs. The "newer wood", that we noted on the previous inspection was of such nature that those weak areas had been previously covered.

There was no discernible bends, bulges or buckling noted on any of the porches or landing areas.

However the noticeable areas of deficiency is in the area of painting. All of the nine porches will be scraped and painted from top to bottom.

This work must be done during warm weather for the protection of the paint.

Timeframe: June 1-30, 1986

I. GUTTERS, DOWNSPOUTS AND TUCKPOINTING

1. The gutters and downspouts will be scraped and painted where necessary. In those sections where the gutters are in need of replacing, they will be replaced.

Timeframe: Gutters, downspouts and tuckpointing will require that this work be done during warm weather. Contractors insist that to do this work during the cold weather will not permit them to guaranty the holding power of the mortar that is used to secure the bricks.

Therefore, we have established the month of May 1-30, 1986, as the most ideal time of the Spring to begin the scraping, cleaning and replacing of the gutters and downspouts as well as painting of each of the gutters and downspouts. We will only replace gutters and downspouts where necessary.

Tuckpointing will be completed during the same period of time. Those areas that were specifically defined during your visitation, plus several other noticeable areas will be completed during this period of time.

Code Violations: In unison with all work to be performed relating to the exterior of the property, code violation numbers 061014, 061034, 063014, and 074014 as listed on Schedule "C" attached hereto shall be completed, and upon subsequent City of Chicago Inspection meet the standards for dismissal of the cited violations.

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Timeframe: May 1-30, 1986

III. HALLWAYS

1. Each of the hallways will be scraped, spackled and painted from grade to the third floors;
2. Each hallway will be outfitted with stair treads from grade to third floors;
3. Each hallway's bannisters and staircasings will be varnished prior to the placement of the rubber stair treads for landing and steps. All carpet will be removed and replaced with the rubber stair treads.
4. All door locks (interior and exterior) are now operative, each tenant has keys to both locks, all window pane glass is currently in place;

Code Violations: Code violation numbers 073044, 102015, and 197019 as listed on Schedule "C" attached hereto, shall be completed, and upon subsequent City of Chicago Inspection meet the standards for dismissal of the cited violations.

IV. HOT WATER HEATERS

1. Two hot water heaters will be acquired and installed immediately preceding the end of the heating season.

Timeframe: April 15-30, 1986

V. REPAIRS (CARPENTRY, ELECTRICAL AND PLUMBING) AND PAINTING IN EACH OF THE APARTMENTS.

1. Each apartment in the building will receive special attention in the areas of interior decorating, plumbing, carpentry and electrical work.
2. Detailed work plans for each apartment are in the making. Based on these work plans, we will begin plastering and painting each of the apartments.
3. There will be a total of five teams going to each apartment to insure that all of the plumbing, electrical and carpentry work has been completed before the interior decorators (drywallers, plasters and painting) finish each apartment.
 - a. In each of the apartments, in the area of plumbing leaky faucets, leaking radiator valves, p-traps under sinks and facebowls will be checked as well as defective ballcock assembly units. It's important that water is not permitted to "run" in each apartment and that commodes flush properly.

Timeframe: April 1-June 1, 1986.

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Code Violations: Code Violation numbers 101025, 141016, and 197019 as listed on schedule "C" attached hereto shall be completed and upon subsequent City of Chicago Inspection, meet the standards for dismissal of the cited violations.

V. STORM WINDOWS \$387 x 65 = \$25,155 = Storm + Screen Overlaps
\$387 x 165 = \$60,000 = All new windows

1. All of the exterior windows throughout the entire building will be scraped and painted.

Timeframe: July 1-30, 1986

2. All exterior windows will be covered with storm windows. This will be done in ~~four~~ distinct stages:

Phase I Timeframe: September 1-30, 1986
13 Apartments

Phase II Timeframe: September 1-30, 1987
15 Apartments

Phase III Timeframe: September 1-30, 1988
15 Apartments

~~Phase IV~~ Timeframe: ~~_____~~

End of Report: _____

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SCHEDULE "C" 8 8 1 3 1 9 3 /

158V

CITY OF CHICAGO -- INSPECTIONAL SERVICES
DISPLAY OF BUILDING VIOLATIONS

03/04/86
15:08:08

STANDARD FUNCTION HOUSE# DIR STREET NAME BLDG# TEN# BUR ST RECDR KEY
KEY DATA (LINE==>) BV 5249 W LAKE 00000

BUR	INSP	CTL.#	VIOL.#	VIOLATION DESCRIPTION	DATE	ST
CN	5036571	061014	REPAIR EXTERIOR WALL(S) WASHED OUT JOINTS	08/27/85	N	
CN	5036571	061034	REMOVE LOOSE, PEELING PAINT. EXTERIOR WOOD FLAKY PAINT	08/27/85	N	
CN	5036571	063014	REPAIR OR REBUILD CHIMNEY. WASHED OUT MORTAR JOINTS	08/27/85	N	
CN	5036571	073044	REPAIR OR REPLACE DOOR HARDWARE. 355 MISSING DOOR KNOBS	01/14/86	C	
CN	5036571	074014	REPAIR OR REBUILD EXTERIOR WALKS, PASSAGES, AREA SIDEWALKS REAR AREA WAY BROKEN CONCRETE	08/27/85	N	
CN	5036571	101025	REPLASTER CEILING/WALLS WHERE NEEDED. 2ND SOUTH BATH HOLES IN WALL	08/27/85	N	
CN	5036571	102015	PLACE WALLS AND CEILINGS IN CLEAN, TIGHT CONDITI HALLS 3RD NORTH POOLING PAINT 2ND SOUTH	01/14/86	C	
CN	5036571	141016	ABATE NUISANCE DUE TO NOXIOUS ODORS.	01/14/86	C	

MORE DATA; PRESS PF3 TO DISPLAY

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CITY OF CHICAGO - INSPECTIONAL SERVICES
DISPLAY OF BUILDING VIOLATIONS

03/04/86
15:08:2

STANDARD	FUNCTION	HOUSE#	DIR	STREET NAME	BLDG#	TEN#	BUR	ST	RECORD	KE
KEY DATA (LINE===>)	BV	5249	W	LAKE	00000					

BUR	INSP	CTL#	VIOL#	VIOLATION DESCRIPTION	DATE	S
				2ND LOVING CLOSET CHARED WOOD ODOR		
CN	5036571		197019	INSTALL AND MAINTAIN SMOKE DETECTORS. STAIRWELLS AND SOME APTS	08/27/85	!

Property of Cook County Clerk's Office

END OF DATA REACHED

DEPT-01 RECORDING \$39.90
T#1111 TRAN 1697 04/07/86 13:02:00
#2576 #A *-86-131987

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MAIL

39.00
90

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Property of Cook County Clerk



Mail to:
Lawrence A. Biddleman
105 W. Madison #1204
CHgo 60602
Office