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88525414

STORE LEASE

FOR

7000 N. GLENWOOD AVENUE, CHICAGO, ILLINOIS

88525414

LEGAL DESCRIPTION:

LOT 16 (EXCEPT THE WEST 20 FEET THEREOF) AND LOT 17 IN  
BLOCK 29 IN RODGERS PARK IN SECTION 32, TOWNSHIP 42 NORTH,  
RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK  
COUNTY, ILLINOIS.

PROPERTY TAX NO.: 11-32-109-009-0000

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## STORE LEASE

**THIS LEASE** is entered into on this 1st day of March, 1988 by and between Michael James and Kathleen Hogan (hereinafter collectively referred to as "Lessor" and The New Heartland Cafe, Inc., an Illinois Corporation, ("Lessee") for the premises located at 7000 Glenwood, Chicago, Illinois.

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor solely for the purposes state below, the Premises designated above (the "Premises"), together with the appurtenances thereto, for the Term as defined below.

**1. TERM.** Pursuant to the Lessee's Right of Termination, Lessee's Options to Renew and Lessee's Option to Purchase, as given below in this Lease, the term of this Lease shall commence on March 1, 1988 and expire on February 28, 1998.

**2. RENT.** Lessee shall pay Lessor or Lessor's agent as rent for the Premises the sums shown on Appendix A, which is attached hereto and hereby made a part hereof, until termination of this lease, at Lessor's address stated below or such other address as Lessor may designate in writing.

**3. WATER, GAS AND ELECTRIC CHARGES.** Lessee will pay, in addition to the rent above specified, all water rents, gas and electric light and power bills taxed, levied or charged on the Premises, for and during the time for which this lease is granted, and in case said water rents and bills for gas, electric light and power shall not be paid when due, Lessor shall have the right to pay the same, which amounts so paid, together with any sums paid by Lessor to keep the Premises in a clean and healthy condition, as herein specified, are declared to be so much additional rent and payable with the installment of rent next due thereafter.

**4. SUBLETTING; ASSIGNMENT.** Upon 30 days advance written notice to Lessor, Lessee may sublet in whole or in part to any person other than Lessee, but Lessee shall not assign this lease without, in each case, the consent in writing of Lessor first had and obtained.

**5. CONDITION OF PREMISES.** Lessor warrants that the heating plant, plumbing, air conditioner in the Premises and electrical equipment are or will be in good working condition on the date of the possession of the Premises by the Lessee and further warrants the condition and performance of the heating plant for the Term of the Lease.

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## 6. REPAIRS AND MAINTENANCE.

A. Lessee shall keep the Premises and appurtenances hereto in a clean, sightly and healthy condition, and in good repair, all according to the statues and ordinances in such cases made and provided, and the directions of public officers thereunto duly authorized, all at his own expense, and shall yield the same back to Lessor upon the termination of this lease, whether such termination shall occur by expiration of the term, or in any other manner whatsoever, in the same condition of cleanliness, repair and sightliness as at the date of the execution hereof, loss by fire and reasonable wear and tear expected. Except for all items for which Lessor is responsible pursuant to this Lease, Lessee shall made all necessary repairs and renewals upon Premises and replace broken globes, glass and fixtures with material of the same size and quality as that broken and shall insure all glass in windows and doors of the Premises at his own expense.

B. Lessor shall repair and maintain the structural portions of the Premises, including the exterior walls and roof. In the event that Lessor's repair of any structural portion of the Premises shall cause injury or interfere with Lessee's business, then Lessee shall be entitled to an abatement of rent equivalent to the sums lost as a result of such injury or interference. In the event that Lessor shall fail to timely make repairs to the structural portions of the Premises, Lessee may make such repairs and the amounts paid by Lessee to make such repairs shall be deducted from the monthly rental immediately due following such payments for repairs.

7. **ACCESS TO PREMISES.** Lessee will allow Lessor or any person authorized by Lessor free access to the Premises for the purpose of examining or exhibiting the same, or to make any repairs or alterations thereof which Lessor may see fit to make.

8. **DECORATING, REPAIRING, REMODELING, ALTERING AND IMPROVING BY LESSEE.** If the Lessee shall, during or before the term of this Lease, decorate, repair, remodel, alter or improve the demised Premises, such expenses must be borne solely by Lessee. All such improvements must be done in conformity with any law, ordinance or regulation pertaining thereto, and in such a way as not to endanger or weaken the structural support of the Premises, and after prior submission of all plans to Lessor and after written approval by Lessor (such approval may not be unreasonably withheld).

9. **SIGNAGE AND LOCKS.** Lessee may erect or install such signs or exterior improvements as he may feel necessary to advertise his business. All signs or exterior improvements must be installed or erected by Lessee in conformity with any law, ordinance, or regulation pertaining thereto and in such manner as to not, in any way endanger or weaken the structural support of the Premises.

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**10. USE OF PREMISES.** Lessee shall occupy and use the Premises for the purpose of operating a food service establishment and for such other uses as may be incidental thereto, and Lessee shall be entitled to sell any and all types of foods and/or beverages (including alcoholic beverages if all proper licenses are obtained). Notwithstanding the foregoing, upon 60 days advance written notice to Lessor, Lessee may change the purpose and occupancy to any lawful purpose.

**11. FIRE, CASUALTY AND CONDEMNATION.** In case the Premises shall be rendered untenable by fire, explosion or other casualty, Lessee may, at its option, terminate this lease or require Landlord to commence repair to the Premises within sixty days. If Lessor does not repair the Premises within said time then Lessee may terminate this Lease at any time or pay for all costs of such repairs and deduct such cost from any Rent due from Lessee hereunder. In the event that such cost is in excess to any twelve months rental due from Lessee, Landlord shall pay such excess to Lessee within 15 days from demand of such sums. If the leasehold or any part thereof, shall be taken by any public authority or under power of eminent domain, this lease shall terminate as of the date of such taking, and the rent shall be paid up to that day.

**12. TERMINATION; HOLDING OVER.** At the termination of the term of this lease, unless extended as provided below, Lessee will yield up immediate possession of the Premises to Lessor, in good condition and repair, loss by fire and ordinary wear excepted, and will return the keys therefor to Lessor at the place of payment of rent. If Lessee retains possession of the Premises any part thereof after the termination of the term without extension as provide below, then such retention of possession shall create a a tenancy at sufferance, at a rental of seventy dollars (\$70.00) per day for the time Lessee remains in possession.

**13. DEFAULTS; REMEDIES.**

(a) Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this lease by Lessee:

(i) The vacating or abandonment of the Premises by Lessee.

(ii) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, within 30 days of when due.

(iii) The failure by Lessee to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Lessee, other than described in Paragraph (i) or (ii) above, where such failure shall continue for a period of 60 days after notice hereof from Lessor to Lessee; provided however, that if the nature of Lessees default is such that more than 60 days are reasonably required for its cure, then Lessee shall not

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be deemed to be in default if Lessee commenced such cure within said 60 day period and thereafter diligently prosecutes such cure to completion.

(b) Remedies. In the event of any such material default or breach by Lessee, Lessor may within 30 days after such default or breach:

(i) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor.

(ii) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of Illinois.

(c) Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor, provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same completion.

(d) In the event of a default by Lessor, Lessee may terminate the lease without penalty by giving notice within sixty (60) days following the thirtieth day after Lessee's notice of default to Lessor.

**15. TAXES.** Lessor shall pay all of the real estate tax bills charged against the property by any governmental or quasi-governmental authority during the term of this Lease. In the event that Lessor does not pay such taxes within thirty (30) days after such taxes are due, Lessee may either (a) terminate the lease or; (b) pay the proper governmental authority the tax amounts due and owing and deduct such payments from the rents due for the months immediately following such payment until Lessee has recovered the amounts paid to such authority. In the event that Lessee elects to use the procedure outlined in (b) above, then Lessee may deduct an additional amount from the rental for the months following the payment equal to fifteen percent (15%) of the amounts paid to such governmental authority.

**16. RECORDING.** Either Lessee or Lessor may record this Lease or either party upon the request of the other, shall execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.

**17. LICENSES.** Lessee shall be responsible for obtaining, keeping and maintaining any all licenses required to conduct the business in the Premises for the uses written above.

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18. **OPTIONS TO RENEW.** Lessee shall have two (2) options to renew the term of this Lease for an additional ten (10) year period each time. The first option term be for the period of March 1, 1998 to February 28, 2008, inclusive. The second option term shall be for the period of March 1, 2008 to February 28, 2018, inclusive. In order to exercise any of the three options, Lessee shall notify Lessor in writing of such intent to exercise not less than 30 days prior the beginning of the option term for which Lessee is exercising said option. All terms and conditions of this Lease shall remaining the same during each option term except the monthly rental as set forth in Appendix A.

19. **RIGHT OF TERMINATION.** Lessee shall have the option to terminate this Lease at any time during the term thereof, or during any extension thereof, by giving written notice to Lessor at least ninety (90) days prior to the date of such termination and by accompanying such termination notice with a payment of an amount equal to two months of the monthly rental being charged at the time of the notice of termination.

20. **OPTION TO PURCHASE.** At any time during Term or any extensions thereof pursuant to paragraph 18 above, Lessee shall have the right to Purchase from Lessor, the building in which the Premises are located ("Building"). In order to exercise such right Lessee shall notify Lessor in writing of Lessee's exercising of such right. Within 60 days following such notice, Lessor shall cause the Building to be transferred to Lessee in accordance with all of the terms and conditions contained in Appendix B which is attached hereto and hereby made a part hereof and Lessee shall pay the sums and deliver the notes and mortgages as provided in Appendix B.

21. **NOTICES.** Notwithstanding anything contained herein to the contrary, all notices shall be in writing and sent by certified mail, return receipt requested, or by bonded messenger delivery, receipt required, at the addresses shown below the name of Lessor and Lessee at the end of this Lease. The notice address of Lessor and Lessee may be changed by giving written notice of such change pursuant to the terms of this paragraph.

## 22. MISCELLANEOUS.

(a) Provisions typed on this lease and all riders, exhibits and appendices attached to this lease are hereby made a part of this lease.

(b) All covenants, promises, representations and agreements herein contained shall be binding upon, apply and inure to the benefits of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

(c) The rights and remedies hereby created are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

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(d) The words "Lessor" and "Lessee" wherever used in this lease shall be construed to mean Lessors or Lessees in all cases where there is more than one Lessor or Lessee, and to apply to individuals, male or female, or to firms or corporations, as the same may be described as Lessor or Lessee herein, and the necessary grammatical changes shall be assumed in each case as though fully expressed.

(e) This Lease shall be governed by the Law of Illinois.

**23. MODIFICATIONS.** This Lease may only be changed, modified or altered in writing only, signed by the parties in interest at the time of the change, modification or alteration.

**24. SEVERABILITY.** If any clause, phrase, provision or portion of this lease or the application thereof to any person or circumstances shall be invalid, or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this lease nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

IN WITNESS WHEREOF, the hands and seals of the parties have been executed hereon, as of the date first stated above.

LESSOR:

LESSEE:

THE NEW HEARTLAND CAFE, INC.

Michael James  
MICHAEL JAMES

BY: Catherine D. La  
PRESIDENT

Kathleen Hogan  
KATHLEEN HOGAN

ATTEST: Catherine D. La  
SECRETARY

CORPORATE SEAL

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## APPENDIX A

### SCHEDULE OF RENT

<u>Year of Original Term</u>	<u>Monthly Rent</u>
1 .....	\$2,125.00
2 .....	\$1,200.00
3 .....	\$1,250.00
4 .....	\$1,300.00
5 .....	\$1,350.00
6 .....	\$1,400.00
7 .....	\$1,450.00
8 .....	\$1,500.00
9 .....	\$1,550.00
10 .....	\$1,600.00

<u>Year of 1st Option Term</u>	<u>Monthly Rent</u>
1 .....	\$1,600.00
2 .....	\$1,700.00
3 .....	\$1,800.00
4 .....	\$1,900.00
5 .....	\$2,000.00
6 .....	\$2,100.00
7 .....	\$2,200.00
8 .....	\$2,300.00
9 .....	\$2,400.00
10 .....	\$2,500.00

<u>Year of 2nd Option Term</u>	<u>Monthly Rent</u>
1 .....	\$3,000.00
2 .....	\$3,500.00
3 .....	\$4,000.00
4 .....	\$4,500.00
5 .....	\$5,000.00
6 .....	\$5,500.00
7 .....	\$6,000.00
8 .....	\$6,500.00
9 .....	\$7,000.00
10 .....	\$7,500.00

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## APPENDIX B

### LESSEE'S OPTION TO PURCHASE

In the event that Lessee exercises his option to purchase pursuant to paragraph 20 of the Lease then the following terms and conditions shall apply to such Sale:

Definitions: For purposes of this Appendix B, the Lessor shall be referred to as "Seller"; the Lessee shall be referred to as "Purchaser" and the Building shall be referred to as the "real estate" or "Property"; and this Appendix may be referred to as the "Contract".

#### ARTICLE I - TERMS

1.01. Purchaser agrees to purchase at a price of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) on the terms set forth herein, all of Seller's interest in the Trust dated June 8, 1981 and known as LaSalle National Bank Trust No. 1038656-09 ("Trust"), with Seller representing that Seller has the written power of direction to LaSalle National Bank as Trustee of the Trust and that such Trustee is the legal title holder of the real estate which is more accurately described as :

LOT 16 EXCEPT THE WEST 30 FEET THEREOF AND LOT 17 IN BLOCK 29 IN RODGERS PARK IN SECTION 22, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

commonly known as 7000 North Glenwood, Chicago, Illinois, ("Property") together with all personal property located thereon.

1.02. Seller agrees, at the price and terms set forth herein, to assign all of his right and interest in the Trust, or to convey or cause to be conveyed to Purchaser or nominee title thereto by a recordable warranty deed, with release of homestead rights, and a proper bill of sale subject only to: (a) covenants, conditions and restrictions of record; (b) private, public and utility easements and roads and highways, if any which do interfere with the use of the property; (c) party wall rights and agreements, if any; (d) mortgage or trust deed specified in paragraph 1.03(c) below; (e) general taxes for the year of closing and subsequent years including taxes which may accrue by reason of new or additional improvements during the year including taxes which may accrue by reason of new or additional improvements during the year of closing.

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- 1.03. Purchaser will pay within five days of the date he exercises his right to purchase under paragraph 20 of the Lease, the sum of Five Thousand Dollars (\$5,000.00) as earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, plus or minus prorations, at the time of closing. Notwithstanding any of the foregoing, it is agreed and understood that as part payment of the purchase price, at Closing, Purchaser may deliver an installment note to Seller in any amount up to a maximum of the amount of Two Hundred Forty Five Thousand Dollars bearing interest at Ten percent (10.0%) with payment of the amount of the note to be in equal installments over a period of thirty (30) years from the date of the Closing. In the event that Purchaser delivers such a Note at Closing, then at Closing, Purchaser shall deliver a Mortgage or Trust Deed for recording against the Property as security for such Note. Any such Trust Deed shall be subject to all covenants, conditions, restrictions, lien and mortgages of record.
- 1.04. The time of closing shall be 60 days after the date of execution hereof, or the date, if any, to which such time is extended by reason of paragraph 2.02 hereof, (whichever date is later), unless subsequently mutually agreed otherwise, at the office of Title company, providing the commitment for title insurance as required below, provided title is shown to be good or is accepted by Purchaser.

## ARTICLE II CONDITIONS AND ETIPULATIONS

- 2.01 Seller shall deliver or cause to be delivered to Purchaser's agent, not less than 5 days prior to the time of closing, a title commitment for an owner's title insurance policy issued by the Chicago Title Insurance Company in the amount of the purchase price, covering title to the real estate on or after the date hereof, showing title in the intended grantor subject only to (a) the general exceptions contained in the policy unless the real estate is improved with a single family dwelling or an apartment building of four or fewer residential units, (b) the title exceptions set forth above, and (c) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may so remove at that time by using the funds to be paid upon the delivery of the deed (all of which are herein referred to as the permitted exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Purchaser an affidavit of title in customary form covering the date of closing and showing title in Seller subject only to the permitted exceptions in

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foregoing items (b) and (c) and unpermitted exceptions, if any, as to which the title insurer commits to extend insurance in the manner specified in paragraph 2.02 below.

2.02 If the title commitment discloses unpermitted exceptions, Seller shall have 30 days from the date of delivery thereof to have the exceptions removed from the commitment or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions, and, in such event, the time of closing shall be 35 days after delivery of the commitment or the time specified in paragraph 5 on the front page hereof, whichever is later. If Seller fails to have the exceptions removed, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions within the specified time, Purchaser may terminate this contract or may elect, upon notice to Seller within 10 days after the expiration of the 30-day period, to take title as is with the right to deduct from the purchase price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this contract shall become null and void without further actions of the parties.

2.03 Rents, premiums under assignable insurance policies, water and other utility charges, fuels, prepaid service contracts, general taxes, accrued interest or mortgage indebtedness, if any, and other similar items shall be adjusted ratably as of the time of closing. If the amount of the current general taxes is not then ascertainable, the adjustment thereof shall be on the basis of the amount of the most recent ascertainable taxes. The amount of any general taxes which may accrue by reason of new or additional improvements shall be the responsibility of the Purchaser. All prorations shall be re prorated upon receipt of the actual bills for the period which is the subject of the prorations. Existing leases and assignable insurance policies, if any, shall then be assigned to Purchaser. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Tax Act of the State of Illinois and shall furnish any declaration signed by the Seller or the Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax; such tax required by local ordinance shall be paid by the party upon whom such ordinance places responsibility therefor. If such ordinance does not so place responsibility, the tax shall be paid by the Purchaser.

2.04 The provisions of the Uniform Vendor and Purchaser Risk Act of the State of Illinois shall be applicable to this contract.

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- 2.05 If this contract is terminated without Purchaser's fault, the earnest money shall be returned to the Purchaser, but if the termination is caused by the Purchaser's fault, then at the option of the Seller and upon notice to the Purchaser, the earnest money shall be forfeited to the Seller and applied first to the payment of Seller's expenses and then to payment of broker's commission; the balance, if any, to be retained by the Seller as liquidated damages.
- 2.06 At the election of Seller or Purchaser upon notice to the other party not less than 5 days prior to the time of closing, this sale shall be closed through an escrow with Chicago Title and Trust Company, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by Chicago Title and Trust Company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this contract and the earnest money shall be deposited in the escrow. The cost of the escrow shall be divided equally between Seller and Purchaser.
- 2.07 Time is of the essence of this contract.
- 2.08 All notices herein required shall be in writing and shall be served on the parties at the addresses following their signatures. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service.
- 2.09 At least 5 days prior to the Closing, Seller will deliver to Purchaser a current survey of the property. Such survey shall be in accordance with Illinois Land Survey Standards and shall show all corners and all improvements and all easements and building lines and encroachments if any. If any encroachments on the property or any unpermitted easements on title defects are shown, such survey defects shall be deemed defects in title and shall be subject to cure in the same manner and in the same time period as defects in title and purchaser shall have the same rights under this contract with regard thereto as purchaser has with regards to defects in title.
- 2.10 All provisions of sections 9-902(d) of the Illinois Income Tax Act and Section 444(j) of the Retailers Occupation Tax Act shall be followed in completing this sale of property. All notices required thereunder shall be filed by the Purchaser's or Seller's attorney and all funds shall be held in escrow pending a statement of release issued by the Illinois Department of Revenue. If stop orders are issued by the Illinois Department of Revenue pursuant to the above statutes, then the sum of such orders in the form of a cashiers or certified check made payable to Chicago Title and Trust Company for Deposit into escrow shall be withheld

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and retained (or if after closing such sum shall be delivered to be held) in escrow by Chicago Title and Trust Company until a final determination has been reached by each of the departments or determination by either department that the Seller is not subject to income taxes under the above mentioned statute, at which time such sum shall be delivered to Seller by the Escrowee and Seller shall promptly pay any sales or use tax then due. Seller reserves the right within 10 days of the Stop Order to apply for a reduction thereof; and if so reduced, the sum shall in escrow shall also be reduced.

- 2.11 Purchaser and Seller hereby agree to make all disclosures and do all things necessary to comply with the applicable provisions of the Real Estate Settlement Procedures Act of 1974. In the event that either party shall fail to make appropriate disclosure when asked, such failure shall be considered a breach of the part of said party.

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Revised 10/10

See report of the Hon. Mr. Justice  
of the Peace, in the case  
of the People vs. the People  
Chicago, Ill. 1880