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WHEN RECORDED MAIL TO:

STEEFEL, LEVITT & WEISS  
One Embarcadero Center  
29th Floor  
San Francisco, California 94111  
Attention: RICHARD A. LYONS, ESQ.

Return to:  
CALIFORNIA LENDERS' & ATTORNEYS' SERVICES  
1000 G Street, Suite 225  
Sacramento, CA 95814 (916) 447-6237  
Toll Free in California Only: (800) 952-5696

Account Number \_\_\_\_\_

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this 1st day of August, 1988, by and between SCANDINAVIAN DESIGN OF FOUR FLAGGS, INC., an Illinois corporation (hereinafter called "Assignor"), and EAE, INC., a California corporation (hereinafter called "Assignee").

RECITALS:

A. LaSALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated May 15, 1972, known as Trust No. 44143, as Lessor, and Assignor, as Tenant, executed a Lease on April 25, 1986. By the terms of the lease, a copy of which, including any amendments or supplements thereto, is attached hereto as Exhibit "A", the property described therein, commonly known as a portion of Four Flaggs Shopping Center located at 8269 Golf Road, Niles, Illinois (the "Premises"), was leased to Assignor as Tenant for a term of five years; and

B. By Order of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, in Case No. 87 B 14325 and related cases dated August 2, 1988, a copy of which Order is attached hereto as Exhibit "B" and hereby incorporated herein, Assignor is authorized and now desires to assign the lease to Assignee, and Assignee desires to accept the assignment thereof.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

Assignor hereby assigns and transfers to Assignee all of its right, title and interest in and to the lease hereinbefore described, and Assignee hereby agrees to and does accept the assignment, and Assignee expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by Assignor as Tenant thereunder, including the making of all payments due to or payable on behalf of Landlord under said Lease when due and payable.

Assignor hereby sells, transfers, assigns and conveys to Assignee all of its right, title and interest in and to the

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leasehold improvements, fixtures and trade fixtures, if any, located or constructed on or in the Premises, as provided in the Order dated August 2, 1988, of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, in Case No. 87 B 14325 and related cases.

Assignor shall pay that certain rent, utilities, taxes, maintenance and other monetary charges, if any, which Assignor is obligated to pay under the lease to cure in accordance with Section 365 of the U. S. Bankruptcy Code which accrued until 12:01 A.M., local time, July 27, 1988. Assignor agrees that Assignee shall not be liable for any charges incurred or accruing prior to 12:01 A.M., July 27, 1988. Assignor will use its best efforts to deliver a statement showing the closing computation adjustment to Assignee. In the event that either Assignor or Assignee receives, subsequent to the date hereof, a bill for any charges which, in the case of Assignor, pertains to a period subsequent to July 26, 1988, in the case of Assignee, pertains to a period prior to July 26, 1988, such party shall promptly deliver a copy thereof to the other party, including therewith a calculation of such other party's allocable share thereof, prorated in accordance with the provisions of this Agreement, and such other party shall pay such amount for such bill directly to the payee thereof unless it contests the same. The party, Assignor or Assignee, originally receiving any such bill shall have the right to notify the payee thereof that such party is not responsible for a portion of such billed amount and that the other party hereto should be billed directly for such portion thereof.

To the best of Assignor's knowledge, the lease(s) made available for inspection by Order of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, dated July 7, 1988, copy or copies of which are attached hereto, are the sole lease(s) in effect between Assignor and the Landlord affecting the Premises.

To the best of Assignor's knowledge, the Assignor has not previously assigned nor entered into any sublease of the lease.

Executed at Chicago, Illinois, on the day and year first above written.

ASSIGNEE:

EAE, INC., *Washington*  
a California corporation

By: *[Signature]*

*Errol Eide*  
Name in Print

Title: *president*

ASSIGNOR:

SCANDINAVIAN DESIGN OF FOUR  
FLAGGS, INC., an Illinois corporation

By: *[Signature]*

Per Thorsen

Title: Person designated to  
perform the duties and  
responsibilities of  
Debtor-In-Possession

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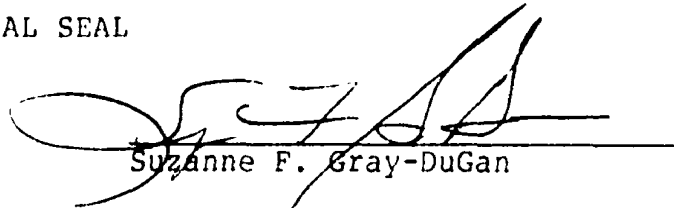


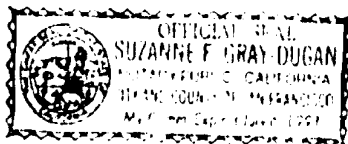
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State of California        )  
                                  )    ss.  
County of Sonoma         )

On this 2nd day of November, 1988, before me, Suzanne F. Gray-DuGan, the undersigned Notary Public, personally appeared Erling Eide, who proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as President or on behalf of EAE, INC., a California corporation, the corporation therein named and he acknowledged to me that the corporation executed it.

WITNESS MY HAND AND OFFICIAL SEAL

  
Suzanne F. Gray-DuGan



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## FOUR FLAGGS SHOPPING CENTER

### NILES, ILLINOIS

#### LEASE

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## FOUR FLAGGS SHOPPING CENTER

### LEASE

### ARTICLE I

#### BASIC LEASE PROVISIONS AND ENUMERATION OF EXHIBITS

#### Section 1.1. Basic Lease Provisions

- A. DATE: April 25, 1986.
- B. LANDLORD: LaSalle National Bank, not personally but as Trustee under Trust Agreement dated May 15, 1972 known as Trust No. 44143
- C. TENANT: SCANDINAVIAN DESIGN OF FOUR FLAGGS, INC. (an Illinois corporation)
- D. ADDRESS OF TENANT: 820 Church Street, Evanston, Illinois 60201
- E. TENANT'S TRADE NAME SCANDINAVIAN DESIGN
- F. LEASE TERM: Five (5) Lease Years (plus a Partial Lease Year, if any, prior to the first Lease Year).
- G. TENTATIVE DATE FOR DELIVERY OF LEASED PREMISES TO TENANT: One Hundred Twenty (120) DAYS AFTER EXECUTION OF LEASE BY LANDLORD
- H. TENTATIVE COMMENCEMENT DATE: Forty-five (45) days after tender of possession by Landlord or Landlord's agent, Joseph J. Freed and Associates, Inc., to tenant.
- I. FIXED MINIMUM RENT: For the first full month of the Lease Term, and any partial month preceding the first full month, through the twenty-fourth (24th) month, the Fixed Minimum Rent payable per month shall be EIGHT THOUSAND SEVEN HUNDRED FIFTY & 84/100 DOLLARS (\$8,750.00), for the twenty-fifth (25th) through the thirty-sixth (36th) month, the Fixed Minimum Rent payable per month shall be NINE THOUSAND SIX HUNDRED TWENTY FIVE & 80/100 DOLLARS (\$9,625.00), commencing with the thirty-seventh (37th) month and continuing through the Termination Date, the Fixed Minimum Rent payable per month shall be TEN THOUSAND FOUR HUNDRED SIXTEEN & 66/100 DOLLARS (\$10,416.66).
- J. PERCENTAGE RENT RATE: Four Per Cent (4%)  
PERCENTAGE SALES BASE: For each of the first (1st) and second (2nd) Lease Years, the Percentage Sales Base shall be TWO MILLION SIX HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$2,625,000.00), for the third (3rd) Lease Year the Percentage Sales Base shall be TWO MILLION EIGHT HUNDRED EIGHTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$2,887,500.00), for each of the fourth (4th) and fifth (5th) Lease Years the Percentage Sales Base shall be THREE MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$3,125,000.00).
- K. PERCENTAGE RENT PERIODS: Each Percentage Rent Period shall be a Lease Year.
- L. PERMITTED USES: Retail sale of furniture, home furnishings and accessories, including rugs and lamps.
- M. SECURITY DEPOSIT: NONE
- N. GUARANTOR: SCANDINAVIAN DESIGN, INC. (an Illinois corporation)
- O. TRADING AREA: A radius of three (3) miles from the Shopping Center
- P. STORE NUMBER: 2245-2240-2250
- Q. FLOOR AREA: 13,137 square feet
- R. CONTRIBUTION TO MERCHANTS ASSOCIATION: \$.35 per Sq. Ft. for 8592 square feet of the Leased Premises
- S. INTENTIONALLY OMITTED
- T. TENANT'S ESTIMATED INSURANCE CONTRIBUTION: \$.06 per square foot of Floor Area during first Lease Year and any prior partial Lease Year increased by \$.01 per square foot for each Lease Year and any partial Lease Year thereafter.

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Section 1.2 Significance of Basic Lease Provisions. Each reference in this Lease to any of the Basic Lease provisions contained in Section 1.1 of this Article shall be deemed and construed to incorporate all of the terms provided under each such Basic Lease Provision

Section 1.3 Enumeration of Exhibits. The exhibits enumerated in this Section and attached to this Lease are incorporated in this Lease by this reference and are to be construed as a part of this Lease.

Exhibit A Legal Description of the Shopping Center  
Exhibit B Site Plan  
Exhibit C Plan of Leased Premises.

Exhibit D Description of Landlord's Work.  
Exhibit E Description of Tenant's Work.  
Exhibit F Design Criteria for Tenant's Architectural Standards and Tenant's Signs.  
Exhibit G Sign Drawing

## ARTICLE II

### LEASED PREMISES AND TERM

Section 2.1. Shopping Center. Landlord is the owner of a parcel of real estate commonly known as Four Flaggs Shopping Center (hereinafter referred to as "Shopping Center") located in Niles, Illinois, and legally described in Exhibit A hereto. It is agreed that the depiction of the Shopping Center on Exhibit B does not constitute a representation, covenant or warranty of any kind by Landlord. Landlord reserves the right to change the number and location of buildings building dimensions, the number of floors in any of the buildings, store dimensions, the identity and type of other stores and tenancies, and Landlord further reserves the right to locate kiosks and to construct buildings on, and to otherwise improve any outlot shown on Exhibit B, provided only that the Leased Premises as hereinafter defined shall be substantially as depicted on Exhibit C, and further\*

Section 2.2. Leased Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby accepts from Landlord, subject to and with the benefit of the terms and provisions of this Lease, the store premises, sometimes herein referred to as the "Leased Premises", as more particularly shown on Exhibit C.

\* provided that no exercise of Landlord's rights hereunder shall materially interfere with the accessibility or visibility of Tenant's store.

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Section 2.3. Lease Term. TO HAVE AND TO HOLD the Leased Premises for the term provided in Section 1.1 (F), commencing on the earlier of (a) the Tentative Commencement Date specified in Section 1.1 (H), or (b) the day Tenant opens for business in the Leased Premises (hereinafter in either case "Commencement Date"); and ending on the last day of the fifth Lease Year thereafter (hereinafter "Termination Date"), unless sooner terminated.

Section 2.4. Statement as to Lease Term. Landlord and Tenant agree that this Lease shall not be recorded. However, when the Commencement Date and Termination Date of the Lease Term have been determined as provided in Section 2.3, Landlord and Tenant shall execute and deliver a written statement in recordable form specifying therein the Commencement Date and Termination Date of the Lease Term.

## ARTICLE III

### CONSTRUCTION OF LEASED PREMISES

Section 3.1. Construction by Landlord. Landlord will construct or cause to be constructed the Leased Premises as shown on Exhibit C, substantially in accordance with the outline specifications described in the schedule entitled Landlord's Work and attached hereto as Exhibit D. Tenant agrees that no structural or mechanical modifications or minor changes from any plans or from said outline specifications which may hereafter be made during the construction of the Leased Premises shall affect or change the terms or provisions hereof. Landlord's Work shall be deemed approved by Tenant in all respects except for items of Landlord's Work which are not completed or do not conform to Exhibit D, and as to which Tenant shall have given notice to Landlord within fifteen (15) days after actual delivery to Tenant of the Leased Premises ready for Tenant's Work. Any disagreement which may arise between Landlord and Tenant with reference to the work to be performed by either pursuant to Exhibits D and E and whether such work has been properly completed shall be resolved by the decision of Landlord's architect.

Section 3.2. Construction by Tenant. All work other than that to be performed for or by Landlord is to be done by Tenant, at Tenant's expense and in accordance with the outline description described in the schedule entitled Tenant's Work and attached hereto as Exhibit E and the Design Criteria evidenced by Exhibit F attached hereto. Tenant shall, within fifteen (15) days from the date hereof, at its own cost and expense, cause to be prepared and delivered to Landlord for its approval, one (1) set of plans and specifications (hereinafter referred to as the "Plans and Specifications"), including working drawings\*, covering Tenant's work as described in Exhibit E in such detail as Landlord may require and in conformity with all applicable lease exhibits and all applicable statutes, ordinances, regulations and codes, certified by a licensed registered architect. In the event, within fifteen (15) days after receipt thereof, Landlord shall notify Tenant that the Plans and Specifications fail to conform as aforesaid, Tenant shall, within fifteen (15) days from the date of Landlord's disapproval, cause

\* or sketches acceptable to Landlord

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the Plans and Specifications to be revised to conform thereto and shall resubmit them to Landlord for its approval. In the event the Plans and Specifications are not submitted or resubmitted to Landlord as hereinabove provided, Landlord may, upon written notice to Tenant, terminate this Lease, in which event Landlord shall have the right to recover, as liquidated damages and not as a penalty, a sum of money equal to the amount of Fixed Minimum Rent payable for the first full Lease year.

Section 3.3 Tender of Leased Premises. Landlord, or Joseph J. Freed and Associates, Inc., Managing Agent, or the beneficiaries of Landlord, will tender possession of the Leased Premises to Tenant at such time as the Leased Premises are ready for Tenant's Work. Tenant shall complete Tenant's Work within thirty (30) days after tender to it of possession of the Leased Premises.

Section 3.4. Obligations of Tenant before Lease Term Begins. Tenant shall observe and perform diligently such of its obligations contained in Exhibits E and F as are to be performed by it prior to the beginning of the Lease Term, and shall complete Tenant's Work, no later than the last day allowed to it to complete its work as set forth in Section 3.3. Tenant shall also observe and perform all of its obligations under this Lease (including its obligations under Section 6.1 of this Lease, but excluding its obligations to pay rent) from the date upon which the Leased Premises are tendered to Tenant for its work as aforesaid until the Commencement Date of the Lease Term in the same manner as though the Lease Term began when the Leased Premises were so tendered to Tenant.

## ARTICLE IV

### METHOD OF RENT PAYMENT AND DETERMINATION OF PERCENTAGE RENT

Section 4.1. The Rent: Fixed Minimum and Percentage. Tenant agrees to pay rent to Niles Properties, or to such other person as Landlord or Joseph J. Freed and Associates, Inc. may direct, without demand, at: c/o Joseph J. Freed and Associates, Inc., P.O. Box 94910, Chicago, Illinois 60690, or such place as Landlord or Joseph J. Freed and Associates, Inc. may by notice in writing to Tenant from time to time direct, at the following rates and times:

(a) Fixed Minimum Rent, as provided in Section 1.1 (I), payable in advance in successive monthly installments on the first day of each calendar month included in the Lease Term. For any portion of a calendar month included at the beginning of said term, one-thirtieth of the monthly payment due for the first month of the Lease Term for each day of such portion, payable on the first day of such portion; and

(b) Percentage Rent at the Rate provided in Section 1.1 (J) shall be payable at the end of each Percentage Rent Period as provided in Section 1.1 (K) in each Lease Year or Partial Lease Year or at the end of a Partial Lease Year if circumstances produce a period of less than a Percentage Rent Period, as provided in Section 4.4.

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Section 4.2. Lease Year. The term "Lease Year" means a period of twelve (12) consecutive calendar months. The first Lease Year shall commence on the Commencement Date as set forth in Article II, Section 2.3 hereof if the Commencement Date shall occur on the first day of a calendar month and, if not, the first Lease Year shall commence upon the first day of the calendar month next following the Commencement Date, and each succeeding Lease Year shall commence upon the anniversary date of the first Lease Year. Any portion of the Lease Term commencing prior to the first day of the first Lease Year or ending prior to the expiration of a full Lease Year shall be deemed a "Partial Lease Year."

Section 4.3. Definition of Gross Sales. The term "Gross Sales" as used herein is defined to mean the total amount in dollars of the actual sales price, whether for cash or on credit or partly for cash and partly on credit, of all sales of merchandise and services and all other receipts of business conducted in or from the Leased Premises and all mail or telephone orders received or filled at or from the Leased Premises and all deposits not refunded to purchasers and all orders taken in and from the Leased Premises whether or not said orders are filled elsewhere and receipts or sales by any sublessee, concessionaire, licensee and any other person or persons doing business in or from the Leased Premises. Gross Sales shall not, however, include any sums collected and paid out by Tenant for any sales or retail excise tax imposed by any duly constituted governmental authority, nor shall they include any exchange of goods or merchandise between the stores of Tenant\* where such exchange of goods or merchandise is made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale which has theretofore been made at, in or from the Leased Premises or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made at, in or from the Leased Premises, nor the amount of returns to shippers or manufacturers, nor the amount of any cash or credit refund made upon any sale, nor sales of fixtures which are not a part of Tenant's stock in trade. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when Tenant may receive payment from its customer. No deduction shall be made from Gross Sales for any franchise, income or gross receipts taxes or for any other taxes based upon income of Tenant. . . 88-53474

\* and other Scandinavian Design stores

Section 4.4. Payment of Percentage Rent. On or before the thirtieth (30th) day after the expiration of each Percentage Rent Period included in the Lease Term and thirty (30) days after the Termination Date or earlier termination of the Lease Term, Tenant shall pay as Percentage Rent a sum equal to the Percentage Rent Rate multiplied by the amount, if any, by which Tenant's Gross Sales during the preceding Percentage Rent Period, or portion thereof included in the Lease Term, exceed/ (x) the Percentage Sales Base (as specified in Section 1.1(J) of this Lease or as the same may be reduced in accordance with Section 9.2 of this Lease) multiplied by (y) a fraction the numerator of which shall be the number of days Tenant was open for business during the Percentage Rent Period, or portion thereof included in the Lease Term, and the denominator of which shall be three hundred sixty (360).

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Section 4.5. Maintenance of Records and Examination. Tenant shall utilize cash registers equipped with sealed continuous totals or such other method as may be first approved by Landlord to record all Gross Sales and Tenant shall keep on the Leased Premises (or at some other location previously agreed to in writing by Landlord) for at least eighteen (18) months after expiration of each Lease year or Partial Lease Year records conforming to sound and accepted accounting practices showing all of the gross sales at, in, from and upon the Leased Premises for such Lease Year or Partial Lease Year, including all tax reports, sales slips, sales checks, bank deposit records and other supporting data. Within fifteen (15) days after the end of each calendar month, or portions thereof in the Lease Term, Tenant shall furnish Landlord a statement certified by one of Tenant's executive officers, of Tenant's Gross Sales during such month or portion thereof; and or before the sixtieth (60th) day after the end of each Lease Year or Partial Lease Year in the lease Term and within sixty (60) days after the end of the Lease Term Tenant shall furnish Landlord a statement, hereinafter called the annual statement, certified by an executive officer of Tenant, of Tenant's Gross Sales during the preceding Lease Year or Partial Lease Year. If Tenant fails to supply such statements, in accordance with the time requirements as hereinabove provided, Landlord shall be entitled to immediately audit, at Tenant's expense, all of Tenant's sales records. In addition, Landlord shall have the right from time to time by its accountants or representatives to audit all annual statements of Gross Sales and in connection with such audits to examine all of Tenant's records (including all supporting data) of Gross Sales and Tenant shall make all such records available for such examination. If any such audit discloses that the actual Gross Sales by Tenant exceeded those reported, Tenant shall forthwith pay the Percentage Rent due for the excess. If such audit discloses that said Gross Sales exceeded those reported by more than two per cent (2%), Tenant shall pay the cost of such audit and examination and if such audit discloses that Gross Sales exceeded those reported by more than two per cent (2%) three or more times during the Lease Term, or that Gross Sales exceed those reported by more than five per cent (5%) any one time, Landlord shall have, in addition to all other available rights and remedies, the right to terminate the Lease.

Section 4.6. Additional Payments. Tenant shall pay any and all sums of money or charges required to be paid by Tenant under this Lease promptly when the same are due, without any deductions or setoff whatsoever. Tenant's failure to pay any such amounts or charges when due shall carry with it the same consequences as Tenant's failure to pay rent. All such amounts or charges shall be payable to Niles Properties, or to such other person as Landlord or Joseph J. Freed and Associates, Inc. may direct at the place where the Fixed Minimum Rent is payable.

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## ARTICLE V

### COMMON AREAS AND FACILITIES

Section 5.1. Common Areas and Facilities. Landlord shall make available from time to time such areas of the Shopping Center (hereinafter sometimes called "Common Areas") and facilities of common benefit to the tenants and occupants of Shopping Center as Landlord shall deem appropriate. Landlord shall operate, manage, equip, light, insure (liability and casualty), repair and maintain the Common Areas and facilities for their intended purposes in such manner as Landlord shall in its sole discretion determine, and may from time to time change the size, location and nature of any Common Areas and facility and may make installations therein and move and remove such installations.\* Landlord shall have the right to close the Common Areas or any part thereof on such non-business days or during such non-business hours as Landlord shall, in its sole discretion, determine.

Section 5.2. Use of Common Areas. Tenant and its permitted concessionaires, officers, employees, agents, customers and invitees shall have the nonexclusive right, in common with Landlord and all others to whom Landlord has or may hereafter grant rights, to use the Common Areas as designated from time to time by Landlord, subject to such reasonable regulations as Landlord may from time to time impose, including the designation of specific areas in which vehicles owned by Tenant, its permitted concessionaires, officers, employees and agents must be parked and the further right of Landlord to designate specific areas for the exclusive use of one or more tenants of the Shopping Center. Tenant agrees to abide by such regulations and to use its best efforts to cause its permitted concessionaires, officers, employees, agents, customers and invitees to conform thereto. Landlord may at any time close temporarily any part of the Common Areas to make repairs or changes, to prevent the acquisition of public rights in such area or to discourage noncustomer parking, and may do such other acts in and to the Common Areas as in its judgment may be desirable to improve the convenience thereof. Tenant shall upon request furnish to Landlord the license numbers and description of the vehicles operated by Tenant and its permitted concessionaires, officers and employees. In the event Tenant, its permitted concessionaires, officers or employees park such vehicles other than in the areas specified therefor, Tenant shall pay to Landlord as additional rent hereunder, within five (5) days after receipt of Landlord's statement therefor, the sum of Ten Dollars (\$10.00) per day per vehicle thus parked. Tenant shall not at any time interfere with the rights of Landlord and other tenants, its and their permitted concessionaires, officers, employees, agents, customers and invitees, to use any part of the parking areas and other part of the Common Areas. Landlord reserves the right to impose parking charges determined by meters or otherwise.

\* provided that no exercise of Landlord's rights hereunder shall materially interfere with the accessibility or visibility of Tenant's store.

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Section 5.3. Charge for Common Areas and Facilities. Tenant shall pay to Landlord in the manner provided in Section 5.5, Tenant's share, as defined in Section 5.4 of Common Area Maintenance Cost as herein defined:

Common Area Maintenance Cost - All costs and expenses of every kind and nature paid or incurred by Landlord during the Lease Term (including depreciation of equipment necessary for Common Area maintenance and other appropriate reserves) in operating, managing, equipping, policing (if and to the extent provided by Landlord), protecting, insuring, lighting, repairing, replacing and maintaining the Common Areas and facilities, and administrative costs equal to fifteen per cent (15%) of the aforesaid costs, but costs of equipment properly chargeable to capital accounts and depreciation of the original cost of constructing the Common Areas shall be excluded. Such costs and expenses shall include, but not be limited to, such maintaining and repairing as shall be required in Landlord's judgment to preserve the utility of the Common Area in condition and status the same as they were at the time of the completion of the original construction and installation thereof.

Section 5.4. Tenant's Share of Common Areas Maintenance Cost. Tenant's pro rata share of the Common Areas Maintenance Cost shall be calculated by multiplying such Cost by a fraction the numerator of which is the Floor Area of the Leased Premises\* and denominator of which is the total ground and lower level floor area of leasable building space from time to time in the Shopping Center, provided that for purposes of this denominator computation, each two square feet of lower level space shall be counted as one square foot and there shall be excluded from said denominator any free-standing building on any outlot shown on Exhibit B if no costs with respect thereto are included in Common Area Maintenance Cost.

\* (after deducting therefrom 4545 square feet)

Section 5.5. Payment of Common Areas Maintenance Cost. The annual charges for Common Areas Maintenance Cost shall be paid in monthly installments on the first day of each calendar month in advance in an amount estimated by Landlord. After the end of such fiscal year as Landlord uses for such purpose, Landlord shall furnish Tenant a statement in reasonable detail of the actual Common Areas Maintenance Cost paid or incurred by Landlord during such period, and thereupon there shall be an adjustment between Landlord and Tenant with payment to or repayment by Landlord, as the case may require, so the end that Landlord shall receive the precise amount of Tenant's pro rata share of said costs for such period and no more.

## ARTICLE VI

### UTILITY SERVICES

Section 6.1. Utility Services. Tenant shall pay all charges for all heat, water, gas (if provided), electricity, sewage disposal and other utilities used or consumed in the Leased Premises. Landlord shall not be liable for interruptions in utility services due

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to matters beyond its reasonable control. Tenant shall be responsible for installation and maintenance of fire extinguishers or such similar equipment as may be required or recommended by local building ordinances, fire codes, Landlord's insurance company and/or any other local, state or federal authority having jurisdiction in the matter. In addition to the foregoing, Tenant shall pay its pro rata share of the cost of any central station or other sprinkler monitoring service for the building in which the Leased Premises are located including valve, water-flow and thermostat temperature control monitoring. Tenant's pro rata share of such costs shall be calculated by multiplying said costs by a fraction the numerator of which is the Floor Area of the Leased Premises and denominator of which is the total ground level floor area of building space contained in such building.

## ARTICLE VII

### LANDLORD'S ADDITIONAL COVENANTS

Section 7.1. Repairs by Landlord. Landlord covenants at its expense to keep the foundations and roof of the Leased Premises, and the structural soundness of the concrete floors and structural soundness of the exterior walls hereof, in good order, repair and condition, unless any necessary work is required because of damage caused by any act, omission or negligence of Tenant, any permitted concessionaire or their respective employees, agents, vendors, deliverymen, invitees, licensees or contractors. Landlord shall not be required to commence any such repair until a reasonable time after written notice from Tenant that the same is necessary. The provisions of this Section shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain, in which events the obligations of Landlord shall be controlled by Article IX. Except as provided in this Section 7.1, Landlord shall not be obligated to make repairs, replacements or improvements of any kind upon the Leased Premises, or to any equipment, facilities or fixtures contained therein, which shall be the responsibility of Tenant as provided in subsections 8.1 (F) and (G).

Section 7.2. Quiet Enjoyment. Landlord covenants and agrees that so long as Tenant is not in default under this lease, Tenant's peaceful and quiet possession of the Leased Premises during the Lease Term shall not be disturbed by Landlord or by anyone claiming by, through or under Landlord (excluding, however, any mortgagee of the Shopping Center), subject, nevertheless, to the terms and conditions of this Lease and to any exceptions to title existing on the date hereof.

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Section 7.3. Insurance. Landlord covenants and agrees during the Lease Term to carry insurance with companies, in amounts and on terms satisfactory to Landlord insuring against (a) loss or damage by fire and such other risks as may be customarily included in the standard form of extended coverage endorsement, vandalism and miscellaneous mischief endorsement and (b) rent protection insurance.

## ARTICLE VIII

### TENANT'S ADDITIONAL COVENANTS

Section 8.1. Affirmative Covenants. Tenant covenants at its expense at all times during the Lease Term and such further time as Tenant occupies the Leased Premises or any part thereof:

- A. To perform promptly all of the obligations of Tenant set forth in this Lease; and to pay when due the Fixed Minimum Rent, Percentage Rent and all charges, and other sums, which by the terms of this Lease are to be paid by Tenant, without any set-offs or counterclaims whatsoever.
- B. To use the Leased Premises only for the Uses provided in Section 1.1 (L); to operate its business in the Leased Premises under Tenant's Trade Name provided in Section 1.1 (E); and to conduct its business at all times in a high grade and reputable manner so as to produce the maximum volume of sales and transactions and to help establish and maintain a high reputation for the Shopping Center.
- C. To refer to the Shopping Center as it is referred to in Section 1.1 in designating the location of the Leased Premises in all newspaper or other advertising, stationery, other printed material and all other references to location; to include the address and identity of its business activity in the Leased Premises in all advertisements made by Tenant in which the address and identity of any other business activity of like character conducted by Tenant within the metropolitan area in which the Shopping Center is located shall be mentioned, and to use in such advertising, only the Tenant's Trade Name provided in Section 1.1 (E).
- D. Except when and to the extent that the Leased Premises are untenable by reason of damage by fire or other casualty, to use and continuously operate for the Uses provided in Section 1.1(L) all of the Leased Premises other than such minor portions thereof as are reasonably required for storage and office purposes; to use such storage and office space only in connection with the business conducted by Tenant in the Leased Premises; to furnish and install all trade fixtures which shall at all times be suitable and proper for carrying on Tenant's business; to carry a full and complete

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stock of reasonable merchandise; to maintain adequate trained personnel for efficient service to customers; to open for business and remain open at a minimum during such days and hours as shall be determined by Landlord (provided that if Tenant objects to the Landlord's determination of the minimum number of days or the minimum number of hours that the Tenant shall be open for business, then the objection shall be resolved by the Merchant's Association of the Shopping Center in accordance with its by-laws), and to light its display windows and signs, if any, during any hours when either the Shopping Center or the Leased Premises are open for business. In the event Tenant fails to open for business upon the commencement of the Term of this Lease, Tenant shall pay to Landlord in addition to all other rent and charges herein provided for, an amount equal to one-third hundred sixtieth (1/360th) of the annual Fixed Minimum Rent provided herein for each day such failure to open continues.

- E. To store in the Leased Premises only such merchandise as is to be offered for sale at retail within a reasonable time after receipt; to store all trash and refuse in adequate containers within the Leased Premises, or within such outside areas as may be designated by Landlord, which, in each case, shall be maintained in a neat and clean condition and so as not to be visible to members of the public shopping in the Shopping Center and so as not to create any health or fire hazard; to keep all drains inside the Leased Premises clean; to receive and deliver goods and merchandise only in the manner and at such times and in such areas as may be designated by Landlord; to keep the Leased Premises under Tenant's control, including sidewalks adjacent thereto and loading areas allocated for Tenant's use, clean and free at all times from ice, snow, rubbish and dirt; and to conform to all rules and regulations which Landlord may make in the management and use of the Shopping Center and to require such conformance by Tenant's employees. If the Leased Premises are permitted herein to be used for the sale of food for consumption, such as for a restaurant or snack bar, Tenant shall store all trash and garbage in a garbage storeroom or compartment which Tenant shall install and keep in repair at its sole expense. The temperature thereof shall constantly be maintained at no less than 50 degrees or more than 55 degrees Fahrenheit.
- F. Except for repairs required in Section 7.1 to be performed by Landlord, to keep the Leased Premises including, but not limited to, exterior entrances, the service areas adjacent to the Leased Premises, show windows, signs, all partitions and walls, doors, door closers, fixtures, equipment and appurtenances thereof (including lighting, heating and plumbing fixtures and air conditioning equipment), the fire protection sprinkler system, store fixtures and displays clean, neat and safe, and in good order, repair and condition (including all necessary painting and decorating), and to keep all glass, including that in windows, doors, fixtures and skylights, clean and in good condition, and to replace glass which may be damaged or broken with glass of the same quality, damage by fire or other casualty for which Landlord is reimbursed by Landlord's

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insurance excepted. Tenant shall arrange for the regular pickup of all trash and garbage at Tenant's expense. Tenant shall not burn any trash or garbage at any time in or about the building, and Tenant shall attend to the daily disposal thereof in the manner designated by Landlord. If Landlord shall provide any services or facilities for such pickup, the Tenant shall be obligated to use the same and shall pay its proportionate share of the actual cost thereof within ten (10) days after being billed therefor.

- G. To make all repairs, alterations, additions or replacements to the Leased Premises required <sup>or recommended</sup> by any law or ordinance or any order or regulation of any public authority, or by fire underwriters or underwriters' fire prevention engineers; to keep the Leased Premises equipped with all safety appliances so required because of such use; to procure any licenses and permits required for any such use; and to comply with the orders and regulations of all governmental authorities.

\* required or recommended

- II. To pay promptly when due the entire cost of any work in the Leased Premises undertaken by Tenant so that the Leased Premises shall at all times be free of liens for labor and materials; to procure all necessary permits before undertaking such work; to do all of such work in a good and workmanlike manner, employing materials of good quality; to perform such work only with contractors previously approved of in writing by Landlord; to comply with all governmental requirements; and to save Landlord and Landlord's beneficiaries and their respective agents and employees harmless and indemnified from all liability, injury, loss, cost, damage and/or expense (including reasonable attorneys' fees) in respect of any injury to, or death of, any person, and/or damage to, or loss or destruction of, any property occasioned by or growing out of such work unless the same shall be caused by the acts or omissions of Landlord or its beneficiaries, or the agents or employees of either.

- I. To defend and save Landlord and Landlord's beneficiaries and partners thereof and their respective agents and employees harmless and indemnified from all liability, injury, loss, cost, damage and/or expense (including reasonable attorneys' fees) in respect of any injury to, or death of, any person, and/or damage to, or loss or destruction of, any property while on the Leased Premises or any other part of the Shopping Center, or arising from, related to, or connected with the conduct and operation of Tenant's business, occasioned by any act or omission of Tenant, its agents or employees or anyone claiming by, through or under Tenant; to maintain in responsible companies approved by Landlord, comprehensive general

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public liability insurance, insuring Tenant, Landlord, Landlord's beneficiaries and their respective agents and employees, as their interests may appear, against all claims, demands, or actions for injury to or death of any one person in an amount of not less than \$500,000 and for injury or death of more than one person in any one occurrence in an amount of not less than \$1,000,000 and for damage to property in an amount of not less than \$250,000 made by or on behalf of any persons, firm or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business in the Leased Premises (Landlord shall have the right to direct Tenant to increase said amounts whenever it considers them inadequate) and, in addition, to maintain, in like amounts, insurance covering Tenant's contractual liability under the aforesaid hold harmless clause; to carry like coverage against loss or damage by boiler or compressor or internal explosion of boilers or compressors, if there is a boiler or compressor in the Leased Premises; to maintain the following additional insurance: (1) full comprehensive plate glass insurance covering all exterior plate glass in the Leased Premises, (2) intentionally omitted

(3) fire legal liability insurance in an amount arrived at by multiplying the Floor Area of the Leased Premises by Fifteen and no/100 (\$15.00) dollars, (4) in the event any alcoholic liquors, including but not limited to beer and wine, shall be sold in or upon the Premises, against any and all liabilities, suits, claims, damages, costs and expenses, including attorneys' fees, resulting from or caused in whole or in part by such selling of such alcoholic liquors, whether such liability is based upon the statutes of the State of Illinois now or hereafter in force, or upon the common law or otherwise, or arising out of the violation of any present or future statute, ordinance, regulation or duty imposed by the common law or otherwise, with the same limits of coverage as provided herein, and (5) insurance covering all of Tenant's stock in trade, fixtures, furnishings, floor and wall coverings and equipment in or about the Leased Premises against loss or damage by leakage of sprinkler systems now or hereafter installed in the Leased Premises and by leakage or bursting of water pipes outside the Leased Premises, and by fire and such other risks as may be customarily included in the standard form of extended coverage endorsement, all in amounts sufficient to prevent Tenant from being a co-insurer within the terms of the co-insurance clause of applicable policies and in any event, in an amount not less than 100% of the then full insurable value. All of said insurance shall be in form and in responsible companies satisfactory to Landlord and shall provide that it will not be subject to cancellation, termination or change except after at least thirty (30) days prior written notice to Landlord and Joseph J. Freed and Associates, Inc. The policies or, at Landlord's option, duly executed certificates for the same (which, with respect to casualty insurance, shall evidence the insurer's waiver of subrogation in favor of Landlord) together with satisfactory evidence of the payment of the premium thereon, shall be deposited with Landlord on or before the delivery of the Leased Premises to Tenant, and upon renewals of such policies, not less than thirty (30) days prior to the expiration of the term of such coverage; and that if Tenant fails to comply with such requirements, Landlord may obtain such insurance and keep the same in effect, and Tenant shall pay Landlord the premium cost thereof upon demand.

- J. Except if caused by the negligence of Landlord or Landlord's beneficiaries and partners thereof, or agents and employees of each, Landlord and Landlord's beneficiaries, and the agents and employees of each shall not be liable for, and, to the extent permissible by state law, Tenant waives all claims for, damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Leased Premises or the building of which they shall be a part, or any other part of the Shopping Center, including, but not limited to, claims for damage resulting from: (a) any equipment or appliances

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becoming out of repair; (b) intentionally Omitted; (c) injury done or occasioned by wind, water, or other natural element; (d) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, water, and steam pipes, stairs, porches, railings or walks; (e) broken glass; (f) the backing up of any sewer pipe or downspout; (g) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such building or Leased Premises; (h) the escape of steam or hot water; (i) water, snow or ice being upon or coming through the roof, skylight, trapdoor, stairs, walks or any other place upon or near such building or the Leased Premises or otherwise; (j) the falling of any fixture, plaster or stucco; and (k) any act, omission or negligence of co-tenants or of other persons or occupants of said buildings or of adjoining or contiguous buildings or of owners of adjacent or contiguous property.

- K. To permit Landlord, Landlord's mortgagee and their agents to enter the Leased Premises at reasonable times for the purpose of inspecting the same, of making repairs, additions or alterations thereto or to the building in which the same are located and of showing the Leased Premises to prospective purchasers, lenders and tenants.
- L. To remove, at the termination of this Lease, such of Tenant's goods and effects (including, but not limited to, its signs) as are not permanently affixed to the Leased Premises; to remove such of the alterations and additions made by Tenant as Landlord may request; to repair any damage caused by such removal; and peaceably to yield up the Leased Premises and all alterations and additions thereto (except such as Landlord has requested Tenant to remove) and all fixtures, furnishings, floor coverings and equipment which are permanently affixed to the Leased Premises, which shall thereupon become the property of Landlord, in clean and good order, repair and condition. Any personal property of Tenant not removed within five (5) days following such termination shall, at Landlord's option, become the property of Landlord.
- M. Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any first mortgages or deeds of trust that may hereafter be placed upon the Leased Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease be a prior lien to its mortgage or deed of trust and in the event of such election and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage or

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deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. In the event of any such subordination, Tenant agrees that in the event of foreclosure or conveyance in lieu of foreclosure of any such mortgage or deed of trust, it will attorn to the purchaser or grantee at foreclosure, sale or conveyance in lieu of foreclosure, and recognize same as the new landlord under this Lease. Tenant agrees, that upon the request of Landlord, any mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

- N. Tenant agrees to become a member of the Merchants' Association of the tenants in the Shopping Center on or before the Tentative Commencement Date, to abide by the rules and regulations thereof, to use Tenant's best efforts to develop within said Association an effective promotional and public relations policy and to this end to join with other tenants in any joint promotional sales campaign put on by said Merchants' Association. Tenant agrees to pay Tenant's share of the promotional and other expenses of said Merchants' Association based on the total gross floor area on all floors of the Leased Premises, within thirty (30) days after a statement is rendered by the Association, it being understood that said share per Lease year will be the amount stated in Section 1.1(R) hereof\*. In lieu of a Merchants' Association, Landlord may elect to provide the promotional and other services and activities which would normally be those of the Merchants' Association by establishing an Advertising and Promotional Service. In such event, Tenant agrees to pay to Landlord Tenant's share of a marketing charge, payable in advance on the first day of each month, as additional rent, as Tenant's contribution toward the advertising, promotion, public relations and administration expenses related thereto. Said marketing charge shall be established by Landlord and shall be based on the total gross floor area on all floors of the Leased Premises. All monies received under this paragraph shall be used for the purpose of advertising and promotional services of the Shopping Center including the administration and management thereof. It is understood that the aforesaid share per Lease Year will be the amount stated in Section 1.1(R) hereof\*.

\* based on 8592 square feet of the Leased Premises

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0. Tenant shall pay to Landlord, as additional rent hereunder, its pro rata share of all real property taxes and assessments (plus costs, if any, incurred by Landlord in contesting same) which may be levied or assessed by any lawful authority during the term hereof, against the land and buildings comprising the Shopping Center (hereinafter "Center Taxes"), after first deducting from Center Taxes the amount payable toward Center Taxes by Que Pasa, its successors and/or assigns and any Tenant whose premises are located on outlots shown on Exhibit B. Tenant's pro rata share thereof shall be a fraction, the numerator of which shall be the Floor Area of the Leased Premises and the denominator of which is the total ground and lower level floor area of leasable building space from time to time in the Shopping Center, provided that for the purpose of this computation, each two square feet of lower level space shall be counted as one square foot and there shall be excluded from said denominator the ground level floor area (i) of Que Pasa premises, and (ii) of any free-standing building located on any outlot shown on Exhibit B if such taxes or assessments with respect thereto are deducted from Center Taxes. Should the State of Illinois, or any political subdivision thereof or any governmental authority having jurisdiction thereover, impose a tax and/or assessment (other than an income or franchise tax) upon or against the rentals payable by tenants in the Shopping Center to Landlord, either by way of substitution for the taxes and assessments levied or assessed against such land and such building, or in addition thereto, such tax and/or assessment shall be included within Center Taxes for the purposes of this Section. \* (after deducting therefrom 4545 square feet)

Center Taxes shall also include all levies, governmental charges or payments of any kind whatsoever, \_\_\_\_\_ sewer rents and charges, liens, license and permit fees, charges for public utilities and all similar charges made in respect of the Shopping Center and all other charges, imposts or burdens of whatsoever kind and nature, whether or not particularized by name, and whether general or special, ordinary or extraordinary, foreseen or unforeseen, which at any time during the term of this Lease may be created, levied, assessed, payable, confirmed, adjudged, imposed or charged upon or with respect thereto, and the buildings and other improvements located thereon, or directly upon this Lease or the rents or other sums payable hereunder, or against Landlord because of Landlord's estate or interest herein, by any federal, state, municipal or other authority, or under any law, ordinance or regulation of any such authority including, among others, all special tax bills and general, special or other assessments and liens or charges made on local or general improvements or under any governmental or public power or authority whatsoever, and all capital levy, gross receipts or similar taxes imposed or levied upon, assessed against or measured by the rent or other sums payable by Tenant hereunder, and all use taxes which may be levied or assessed against or payable by Landlord on account of the leasing or use of the Shopping Center, plus costs and fees (including, without limitation, legal and other professional fees) if any, incurred by the Landlord in contesting any of the same, less that portion thereof payable, directly or to Landlord, by the occupant of any free-standing building on any outlot depicted on Exhibit B hereto. Notwithstanding the foregoing, Center Taxes shall not include any estate, inheritance, succession, income or excess profits taxes assessed against or imposed upon Landlord, or any corporation capital stock, franchise, or transfer taxes assessed against or imposed upon Landlord or upon the rentals payable under this Lease unless imposed in substitution for a real estate or similar tax.

Tenant's proportionate share of all Center Taxes during the term hereof shall be paid in monthly installments on or before the first day of each calendar month, in advance, in an amount estimated by Landlord; provided that in the event Landlord is required under any mortgage covering the Shopping Center to escrow real estate taxes Landlord may, but shall not be obligated to, use the amount required to be so escrowed as a basis for its estimate of the monthly installments due from Tenant hereunder. Upon receipt of all tax bills and assessment bills attributable to any calendar year during the term hereof Landlord shall furnish Tenant with a written statement of the actual amount of Tenant's proportionate share of Center Taxes for such year. If the total amount paid by Tenant under this Section for any calendar year during the term of this Lease shall be less than the actual amount due from Tenant for such year, as shown on such statement, Tenant shall pay

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to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten (10) days after demand therefor by Landlord; and if the total amount paid by Tenant hereunder for any such calendar year shall exceed such actual amount due from Tenant for such calendar year, such excess shall be credited against the next installment of Center Taxes due from Tenant to Landlord hereunder. All amounts due hereunder shall be payable to Niles Properties, or to such other person as Landlord or Joseph J. Freed and Associates, Inc. may direct, at the place where the annual Fixed Minimum Rent is payable. For the calendar years in which this Lease commences and terminates, the provisions of this Section shall apply, and Tenant's liability for its proportionate share of any Center Taxes for such years shall be subject to a pro rata adjustment based on the number of days of said calendar year during which the term of this Lease is in effect. A copy of a tax bill or assessment bill submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of Center Taxes to which such bill relates. Prior to or at the commencement of the term of this Lease and from time to time thereafter throughout the term hereof, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant's monthly installments due hereunder. Landlord's and Tenant's obligations under this Section shall survive the expiration of the term of this Lease.

Tenant shall also pay to Landlord, as additional rent hereunder, its pro-rata share of the annual cost of insurance provided by Landlord pursuant to Section 7.3 hereof. Tenant's pro-rata share thereof shall be calculated by multiplying the total thereof by a fraction, the numerator of which shall be the Floor Area of the Leased Premises\* and the denominator of which is the total ground level floor area of building space from time to time in the Shopping Center, provided there shall be excluded from said denominator the ground level floor area of any building space in the Shopping Center if no such costs with respect thereto are included in Landlord's insurance cost pursuant to said Section 7.3.

\* (after deducting therefrom 4545 square feet)

Tenant's proportionate share of all insurance costs during the term hereof shall be paid in monthly installments on or before the first day of each calendar month, in advance, in an amount estimated by Landlord; provided, that in the event Landlord is required under any mortgage covering the Shopping Center to escrow insurance premiums, Landlord may, but shall not be obligated to, use the amount required to be so escrowed as a basis for its estimate of the monthly installments due from Tenant hereunder. Upon receipt of all insurance premium bills attributable to any calendar year during the term hereof, Landlord shall furnish Tenant with a written statement of the actual amount of Tenant's proportionate share of insurance premiums for such year. If the total amount paid by Tenant under this Section for any calendar year during the term of this Lease shall be less than the actual amount due from Tenant for such year, as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten (10) days after demand therefor by Landlord; and if the total amount paid by Tenant hereunder for any such calendar year shall exceed such actual amount due from Tenant for such calendar year, such excess shall be credited against the next installment of insurance premiums due from Tenant to Landlord hereunder. All amounts due hereunder shall be payable to Niles Properties, or to such other person as Landlord or Joseph J. Freed and Associates, Inc. may direct, at the place where the annual Fixed Minimum Rent is payable.

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- P. To remain fully obligated under this Lease notwithstanding any assignment or sublease or any indulgence granted by Landlord to Tenant or to any assignee or sublessee.
- Q. Intentionally Omitted
- R. To expend in each Lease Year for advertising its operations in the Leased Premises, in newspapers and other recognized public media or by direct mail advertising, a minimum of 2% of Gross Sales.
- S. To give Landlord prompt written notice of any accident, casualty, damage or other similar occurrence in or to the Leased Premises or at Common Areas of which Tenant has knowledge.
- T. If Tenant utilizes shopping carts in its operations, to remove said shopping carts from the Common Areas as soon as is practicable after use thereof by its customers or invited to exonerate, hold harmless, protect and indemnify Landlord and its beneficiaries, and their respective agents, from and against any and all losses, damage, claims, suits or actions for any damage or injury to person or property caused by, or attributable to, its shopping carts, regardless of their location in the Shopping Center, and to include insurance coverage for such shopping carts in the public liability policy which Tenant is required to maintain pursuant to Section 8.11 above.
- U. To pay on demand Landlord's expenses, including reasonable attorneys' fees and court costs (together with interest on the amount of said fees, costs and expenses at the rate of eighteen per cent (18%) per annum, or at the maximum legal rate then in effect, whichever is lower) incurred either directly or indirectly in enforcing any obligation of Tenant under this Lease, in curing any default by Tenant as provided in Section 10.4 and in defending or otherwise participating in any legal proceedings initiated by or on behalf of Tenant wherein Landlord is not adjudicated to be in default under this Lease.
- V. Tenant shall provide for the periodic servicing, maintaining and repairing of the heating and air conditioning system located in the leased premises.

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Section 8.2 Negative Covenants. Tenant covenants at all times during the Lease Term and such further time as Tenant occupies the Leased Premises or any part thereof:

A. Neither Tenant, nor (if a corporation) any officer or shareholder owning more than ten (10%) per cent. of the issued and outstanding capital stock of Tenant, nor any entity affiliated with Tenant in any manner whatsoever, shall directly or indirectly operate, manage or be financially interested in any business with the same or a similar Use and/or the same or a similar Trade Name within Tenant's Trading Area provided for in Section 1.1 (c).

B. Not to injure, overload, deface or otherwise harm the Leased Premises; nor commit any nuisance; nor unreasonably annoy owners or occupants of neighboring property; nor use the Leased Premises for any extra-hazardous purpose or in any manner that will suspend, void or make inoperative any policy or policies of insurance of the kind generally in use in the State at any time carried on any improvement within the Shopping Center or in any manner which will increase the cost of any of Landlord's insurance; nor sell, display, distribute or give away any alcoholic liquors or beverages; nor sell, distribute or give away any product which tends to create a nuisance in the Common Areas; nor make any use of the Leased Premises which is improper, offensive or contrary to any law or ordinance or any regulation of any governmental authority; nor conduct or permit any going-out-of-business, bankruptcy, fire, or auction sales on the Leased Premises; nor use any system for the reception of music which has not been approved by Landlord; nor use any advertising medium such as hand bills, flashing lights, searchlights, loud speakers, phonographs, sound amplifiers or radio or television receiving equipment in a manner to be seen or heard outside the Leased Premises; nor load, unload or park any truck or other delivery vehicle in any area of the

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Shopping Center other than the area or areas designated therefor by Landlord; nor use any sidewalks, walkways or Common Area in the Shopping Center for the storage or disposal of trash or refuse or the keeping or displaying of any merchandise or other object including, but not by way of limitation, the use of any of the foregoing for any newsstand, cigar stand, sidewalk shop or any business occupation or undertaking (such uses of such areas being reserved to Landlord and its designees); nor place any fence, structure, barricade, building, improvement, division rail or obstruction of any type or kind on any part of the Common Areas; nor use the courts and walks for any purpose other than pedestrian traffic; nor shall Tenant affix or maintain upon the glass panes and supports of the show windows (and within 24 inches of any window), doors and the exterior walls of the premises, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first received the written approval of the Landlord as to size, type, color, location, copy, nature and display qualities (anything to the contrary in this Lease notwithstanding, the Tenant shall not affix any sign to the roof of the premises); nor shall Tenant display, print or cause to be displayed, painted or placed, any handbills, bumper stickers, or other advertising devices on any vehicle parked in the parking area of the Shopping Center, whether belonging to Tenant, or to Tenant's Agent, or to any other person; nor shall Tenant use

or permit the use of any portion of the Leased Premises as or for the operation of a food supermarket or grocery store, \_\_\_\_\_

a catalogue showroom, a drugstore, a pharmacy, a restaurant (carry-out or sit down), a banquet hall, or a game room featuring electronic or coin-operated games or devices, lodging, apartments or living quarters, the sale of alcoholic beverages, any sports,\*

- C. Not to make any alterations in or additions to the Leased Premises, nor permit the making of any holes in the walls, partitions, ceilings, or floors of the Leased Premises, nor permit the painting or placing of any exterior signs, placards or other advertising media, awnings, aerials, antennas, or the like on the Leased Premises or any improvements constructed on the Shopping Center without on each occasion obtaining the prior written consent of Landlord, and not to attach interior signs, placards or other advertising media to the windows or locate the same in such manner as to materially obstruct the view of Tenant's store from the outside.
- D. Not to operate any coin or token operated vending machine or similar device for the sale of any goods, wares, merchandise, food, beverages, or services including, but not limited to, pay telephones, pay lockers, pay toilets, scales, amusement devices and machines for the sale of beverages, foods, candy, cigarettes or other commodities.
- E. Not to sell, mortgage, pledge or in any manner transfer this Lease or any interest therein, by operation of law or otherwise, and not to assign this Lease or sublet the Leased Premises or any part or parts thereof, or permit occupancy by anyone with, through or under it without the prior written consent of Landlord.
- F. Not to operate or use, or permit or suffer to be operated or used, all or any part of the Leased Premises for any use or purpose inconsistent with the image and standard of quality of the Shopping Center.

\*entertainment, amusement or recreational purpose such as a cinema, theater, skating rink, bowling alley, amusement gallery, carnival, disco, nightclub, dance hall, arcade, health club, racquet ball or tennis club, exercise facility, gymnasium, pool room, hall or facilities for sporting events or exhibitions, auditorium, or for any business which is not primarily engaged in the sale at retail of merchandise, or for any bank, finance company, savings and loan association, financial institution, real estate, insurance, professional or non-professional or other office of any kind (except as incidental to the retail activity carried on in the store in which such office is located) or for any service establishment such as, without limitation, barber shop, beauty salon, cleaner, travel agency, hospital, clinic, or other medical service or health care facility, or for industrial purposes, or for the operation of any business except a Permitted Use as set forth in Section 1.1(D) nor do any act tending to injure the reputation of the Shopping Center.

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6. Not to suffer any mechanic's lien to be filed against the Leased Premises or the Shopping Center or any interest therein by reason of any work, labor, services or materials performed at or furnished to the Leased Premises, to Tenant, or to anyone holding the Leased Premises through or under the Tenant. If any such mechanic's lien shall at any time be filed, Tenant shall forthwith cause the same to be discharged of record by payment, bond, order of a court of competent jurisdiction or otherwise, but Tenant shall have the right to contest any and all such liens, provided security satisfactory to Landlord is deposited with Landlord. If Tenant shall fail to contest the same with due diligence (having secured Landlord as herein provided) or shall fail to cause such lien to be discharged within thirty (30) days after being notified of the filing thereof and in any case, before judgment of sale thereunder, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by Landlord, and the amount so paid by Landlord and/or all costs and expenses, including reasonable attorney's fees, incurred by Landlord in procuring the discharge of such lien, shall be deemed to be additional rent and together with interest thereon as provided in Section 10.4 shall be due and payable by Tenant to Landlord on the first day of the next following month. Nothing in this Lease contained shall be construed as a consent on the part of the Landlord to subject Landlord's estate in the Leased Premises to any lien or liability under the Mechanic's Lien Law of the State of Illinois.

## ARTICLE IX.

### DAMAGE OR TAKING AND RESTORATION

Section 9.1. Fire, Explosion or Other Casualty. In the event the Leased Premises are damaged by fire, explosion or any other casualty to an extent which is less than fifty per cent (50%) of the cost of replacement of the Leased Premises, the damage shall promptly be repaired by Landlord at Landlord's expense, provided that the amount of any deductible shall be paid by Tenant. In no event shall Landlord be required to repair or replace Tenant's stock in trade, fixtures, furniture, furnishings, floor coverings and equipment. In the event of any such damage and Landlord is not required to repair as hereinabove provided or if the Leased Premises shall be damaged to the extent of fifty (50%) or more of the cost of replacement, or if the building of which the Leased Premises are a part is damaged to the extent of twenty-five per cent (25%) or more of the cost of replacement, or if the buildings (taken in the aggregate, but excluding outlot buildings) in the Shopping Center shall be damaged to the extent of more than twenty-five per cent (25%) of the aggregate cost of replacement, Landlord may elect either to repair or rebuild the Leased Premises or the building or buildings, in which event the provision respecting payment by Tenant in the first sentence hereof shall be applicable, or to terminate this Lease upon giving notice of such election in writing to Tenant within ninety (90) days after the occurrence of the event causing the damage. If the casualty, repairing, or rebuilding shall render the Leased Premises

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untenantable, in whole or in part, and the damage shall not have been due to the default or neglect of Tenant, then a proportionate abatement of the Fixed Minimum Rent shall be allowed from the date when the damage occurred until the date Landlord completes its work, said proportion to be computed on the basis of the ratio which the ground level square foot area of the space rendered untenable bears to the ground level Floor Area of the Leased Premises. If Landlord is required or elects to repair the Leased Premises as herein provided, Tenant shall repair or replace its stock in trade, fixtures, furniture, furnishings, floor coverings and equipment, and if Tenant has closed, Tenant shall promptly reopen for business.

Section 9.2. Eminent Domain. If the whole of the Leased Premises shall be taken by any public authority by the exercise, or under the threat of the exercise of the power of eminent domain, the Lease Term shall cease as of the day the right of possession shall be taken by such public authority, and Tenant shall pay rent up to that date with an appropriate refund by Landlord of such rent as may have been paid in advance for any period subsequent to the date the right to possession is taken. If less than all of the Floor Area of the Leased Premises shall be so taken, the Lease Term shall cease only on the parts so taken as of the day the right to possession shall be taken by such public authority, and Tenant shall pay rent up to that day with appropriate refund by Landlord of such rent as may have been paid in advance for any period subsequent to the date the right to possession is taken and thereafter the Fixed Minimum Rent and the Percentage Sales Base shall be adjusted on the basis of the ratio which the ground level square foot area so taken bears to the ground level Floor Area of the Leased Premises. Landlord shall at its expense make all necessary repairs or alterations to the basic building and exterior work so as to constitute the remaining premises a complete architectural unit, provided that Landlord shall not be obligated to undertake any such repairs and alterations if the cost thereof exceeds the award received by Landlord.\* Notwithstanding the foregoing, if the ground level Floor Area of the Leased Premises so taken leaves space no longer suitable for the Uses set forth in Section 1.1 then the Lease Term shall cease and Tenant shall pay rent up to the day the right to possession is taken, with an appropriate refund by Landlord of such rent as may have been paid in advance for any period subsequent to the date of the taking of the right to possession. If more than twenty-five per cent (25%) of the Floor Area of building in which the Leased Premises are located, or more than twenty-five (25%) per cent of the aggregate Floor Area of all the buildings in the Shopping Center shall be taken by the exercise, or under the threat of the exercise of the power of eminent domain, Landlord may, by notice in writing to Tenant

\* In such case of cost in excess of the award, if Landlord does not elect to restore the Leased Premises, the Lease shall terminate.

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delivered on or before the day of surrendering the right to possession to the public authority, terminate this Lease and rent shall be paid or refunded as of the date of termination. All compensation awarded for any taking under the power of eminent domain, whether for the whole or a part of the Leased Premises, shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the Leased Premises provided, however, that Landlord shall not be entitled to any award made for the value of Tenant's equipment, stock, store fixtures and other removable personal property.

## ARTICLE X

### DEFAULTS BY TENANT AND REMEDIES

Section 10.1. Defaults by Tenant. Without further notice, Landlord may terminate this Lease if any default by Tenant continues after notice of default, in case of nonpayment of rent or the nonpayment of any other charges or payments provided to be made hereunder for more than five (5) days or in any other case if Tenant does not cure the default within a reasonable time, but not later than thirty (30) days after notice of default; or if Tenant makes any assignment for the benefit of creditors, commits any act of bankruptcy or files a petition under any bankruptcy or insolvency law, or if such a petition filed against Tenant is not dismissed within ninety (90) days; or if Tenant does not pay after demand any other liability to Landlord arising out of, or in connection with, the operation of the Shopping Center; or if a receiver or similar officer becomes entitled to this leasehold, or if Tenant's interest in this Lease is taken on execution or other process of law in any action against Tenant; or if the Leased Premises are levied upon by any revenue officer or similar officer; or if Tenant does, or permits to be done, any act which creates a mechanic's lien or claim therefor against the land or building of which the Leased Premises are a part and Tenant does not comply with the provisions of Section 8.2(C). Upon termination of this Lease, Landlord may re-enter the Leased Premises with or without process of law, using such force as may be necessary, and remove all persons, fixtures and chattels therefrom, and Landlord shall not be liable for any damages resulting therefrom. Upon such re-possession of the Leased Premises, Landlord shall be entitled to recover as liquidated damages and not as a penalty a sum of money equal to the value of the Fixed Minimum Rent, Percentage Rent (in an amount per year equal to the average yearly Percentage Rent theretofore paid by Tenant or, if such repossession occurs during the first Lease Year, or partial Lease Year prior to the First Lease Year, the amount of Percentage Rent that would have been payable at the end of such Lease Year or partial Lease Year prior to the First Lease Year if the average monthly Gross Sales to the date of such repossession are projected to the end of such Lease Year or partial Lease Year prior to the First Lease Year) and other sums provided herein to be paid by Tenant to Landlord for the remainder of the Lease Term less the fair rental value of the Leased Premises for said period. Upon the happening of any one or more of the above mentioned events Landlord may repossess the Leased Premises by forcible entry or detainer suit.

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or otherwise, without demand or notice of any kind to Tenant (except as hereinabove expressly provided for) and without terminating this Lease, in which event Landlord may, but shall be under no obligation so to do, relet all or any part of the Leased Premises for such rent and upon such terms as shall be satisfactory to Landlord (including the right to relet the Leased Premises for a term greater or lesser than that remaining under the Lease Term, and the right to relet the Leased Premises as a part of a larger area, and the right to change the character or use made of the Leased Premises). For the purpose of such reletting, Landlord may decorate and make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary or convenient. If Landlord does not relet the Leased Premises, Tenant shall pay to the Landlord on demand as liquidated damages and not as a penalty a sum equal to the amount of the Fixed Minimum Rent, Percentage Rent (in an amount per year equal to the average yearly Percentage Rent theretofore paid by Tenant or, if such repossession occurs during the first Lease Year or partial Lease Year prior to the first Lease Year, the amount of Percentage Rent that would have been payable at the end of such Lease Year or partial Lease Year prior to the first Lease Year, if the average monthly Gross Sales to the date of such repossession are projected to the end of such Lease Year or partial Lease Year prior to the first Lease Year,) and other sums provided herein to be paid by Tenant for the remainder of the Lease Term. If the Leased Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting and the collection of the rent accruing therefrom, to satisfy the rent herein provided to be paid for the remainder of the Lease Term, Tenant shall pay to Landlord on demand any deficiency and Tenant agrees that Landlord may file suit from time to time to recover any sums falling due under the terms of this Section.

Section 10.2. Interest on Late Payment. Any rent or other charge payable under this Lease which shall not be paid \* shall bear interest at the maximum rate payable by Tenant under Illinois law, or in the absence of a maximum rate, at the rate of eighteen per cent (18%) per annum from the date when the same is payable under the terms of this Lease until the same shall be paid.

Section 10.3. Holdover by Tenant. In the event Tenant remains in possession of the Leased Premises after the termination of this lease whether by expiration of a term or for any other cause, and without the execution of a new lease, Tenant, at the option of Landlord, shall be deemed to be occupying the Leased Premises as a tenant from month to month, at twice the Fixed Minimum Rent and Percentage Rent Rate, subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

Section 10.4. Landlord's Right to Cure Defaults. Landlord may, but shall not be obligated to, cure at any time without notice, any default by Tenant under this Lease, at Tenant's expense, and any sums so expended by Landlord shall bear interest at the maximum rate allowed by Illinois law, or in the absence of a maximum rate, at the rate of eighteen per cent (18%) per annum from the date of disbursement by Landlord until Landlord is fully reimbursed by Tenant.

\* within 10 days after the date of Landlord's managing agent sending a timely rent statement,

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Section 10.5. Effect of Waivers of Default. No consent or waiver, expressed or implied, by Landlord to or of any breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

Section 10.6. INTENTIONALLY OMITTED

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## ARTICLE XI

### MISCELLANEOUS PROVISIONS

Section 11.1. Mutual Waiver of Subrogation Rights. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this lease in connection with the Leased Premises, and

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(b) such party is then reimbursed in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost thereupon keeping such release and waiver in full force and effect).

Section 11.2. Notices from One Party to the Other. Any notice or demand from Landlord to Tenant or from Tenant to Landlord shall be mailed by registered or certified mail addressed, if to Tenant, at the Address of Tenant set forth in Section 1.1(D), or such other address as Tenant shall have last designated by notice in writing to Landlord, and, if to Landlord, to the place then established for the payment of rent, or such other address as Landlord shall have last designated by notice in writing to Tenant. The customary receipt shall be conclusive evidence of such service. Notices shall be effective on the date of mailing thereof.\*

Section 11.3. Brokerage. Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease other than Landlord's broker and covenants to pay, hold harmless and indemnify Landlord from and against any and all cost (including reasonable attorneys' fees), expense or liability for any compensation, commissions and charges claimed by any other broker or other agent with respect to this Lease or the negotiation thereof.

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Section 11.4. Voting Control of Tenant. If Tenant is a corporation and if at any time during the Lease Term the person or persons who own a majority, or controlling number of its voting shares at the time of the execution of this Lease cease to own such shares (except as the result of transfers by gift, bequest or inheritance) Tenant shall so notify Landlord and Landlord may terminate this Lease by notice to Tenant given within ninety (90) days thereafter. This Section shall not apply whenever Tenant is a corporation the outstanding voting stock of which is listed on a recognized security exchange. For the purposes of this Section, stock ownership shall be determined in accordance with the principles set forth in Section 544 of the Internal Revenue Code of 1954 as the same existed on August 16, 1954, and the term "voting stock" shall refer to shares of stock regularly entitled to vote for the election of directors of the corporation.

Section 11.5. Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship, other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

\*Notwithstanding anything contained herein to the contrary, any notice, request, consent, approval or demand from Landlord may be given by Joseph J. Freed and Associates, Inc. or any successor managing agent of Landlord, and such notice, request, consent, approval or demand shall be considered as if it were given by Landlord, with the same force and effect.

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Section 11.6. Estoppel Certificates. At any time and from time to time, Tenant agrees, upon request in writing from Landlord, to execute, acknowledge and deliver to 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 the modifications), the dates to which the Fixed Minimum Rent, Percentage Rent, and other charges have been paid, and making such other accurate certifications as Landlord or Landlord's mortgagee may require.

Section 11.7. Applicable Law and Construction. The laws of the State of Illinois shall govern the validity, performance and enforcement of the Lease. The invalidity or unenforceability of any provisions of this Lease shall not affect or impair any other provision. The headings of the several articles and sections contained herein are for convenience only and do not define, limit or construe the contents of such articles or sections.

Section 11.8. Force Majeure. Whenever a period of time is provided in this Lease for Landlord to do or perform any act or thing, Landlord shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other similar causes beyond the reasonable control of Landlord, and in any such event said time period shall be extended for the amount of time Landlord is so delayed.

Section 11.9. Execution of Lease by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Leased Premises and this document becomes effective and binding only upon the execution and delivery hereof by Landlord and by Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and may be modified or altered only by agreement in writing between Landlord or Landlord's agent, or their successors, and Tenant, and no act or omission of any employee or other agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

Section 11.10. Binding Effect of Lease. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by Landlord herein, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.

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## Section 11.11. Intentionally Omitted

Section 11.12. Agency or Independent Contractor. Any service which Landlord is required or elects to furnish under this Lease may be furnished by any agent employed by Landlord or by an independent contractor, and the cost to Landlord of such agent or independent contractor shall be included in the cost to Tenant of such services.

Section 11.13 Mortgagee's Right to Cure. If the leased premises or any part thereof or premises of which the leased premises are a part are at any time subject to a first mortgage or a first deed of trust and this Lease or the rentals are assigned to such mortgagee, trustee or beneficiary and the Tenant is given written notice thereof, including the post office address of such assignee, then the Tenant shall not act on any default on the part of the Landlord without first giving written notice to such assignee, specifying the default in reasonable detail, and affording such assignee a reasonable opportunity to make performance for and on behalf of the Landlord.

## Section 11.14. "Under-Canopy" Signs

Tenant shall be obligated to purchase from Landlord such "under-canopy" tenant identification signs, and installation thereof, as shall be specified from time to time by Landlord or Joseph J. Freed and Associates, Inc., agent. Such signs shall be in accordance with criteria and specifications, including but not limited to size, color, shape, materials, letter style and size, etc., as shall, from time to time, be specified by Landlord or Joseph J. Freed and Associates, Inc., agent. Tenant shall pay to Landlord, upon demand, an additional rent such reasonable sum as may be charged by Landlord for the signs and installation thereof.\*

Section 11.15 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Fixed Minimum Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Fixed Minimum Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Fixed Minimum Rent and other charges payable by Tenant or pursue any other remedy in the Lease provided.

This Lease requires Tenant to submit payments for items in addition to the Fixed Minimum Rent (examples--common area maintenance contributions, and real estate tax and insurance payments) and, in the event Tenant submits a payment of less than the total combined amount of all of said payments, then Landlord shall have the option to credit said payment towards any of said items it so desires, notwithstanding any specification of Tenant.

\* In connection with any remodeling of the Shopping Center by Landlord which includes exterior facade changes, Tenant shall be obligated to participate in such program by permitting Landlord, at Landlord's cost, to remove Tenant's existing exterior signs and replace same upon completion of such remodeling.

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Section 11.16. Right to Terminate

Provided Gross Sales for the second Lease Year are less than One Million Four Hundred Thousand Dollars (\$1,400,000.00), Tenant gives the required notice on a timely basis and is not in default under any of the terms and provisions of this Lease, Tenant shall have the right to elect to terminate this Lease by giving written notice to Landlord no later than thirty (30) days after the end of the second Lease Year, accompanied by the Tenant's annual statement of Gross Sales certified by an officer of Tenant for the second Lease Year. If Tenant validly elects to terminate, as aforesaid, this Lease shall terminate on the date of termination and Tenant shall return possession of the Leased Premises to Landlord in accordance with the provisions of this Lease on the date of termination, which date of termination shall be the last day of the third full month after the second Lease Year. Tenant shall pay to Landlord all Fixed Minimum Rent and other charges payable by Tenant hereunder, including but not limited to Common Areas Maintenance Costs, Center Taxes, and insurance from the date of termination through the first to occur of (i) 365 days after the date of termination, as said date is herein defined, or (ii) the date Landlord receives payment of the first full month's Fixed Minimum Rent from a tenant to whom Landlord leases the Leased Premises after the date of termination. Payment due to Landlord pursuant to the previous sentence shall be made monthly, in advance, on the first day of each month, with the first payment to be made on or before the date of termination and each successive monthly payment shall be made upon the first day of each month thereafter. If the payments are to cease by virtue of the occurrence of (ii) in the preceding sentence, the monthly payment which was made in advance for the month in which (ii) occurs shall be prorated, with appropriate refund to Tenant. In the event the actual Common Areas Maintenance Costs and/or Center Taxes for the year in which the aforesaid payments cease are not known at the time of Tenant's last payment, Tenant shall pay its share through the date payments are to cease based on Landlord's reasonable estimate of such Costs and Taxes for the year in which payments cease and there shall be an adjustment between Landlord and Tenant promptly after such time as the actual Costs and Taxes for such year are known to Landlord, with Tenant making the appropriate payment to Landlord, or Tenant receiving the appropriate payment from Landlord, as the case may be. Notwithstanding anything in this Lease to the contrary, the obligations of Tenant under this Section 11.16 shall survive termination of this Lease pursuant to this Section

Section 11.17. Pylon Signs

Tenant agrees that Landlord shall place a Tenant sign identification panel on each of two pylon signs at the Shopping Center in accordance with Sign Drawing prepared by M-K Signs and attached hereto as Exhibit G, at Tenant's sole cost and expense. Tenant shall pay to Landlord within 30 days after installation of Tenant's identification panels all of the costs incurred by Landlord for the design, fabrication and installation of such panels. Landlord shall modify the pylon sign structure as Landlord deems appropriate and Tenant shall pay to Landlord within thirty (30) days after such modification, as its contribution toward Landlord's cost thereof, a pro rata share of the reasonable design, fabrication and installation costs incurred by Landlord in connection with the aforesaid modification. Tenant's pro rata share shall be based upon the ratio of the square footage of Tenant's sign identification panels to the total square footage of tenant identification panels on the pylon. Within thirty (30) days after receipt of an invoice therefor, Tenant shall pay to Landlord its pro rata share of the reasonable costs incurred by Landlord for the operation, insurance, maintenance, repair and replacement of the pylon sign(s), exclusive of any tenant identification panels located thereon. Tenant shall at its cost and expense operate (pay for illumination) maintain, repair, replace and otherwise keep in a safe, hazard-free and attractive condition its tenant identification panels located on such pylon signs. Tenant agrees to pay when due its pro rata share of all taxes or other assessments, fees or charges of any kind which may be levied or required to be paid in connection with the pylon sign(s). Tenant's pro rata share shall be based upon the ratio of square footage of Tenant's sign identification panels to the total square footage of tenant identification panels on the pylon.

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Section 11.18 Option to Extend Term. Tenant shall have and is hereby given an option to extend the term hereof for one (1) five-year period provided (i) Tenant is not in default hereunder at the time provided for exercise of the option and at the expiration of the primary term, (ii) the preceding term has not been terminated, and (iii) this Lease is in full force and effect. Such option shall be exercised by written notice to Landlord not less than six months nor more than nine months prior to expiration of this Lease. Such extended term shall be on the same terms and conditions as provided in this Lease, except (a) Fixed Minimum Rent payable per month during said extended period shall be TWELVE THOUSAND THIRTY ONE & 25/100 DOLLARS (\$12,031.25), (b) the Percentage Sales Base during said extended period shall be THREE MILLION SIX HUNDRED NINE THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS (\$3,609,375.00) per Lease Year, (c) there shall be deleted from Section 5.4 the asterisk parenthetical language as follows "(after deducting therefrom 4545 square feet)" and (d) there shall be deleted from the first full paragraph on page 17 hereof the asterisk parenthetical language as follows "(after deducting therefrom 4545 square feet)."

Section 11.19. Assignment Notwithstanding any provisions of this Lease to the contrary, Tenant may assign this Lease to an affiliate of Tenant, such affiliate being defined as a corporation which has its controlling stockholders the same stockholders that exist for Scandinavian Design, Inc. (an Illinois corporation) on the date thereof, provided however, at least 15 days prior to execution of any documents of assignment, Tenant shall give Landlord and Joseph J. Freed & Associates, Inc., 304 E. Rand Road, Arlington Heights, Illinois 60004 notice of such assignment with a copy of the unexecuted documents of assignment, and evidence of the identity of stockholder's in satisfaction of the foregoing.

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Section 11.20 Exculpatory Clause. This Lease is executed by LaSalle National Bank, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and under the express direction of the beneficiaries of a certain Trust Agreement dated May 15, 1972 and known as Trust No. 44143 at the LaSalle National Bank to all provisions of which Trust Agreement this Lease is expressly made subject. It is expressly understood and agreed that nothing herein contained shall be construed as creating any liability whatsoever against said Trustee or beneficiaries personally, or against any successor or assign of the foregoing, and in particular without limiting the generality of the foregoing, there shall be no personal liability to pay any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained, or to keep, preserve or sequester any property of said Trust, and that all personal liability of said Trustee or beneficiaries of every sort, if any, is hereby expressly waived by said Tenant, and by every person now or hereafter claiming any right or security hereunder; and that so far as the said Trustee or beneficiaries or any successor or assign of the foregoing are concerned the owner of any indebtedness or liability accruing hereunder shall look solely to the premises hereby leased, as the same are from time to time encumbered, for the payment thereof. It is further understood and agreed that the said Trustee merely holds naked legal title to the property herein described; that said Trustee has no control over, and under this Lease, assumes no responsibility for, (1) the management or control of such property, (2) the upkeep, inspection, maintenance or repair of such property, (3) the collection of rents or the rental of such property, or (4) the conduct of any business which is carried on upon such premises.

It is further agreed by the parties hereto that whenever and wherever the provisions of this Lease contain any reference to the right of the Tenant to be indemnified, saved harmless, or reimbursed by Landlord, for any costs, claims, loss, fines, penalties, damages or expenses of any nature, including without limitation, attorney's fees, arising in any way out of the execution of this instrument or the relationship of Tenant/Landlord under this instrument, then such obligation, if any, on the part of the Landlord shall be construed to be only a right of reimbursement in favor of Tenant out of the trust estate held under Trust No. 44143, from time to time, so far as the same may reach; and in no case shall any claim of liability or right of reimbursement be asserted against the LaSalle National Bank individually, all such personal liability, if any, being hereby expressly waived; and this agreement shall extend to and inure for the benefit of the parties hereto, their respective successors and assigns, and all parties claiming by, through and under them. In event of any question of apparent or claimed liability or obligation resting upon the said trustee, these exculpatory provisions shall be controlling.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

LASALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated May 15, 1972 known as Trust Number. 44143

By: [Signature] Vice President

ATTEST:

[Signature]  
Secretary  
(SEAL)

SCANDINAVIAN DESIGN OF FOUR FLAGGS, INC.

By: [Signature]  
President  
Tenant

ATTEST:

[Signature]  
Secretary  
(SEAL)

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## CORPORATE GUARANTY

In consideration of, and as an inducement for the granting, execution and delivery of the within Lease, dated January, 1986 (hereinafter called "Lease"), by LA SALLE NATIONAL BANK, not personally but as Trustee U/T/A 44143 dated May 15, 1972, the Landlord therein named (hereinafter called "Landlord"), to SCANDINAVIAN DESIGN OF FOUR ELAGGS, INC. (an Illinois corporation), the Tenant therein named (hereinafter called "Tenant"), and in further consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by Landlord to the undersigned, SCANDINAVIAN DESIGN, INC., an Illinois corporation, (hereinafter called "Guarantor"), Guarantor hereby guarantees to Landlord, its successors and assigns the full and prompt payment of rent and additional rent (including, but not limited to, the Fixed Minimum Rent, taxes, common area, insurance, utility charges, and operating costs) and any and all other sums and charges payable by Tenant, its representatives, successors and assigns, under the Lease, and the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements therein provided to be performed and observed by Tenant, its representatives, successors and assigns; and Guarantor does hereby become surety to Landlord, its successors and assigns for and with respect to all of the aforesaid obligations of Tenant under the Lease. Guarantor hereby covenants and agrees to and with Landlord, its successors and assigns, that if default shall at any time be made by Tenant, its representatives, successors and assigns, in the payment of any such rent or other sums or charges payable by Tenant under the Lease or in the performance of any of the covenants, terms, conditions or agreements contained in the Lease, Guarantor will forthwith pay such rent or other sums or charges to Landlord, its successors and assigns, and any arrears thereof, and will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements, and will forthwith pay to Landlord all damages and all costs and expenses that may arise in consequence of any default by Tenant, its representatives, successors and assigns, under the Lease (including, without limitation, all attorneys' fees incurred by Landlord or caused by any such default and/or by the enforcement of this Guaranty).

Notwithstanding anything contained herein to the contrary, provided (i) Tenant is not in default under any of the terms and provisions of the Lease at the end of the second Lease Year, (ii) the Stockholder's Equity of Tenant shown on Tenant's balance sheet (prepared in accordance with generally accepted accounting principles, consistently applied) as of the end of the second Lease Year, equals or exceeds One Hundred Fifteen Thousand Dollars (\$115,000.00), and (iii) the amount of said Stockholder's Equity is so certified in writing to equal or exceed \$115,000.00 by either an independent C.P.A. or the most senior "in-house" accountant employed by Tenant, this Guaranty shall, at the time Landlord receives the aforesaid balance sheet and certification, terminate as to any liability which may arise under the Lease after the date of receipt of such balance sheet and certification, but not as to any liability which may have arisen prior to such date. If such certification is not provided by an independent C.P.A., Landlord shall have the right to have its C.P.A. examine the books and records of tenant in order to verify the balance sheet and certification.

This Guaranty is an absolute and unconditional guaranty of payment and of performance and is a surety agreement. Guarantor's liability hereunder is direct and may be enforced without Landlord being required to resort to any other right, remedy, or security and this Guaranty shall be enforceable against Guarantor, its successors and assigns, without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant, its representatives, successors and assigns, and without the necessity of any notice of non-payment, non-performance or non-

\* or at the end of any subsequent Lease Year

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observance or the continuance of any such default or of any notice of acceptance of this Guaranty or of Landlord's intention to act in reliance hereon or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired by reason of the assertion or the failure to assert by Landlord against Tenant, or Tenant's heirs, representatives, executors, administrators and assigns, of any of the rights or remedies reserved to the Landlord pursuant to the provisions of the Lease.

This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) the liability and obligation of Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way impaired by (a) any amendment or modification of, or supplement to, or extension or renewal of, the Lease or any assignment or transfer thereof; (b) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Lease or this Guaranty or any waiver, consent or approval by Landlord with respect to any of the covenants, terms, conditions or agreements contained in the Lease or any indulgences, forbearances or extensions of time for performance or observance allowed to Tenant from time to time and for any length of time; (c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding relating to Tenant, his heirs, representatives, executors, administrators and assigns or his properties or creditors; (d) any limitation on the liability or obligation of Tenant under the Lease or his estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the National Bankruptcy Act or other statute or from the decision of any court; or (e) any transfer by the Tenant or any assignment of his interest under the Lease.

All of the Landlord's rights and remedies under the Lease and under this Guaranty are intended to be distinct, separate and cumulative and no such right and remedy thereon or herein mentioned is intended to be in exclusion of or a waiver of any of the others. No termination of the Lease or taking or recovering of the premises demised thereby shall deprive Landlord of any of its rights and remedies against Guarantor under this Guaranty. This Guaranty shall apply to Tenant's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Lease as well as to Tenant's obligations thereunder during the original term thereof in accordance with the original provisions thereof.

Guarantor represents and warrants to Landlord that (a) the execution and delivery of this Guaranty has been duly authorized by the Board of Directors of Guarantor and (b) the making of this Guaranty does not require any vote or consent of shareholders of Guarantor.

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Notwithstanding anything contained herein to the contrary, Guarantor's Liability hereunder is limited to the amount of ONE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED DOLLARS (\$15,500.00).

This Guaranty shall be legally binding upon Guarantor and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns.

IN WITNESS WHEREOF, Guarantor, intending to be legally bounded hereby, has caused this Guaranty to be executed by its duly authorized officers and its corporate seal to be hereunto duly affixed, at Evansville, Illinois, this 25<sup>th</sup> day of April, 1986.

SCANDINAVIAN DESIGN, INC.

By: *W. M. Filer*

President

ATTEST:

*Paula Brock*  
Secretary

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STATE OF Illinois )  
                          ) SS:  
COUNTY OF Cook )

On this, the 25<sup>th</sup> day of April,  
1980, before me, a Notary Public in and for the County  
and State aforesaid, the undersigned officer,  
Arue Kilow, appeared and  
that he executed the foregoing Corporate Guaranty for  
the purposes therein contained by signing his name.

IN WITNESS WHEREOF, I hereunto set my hand and  
official seal.

John W. [Signature]  
Notary Public

My Commission Expires:

July 27, 1987

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11-50-504274

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ANNEX "A"

## PARCEL ONE:

That part of the North 1/2 of Section 14, Township 41 North, Range 12 East of the 3rd Principal Meridian and that part of Blocks 3 and 4 of SUPERIOR COURT COMMISSIONERS DIVISION of part of the West 1/2 of the Northeast 1/4 and part of the Northeast 1/4 of the Northwest 1/4 of said Section 14 bounded by a line described as follows: Commencing at the intersection of the South line of the Northeast 1/4 of said Section 14 with the center line of Milwaukee Avenue; thence Northwesterly along the center line of said road, 1047.94 feet; thence Northeasterly along a line drawn at right angles to said center line, 55.22 feet to the Northeasterly line of Milwaukee Avenue as said line is described in that cause entitled State of Illinois vs Metropolitan Life Insurance Company - Condemnation - 6059982; thence continuing Northeasterly along said line drawn at right angles to the center line of Milwaukee Avenue, 495.37 feet to a point on a line described as beginning at a point in the Northwesterly line of the Resubdivision of Golf Mill subdivision, being a subdivision of part of the East 1/2 of said Section 14, said point being in a straight line drawn Northwesterly from a point which is 33.16 feet East, as measured on the South line, of the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section and 263.47 feet North, as measured on the West line, of the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section 14 (said point being 550.0 feet Northeasterly, measured at right angles, of the center line of Milwaukee Avenue) to a point in the South line of Block 3 in SUPERIOR COURT COMMISSIONERS DIVISION, as aforesaid, which is 312.09 feet East of the Southwest corner of said Block 3 and 550.0 feet Northeasterly, measured at right angles, of the center line of Milwaukee Avenue as shown on the recorded plat of said SUPERIOR COURT COMMISSIONERS DIVISION, being also the Southwesterly line of Callero and Catino's Golf View Gardens, being a subdivision in the Northeast 1/4 of said Section 14 and said line extended Northwesterly; thence Northwesterly along the last described line and said line extended, 1068.53 feet to an intersection with a line 512.60 feet South, as measured along the West line of Block 3 of SUPERIOR COURT COMMISSIONERS DIVISION and parallel with the North line of said Section 14; thence West along said parallel line 149.23 feet to a point on the East line of Lot 1 of Fritz's Resubdivision of Lots 1 to 4, inclusive, in Fritz's Subdivision, a subdivision in the Northwest 1/4 and in the Northeast 1/4 of said Section 14; thence South along the East line of said Lot 1, 35.62 feet to the Southeast corner thereof; thence West along the South line of said Fritz's Resubdivision, being also a line 100.0 feet North, measured at right angles, and parallel with the North line of Block 4 in said SUPERIOR COURT COMMISSIONERS DIVISION, a distance of 137.72 feet to a point on said line, 306.52 feet East of the angle point, 30.71 feet Northeasterly of the Northeasterly line of Milwaukee Avenue in the South line of said Fritz's Resubdivision; thence South parallel with the West line of Block 3, 181.14 feet to a point on a line 81.0 feet South, measured at right angles, and parallel with the North line of Block 4 of SUPERIOR COURT COMMISSIONERS DIVISION as aforesaid; thence West along the last described line 211.26 feet to an intersection with the Northeasterly line of Milwaukee Avenue, said Northeasterly line being a line 33.0 feet Northeasterly, measured at right angles, and parallel with the center line of said road as shown on the plat of said SUPERIOR COURT COMMISSIONERS DIVISION; thence Southeasterly along said Northeasterly line of Milwaukee Avenue, 218.11 feet to an angle point in said Northeasterly line, being also the point of intersection of said line with Northeasterly line of Milwaukee Avenue as per the condemnation, as aforesaid; thence continuing Southeasterly along the Northeasterly line of Milwaukee Avenue as per said condemnation, 454.80 feet to an angle point in said Northeasterly line, said point being 53.70 feet Northeasterly of the centerline of Milwaukee Avenue as per said SUPERIOR COURT COMMISSIONERS DIVISION; thence continuing Southeasterly along the Northeasterly line of Milwaukee Avenue, 338.12 feet to a point on the Southerly line of Block 4 of said SUPERIOR COURT COMMISSIONERS DIVISION, 56.13 feet Easterly of the Southwest corner of said Block 4; thence continuing Southeasterly along said Northeasterly line of Milwaukee Avenue, 94.0 feet to the place of beginning, excepting therefrom the Southeasterly 700.0 feet, as measured at right angles to the Southeasterly line thereof, in Cook County, Illinois.

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continued

## PARCEL TWO:

Block 3 in the SUPERIOR COURT COMMISSIONERS DIVISION of part of the West 1/2 of the Northeast 1/4 and part of the Northeast 1/4 of the Northwest 1/4 of Section 14, Township 41 North, Range 12 East of the 3rd Principal Meridian, except the East 205.0 feet, as measured on the North and South lines thereof, except the West 85.02 feet of the North 512.60 feet, as measured on the North and West lines thereof, except that part thereof lying Southwesterly of a line described as beginning at a point in the Northwesterly line of the Resubdivision of Golf Mill Subdivision, being a subdivision of part of the East 1/2 of Section 14, said point being in a straight line drawn Northwesterly from a point which is 33.16 feet East, as measured on the South line, of the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section and 263.47 feet North, as measured on the West line, of the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section 14 (said point being 550.0 feet Northeasterly, measured at right angles, of the center line of Milwaukee Avenue) to a point in the South line of Block 3 in the SUPERIOR COURT COMMISSIONERS DIVISION, aforesaid, which is 312.09 feet East of the Southwest corner of said Block 3 and 550.0 feet Northeasterly, measured at right angles, of the center line of Milwaukee Avenue as shown on the recorded plat of said SUPERIOR COURT COMMISSIONERS DIVISION and said line extended Northwesterly to an intersection with a line 512.60 feet South, as measured along the West line of Block 3, and parallel with the North line thereof, and also except that part of said Block 3 taken for public highway, in Cook County, Illinois.

Except a tract more particularly described as follows:  
Commencing at the Southeast corner of the above described property; thence N 2° 29' 51" E along the East line of said property 95.65 feet; thence N 87° 30' 09" W 35.00 feet to the point of beginning; thence continuing N 87° 30' 09" W 75.00 feet; thence N 2° 29' 51" E 127.33 feet; thence S 87° 30' 09" E 75.00 feet; thence S 2° 29' 51" W 127.33 feet to the place of beginning, in Cook County, Illinois.

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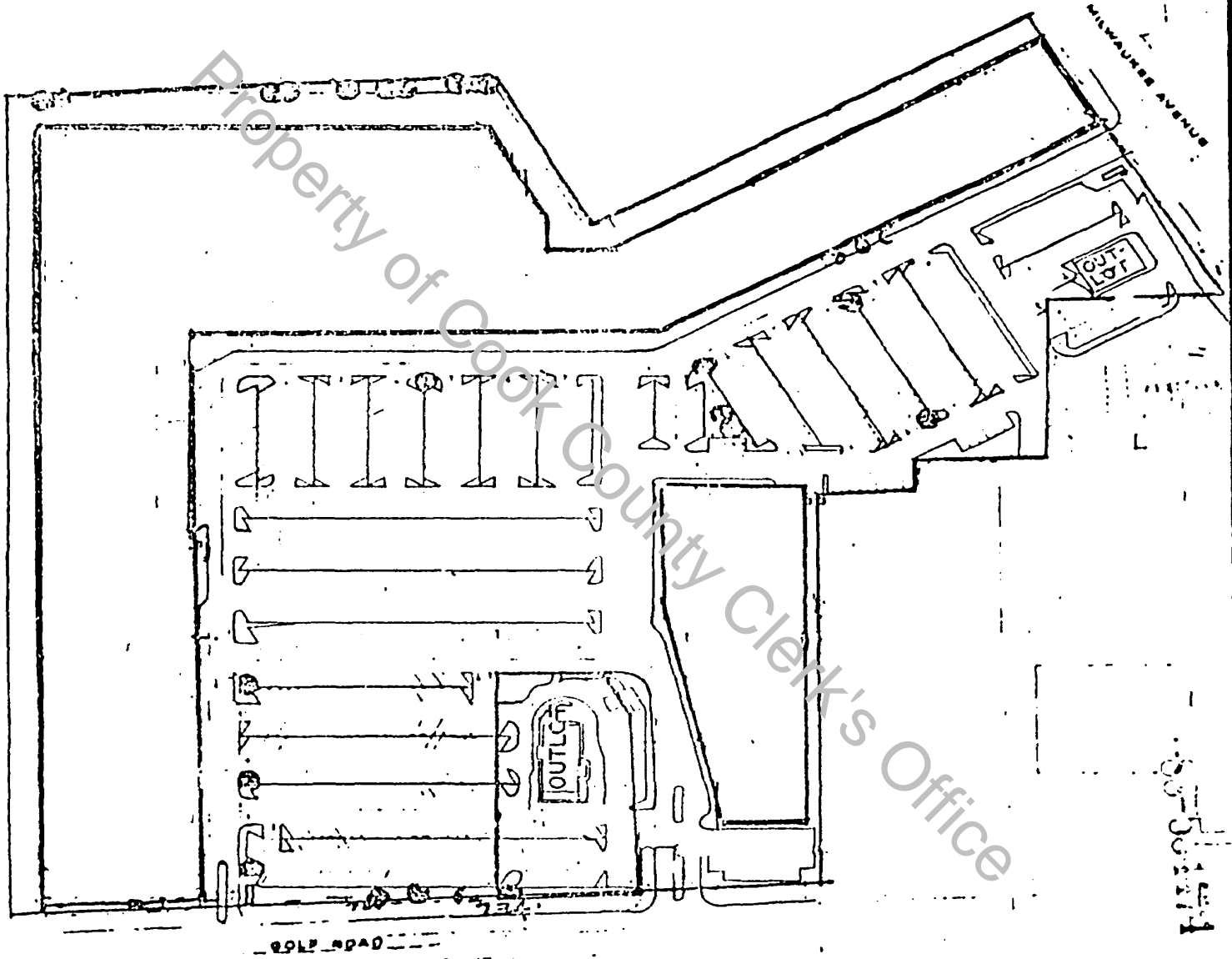


EXHIBIT "B"  
SITE PLAN

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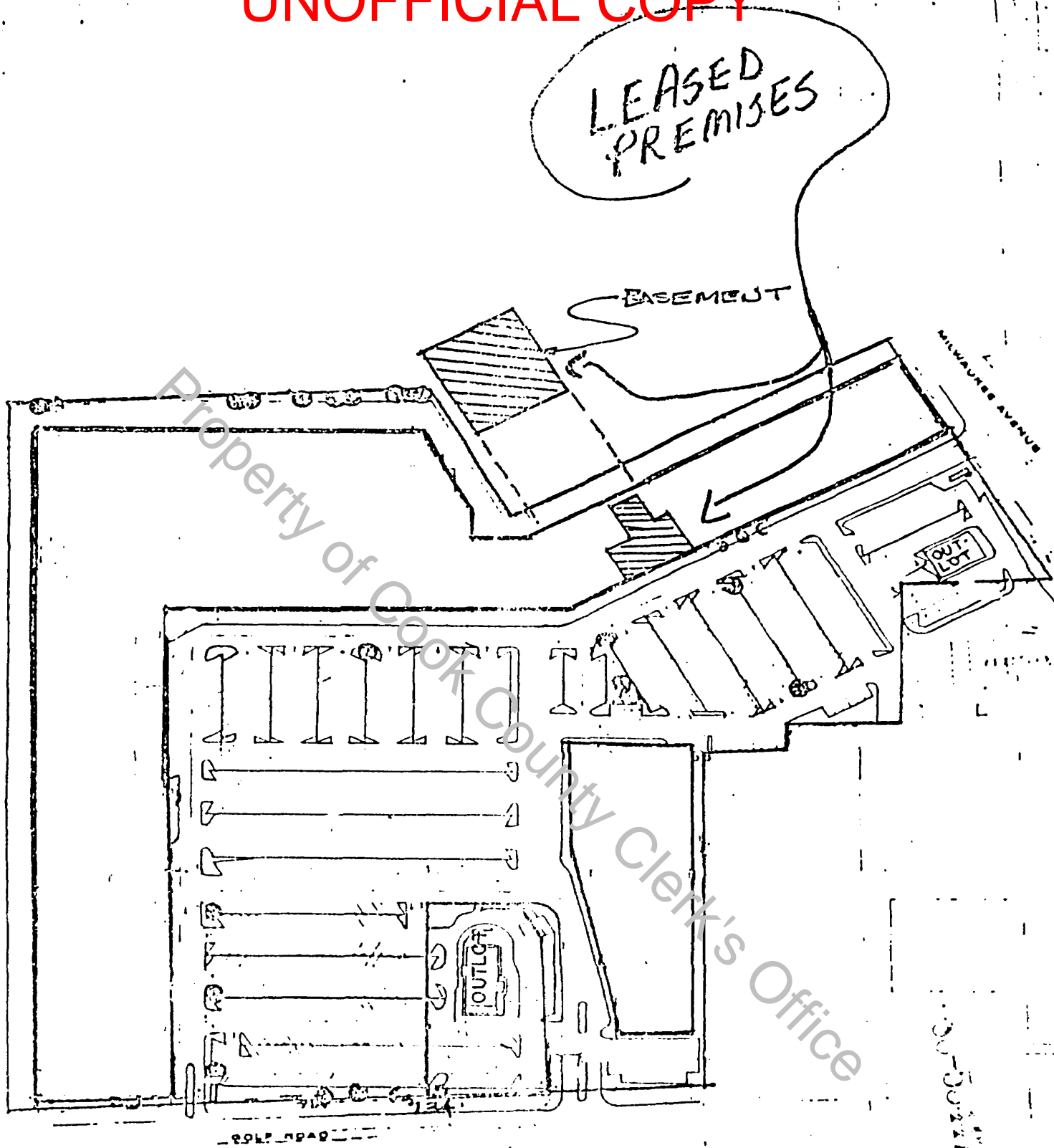


EXHIBIT "C"  
PLAN OF LEASED PREMISES

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## EXHIBIT D

### LANDLORD'S WORK

Drawings prepared by Philip R. Cohen & Associates, Sheet #1, dated April 4, 1986, Sheet #2 dated April 4, 1986, Sheet #3, dated April 4, 1986, and Sheet #4, last revision date, April 14, 1986. Upon request from Tenant, one set of electrical and mechanical Drawings shall be delivered by Landlord to Tenant after completion of Landlord's Work.

Notwithstanding anything contained in this exhibit, the aforesaid Drawings by Philip R. Cohen & Associates, or the Lease to the contrary, any of the following notations on such Drawings: (i) "Tenant Option" or (ii) "By Tenant" or (iii) the symbol of a circle containing the letter "T", shall not be considered Landlord's Work and Landlord shall not have any obligations in connection therewith. If Tenant desires to contract with Landlord for the performance of any work shown by such notations, all such contracts shall be executed within 30 days after the date of execution of this Lease by Tenant.

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## EXHIBIT E

### TENANT'S WORK

1. WALLS: NO EXPOSED STUDS OR BLOCK PERMITTED (EXCEPT EXPOSED BLOCK SHALL BE PERMITTED IN STOCK AREAS NOT ACCESSIBLE TO THE PUBLIC). NO COMBUSTIBLE MATERIAL PERMITTED ABOVE CEILING.
2. COLUMNS: CENTERLINE OF TENANT SEPARATING WALLS MAY OR MAY NOT BE ON THE CENTERLINE OF COLUMNS. ANY SPECIAL TREATMENT, FURRING OR FINISHES OF COLUMNS SHALL BE BY THE TENANT, IN ACCORDANCE WITH APPLICABLE BUILDING AND FIRE CODES.
3. CEILING: ALL COVES, DROPS, AND CEILINGS NOT SPECIFIED AS LANDLORD'S WORK IN EXHIBIT D. CEILINGS TO BE CONSTRUCTED OF UNDERWRITERS APPROVED NON-COMBUSTIBLE MATERIALS. NO COMBUSTIBLE MATERIAL PERMITTED ABOVE CEILING.
4. PAINTING: ALL INTERIOR PAINTING OR COVERING OF INTERIOR WALLS OR OTHER INTERIOR SURFACES INCLUDING CEILING SURFACES.
5. SPECIAL EQUIPMENT: ALARM SYSTEMS OR OTHER PROTECTIVE DEVICES, P.A. SYSTEM, FIRE EXTINGUISHERS, CONVEYORS, TIME CLOCKS, DELIVERY DOOR BUZZERS, STORM ENCLOSURES, DRY CHEMICAL FIRE PROTECTION SYSTEMS.
6. SPECIAL VENTILATION: ALL SPECIAL VENTILATION AND RELATED EQUIPMENT.
7. TELEPHONE EQUIPMENT AND SERVICE: ALL CONDUITS FOR TELEPHONE WIRES. TENANT SHALL MAKE ALL NECESSARY ARRANGEMENTS WITH TELEPHONE COMPANY FOR SERVICE AND CONNECTIONS.
8. PLUMBING: ANY DRINKING FOUNTAINS, WATER COOLERS, OR OTHER PLUMBING FIXTURES OTHER THAN THE WASHROOM FIXTURES SUPPLIED BY LANDLORD AS SPECIFIED IN EXHIBIT D ARE TO BE INSTALLED AT TENANT'S EXPENSE.
9. TENANT'S WORK SHALL INCLUDE ANY AND ALL WORK, EXCEPT THAT WHICH IS THE RESPONSIBILITY OF LANDLORD PURSUANT TO EXHIBIT D AND SHALL INCLUDE BUT NOT BE LIMITED TO THE FURNISHING AND INSTALLING OF ALL STORE FIXTURES, WALL COVERINGS, FLOOR COVERING, DISPLAY AND COMMERCIAL INTERIOR DECOR REQUIRED TO FINISH THE INTERIOR OF THE PREMISES IN A MANNER SUFFICIENT FOR MERCHANDISING AND OPENING THE PREMISES FOR BUSINESS TO THE PUBLIC AND ALL NECESSARY SIGNAGE AND REQUIRED ELECTRICAL WORK CONNECTED WITH SIGNAGE.
10. TENANT AGREES THAT ONLY UNION LABOR AFFILIATED WITH THE AFL/CIO BUILDING TRADES WILL BE USED IN PERFORMANCE OF TENANT'S WORK.

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11. TENANT AND/OR ITS CONTRACTOR AND/OR SUBCONTRACTORS TO OBTAIN AND PAY FOR ALL PERMITS AND COMPLY WITH ALL BUILDING CODES, ORDINANCES, REGULATIONS AND REQUIREMENTS OF THE APPLICABLE FIRE INSURANCE RATING BUREAU AND LANDLORD'S FIRE INSURANCE CARRIER. LANDLORD'S APPROVAL OF PLANS AND SPECIFICATIONS SHALL NOT RELEASE TENANT FROM THIS OBLIGATION.
12. TENANT AND/OR ITS CONTRACTORS AND/OR SUBCONTRACTORS ARE RESPONSIBLE FOR TEMPORARY UTILITIES FOR THEIR WORK INCLUDING PAYMENT OF ALL UTILITY COSTS.
13. ANY EQUIPMENT AND/OR FIXTURES TO BE SUSPENDED FROM THE CEILING SHALL BE ATTACHED TO STRUCTURAL MEMBERS ONLY, AND NOT FROM ANY DUCT WORK, CONDUIT, PIPES, DECKING, ETC.

14. TENANT'S Work shall be performed in a first class workmanlike manner and shall be in good and usable condition at the date of completion thereof. TENANT shall require any party performing any such work to guarantee the same to be free from any and all defects in workmanship and materials for one (1) year from the date of completion thereof. TENANT shall also require any such party to be responsible for the replacement or repair without additional charge of any and all work done or furnished by or through such party which shall become defective within one (1) year after substantial completion of the work. The correction of such work shall include, without additional charge, all expenses and damages in connection with such removal, replacement or repair of any part of the work which may be damaged or disturbed thereby. All warranties or guarantees as to materials or workmanship on or with respect to TENANT'S Work shall be contained in the contract or subcontract which shall be so written that such warranties or guarantees shall inure to the benefit of both LANDLORD and TENANT, as their respective interests appear, and can be directly enforced by either. TENANT covenants and agrees to give LANDLORD any assignment or other assurances necessary to effect the same.

15. Compliance with Laws: All TENANT'S Work shall conform in every respect to applicable statutes, ordinances, regulations, codes and requirements of LANDLORD'S fire underwriter. TENANT shall obtain and convey to LANDLORD all approvals with respect to electrical, water, heating and cooling, sprinkler or fire protection and telephone work, all as may be required by the utility company supplying the service or LANDLORD'S underwriter.

16. Approvals: No approval by LANDLORD shall be deemed valid unless the same shall be in writing signed by the LANDLORD or LANDLORD'S architect.

17. Insurance: Prior to commencement of TENANT'S WORK and until completion thereof, or commencement of the Lease Term, whichever is the last to occur, TENANT shall effect and maintain, and provide certificates for insurance policies as set forth in Section 8.1(d) of the Lease/Builder's Risk Insurance covering LANDLORD, LANDLORD'S agents and beneficiaries, LANDLORD'S Architect, LANDLORD'S General Contractor, TENANT and TENANT'S contractor, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so-called "extended coverage endorsement" upon all TENANT'S Work in place and all materials stored at the site of TENANT'S Work and all materials, equipment, supplies and temporary structures of all kinds incident to TENANT'S Work and builder's machinery, tools and equipment, all while forming a part or contained in, such improvements or temporary structures while on the Leased Premises or within 100 feet thereof, or when adjacent thereto, or while on malls, drives, sidewalks, streets or alleys, all to the full insurable value thereof at all times. In addition TENANT agrees to require all contractors and subcontractors engaged in the performance of TENANT'S Work to effect and maintain and deliver to TENANT certificates evidencing the existence of, prior to the commencement of TENANT'S Work and until completion thereof, the following coverages:

(a) Workmen's Compensation Insurance in accordance with the laws of the State of IL, including Employer's Liability Insurance to the limit of \$300,000.

(b) Comprehensive General Liability Insurance, excluding "Automobile Liability" against personal injury, including death resulting therefrom, to the limits of \$500,000 for any one person and \$ 1,000,000 for more than one person in any one accident, and against property damage to the limit of \$ 250,000.

(c) Automobile Insurance, including "non-owned" automobiles, against personal injury, including death resulting therefrom, to the limits of \$500,000 for any one person and \$1,000,000 for more than one person in any one accident, and against property damage to the limit of \$250,000.

18. TENANT SHALL BE RESPONSIBLE FOR KEEPING THE PREMISES CLEAN, FREE OF DEBRIS, AND IN A WORKMANLIKE CONDITION AT ALL TIMES DURING THE PERFORMANCE OF ANY TENANT WORK. TENANT SHALL BE RESPONSIBLE FOR PROMPT REMOVAL OF ALL RUBBISH AND DEBRIS FROM THE PREMISES AND FROM THE SHOPPING CENTER SITE.

19. TENANT shall not permit trash and debris to accumulate within the PREMISES nor in any corridor or mall areas adjacent to the PREMISES. If TENANT shall fail to place trash and debris in the appropriate receptacles or shall fail to provide for removal as herein required, LANDLORD shall have the right to perform such work for TENANT and the cost incurred therein shall be due and payable to LANDLORD upon demand.

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