

8/1/91

BUILDING LEASE WITH OPTION TO PURCHASE

THIS BUILDING LEASE WITH OPTION TO PURCHASE is made as of August 1, 1991, by DALE J. SODERBLOOM and SANDRA J. SODERBLOOM (hereinafter collectively referred to as the "Lessee"), and FIRST BANK OF WHITING (hereinafter referred to as the "Lessor").

W I T N E S S E T H :

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FOR AND IN CONSIDERATION of the full and faithful compliance by the parties hereto with each and all of the terms, covenants and conditions herein contained, Lessor does hereby lease, let and demise unto lessee the real estate commonly known as 1771 Sauk Trail, Sauk Village, Cook County, Illinois, and legally described as follows:

52-25-302-025 & 52-25-200-011

PARCEL 1: THE EAST 99.23 FEET OF LOT 2 (AS MEASURED ON THE NORTH LINE) (EXCEPT SOUTH EASTERLY 17.00 FEET THEREOF) IN BARGER'S SUBDIVISION BEING A SUBDIVISION OF THAT PART OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER LINE OF THE LINCOLN HIGHWAY, FORMERLY KNOWN AS SAUK TRAIL ROAD AND EAST OF THE EAST LINE OF PREMISES CONVEYED TO THE CATHOLIC BISHOP BY DEED RECORDED FEBRUARY 20, 1872 AS DOCUMENT NUMBER 14116 IN BOOK 31, PAGE 435, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE SOUTH 150.00 FEET OF THE EAST 435.00 FEET OF THE WEST 1158.03 FEET OF THE NORTH WEST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14 IN COOK COUNTY, ILLINOIS.

together with all improvements currently situated thereon and all such personal property as may be situated thereon at the time Lessee takes possession thereof, hereinafter collectively referred to as the "demised premises".

The demised premises are leased by Lessor to Lessee subject to the covenants, easements, and conditions contained in prior deeds and instruments of record and subject to the provisions of applicable building codes and zoning ordinances.

ARTICLE 1 - TERM

1.1 The term of this Lease will commence upon execution hereof and will terminate on August 9, 1992, unless sooner terminated as herein provided. The foregoing notwithstanding, the rent payable hereunder will begin to accrue on August 10, 1991; no rent will be payable for the period

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commencing on the date of execution hereof and ending on August 9, 1991. Except as otherwise specifically provided herein, this lease is non-cancelable; Lessee is and will be required to make all rent and other payments required hereunder throughout the term hereof in all events.

## ARTICLE 2 - USE AND OCCUPANCY

2.1 Lessee covenants that the demised premises will, during the term of this Lease, be used for the operation of a bowling alley, banquet facility, and cocktail lounge and for such other allied purposes as may be incidental thereto. The demised premises will be used for no other purpose without the prior written consent of Lessor, which consent may be withheld with or without cause.

2.2 Lessee agrees not to use or suffer or permit any person to use, in any manner whatsoever, the demised premises for any purpose calculated to injure the reputation of the premises or to impair the value of the demised premises, nor for any purpose or use in violation of any federal, state, county, or municipal law or ordinance. Lessee will neither commit nor permit waste upon the demised premises.

2.3 Lessee will permit nothing to be done upon the demised premises in any way tending to create a nuisance or to injure the reputation of the demised premises or to annoy occupants of neighboring property.

2.4 Lessee will defend, indemnify, and hold Lessor harmless from and against any and all liabilities, damages, causes of action, and claims of any sort arising from or related to the use or occupancy of the demised premises by Lessee, including but not limited to the sale of alcoholic beverages therefrom, which costs will include, but not be limited to, all reasonable attorneys' fees and costs. This indemnification will be limited to liabilities proximately caused by acts or omissions of Lessee.

2.5 Lessee will not use the demised premises for the transportation, treatment, storage, or disposal of any hazardous substances or other materials subject to regulation by the Indiana Department of Environmental Management or the United States Environmental Protection Agency.

2.6 Within fourteen (14) days after the execution hereof, and from time to time thereafter upon the request or requests of Lessor, Lessee will provide Lessor with copies of all licenses, permits, and authorizations, including but not limited to liquor permits, which are or may be required for the operation of the demises premises.

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## ARTICLE 3 - RENTAL CONSIDERATION

3.1 For and in consideration of the leasing of the demised premises, Lessee expressly agrees to pay to Lessor, in addition to other charges hereinafter provided, as rental for the demised premises, the base rent as defined in Section 3.2 hereof. The base rent will be paid in monthly installments, in advance on the first day of each calendar month during the term hereof. Lessee will pay a prorata sum for for the first and/or last months of the lease term if the lease does not begin on the first day of a calendar month or end on the last day of a calendar month. The first full month's rent (plus the rent for the initial partial month, if applicable) will be paid upon execution of this lease.

3.2 The base rent under this lease will be ~~\$87,600.00~~ <sup>81,600.00</sup>, payable in monthly installments of ~~\$7,300.00~~ <sup>6800</sup>. Such monthly installments will, except as provided below, be paid in advance on the first day of each calendar month during the term hereof. The monthly rental amounts for the first month and the last month of the lease term hereunder will be paid immediately upon execution hereof. Such monthly rental will be adjusted as provided in Section 8.1 hereof, if applicable.

3.3 Rental payments will be payable to Lessor at 5191 West Lincoln Highway, Crown Point, Indiana 46307, attention James Ellsworth, or at such other place as Lessor may, from time to time, designate in writing.

3.4 Any installments of rent accruing under the provisions of this lease and any other sums which may become payable by Lessee to Lessor which will not be paid within ten (10) days from the due date thereof, will bear interest at the rate of eighteen percent (18%) per year, compounded annually, until paid, without relief from valuation and appraisal laws. The minimum late charge in such event will be \$100.00. Lessee will pay all costs incurred by Lessor in collecting any amounts payable hereunder, including but not limited to reasonable attorneys' fees and court costs.

3.5 To secure the payment of all amounts payable by Lessee under this Lease, including but not limited to rent payments, Lessee hereby grants and mortgages to Lessor the real estate commonly known as 21619 Merrill Court, Sauk Village, Illinois; 2025 - 216th Court, Sauk Village, Illinois; and 2017 218th Place, Sauk Village, Illinois, all of which are legally described on Exhibit A hereto. Lessee warrants that first of said properties is and will remain free of all liens and encumbrances, excepting only real estate taxes not yet due and payable and covenants, easements, and restrictions of record. Lessee warrants that second and third of said properties are and will remain free of all liens and encumbrances, excepting only real estate taxes not yet due and payable and covenants,

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easements, and restrictions of record, and excepting a first mortgage interest in favor of First Denver Mortgage Corporation (in the case of 2025 - 216th Court) and in favor of Independence One Mortgage Corporation (in the case of 2017 - 218th Place). Lessee will maintain all improvements on said properties in good condition, will make timely payment of all taxes and assessments, and will maintain insurance in such forms as are acceptable to Lessor in amounts at least equal to the replacement costs of all improvements on said properties. Upon the request or requests of Lessor, Lessee will execute three mortgages and all such further documentation as Lessor may deem appropriate to protect the mortgage interests of Lessor granted hereunder.

## ARTICLE 4 - REAL ESTATE TAXES

4.1 Lessor will be responsible for all real estate taxes and assessments which accrue during the term of this lease.

## ARTICLE 5 - MAINTENANCE AND REPAIRS

5.1 The parties acknowledge that Lessor has never had possession of the demised premises or any part thereof, except that Lessor took possession on May 28, 1991, for the sole purpose of securing such property. Accordingly, it is expressly understood and agreed that Lessor makes absolutely no representations or warranties of any sort with regard to the demised premises or any part thereof or the condition or fitness for use thereof. The parties further acknowledge and agree that Lessor cannot and does not make any representations or assurances as to the personal property which will be on the demised premises at the time Lessee takes possession thereof. Subject to all other provisions of this Article, Lessee will accept such personal property in such condition as such may be as of the time of closing.

5.2 Within 90 days after the date hereof, Lessee will complete the repairs and renovations listed on Exhibit B, which is attached hereto and made a part hereof. All such repairs and renovations will be completed in a good and workmanlike manner to the reasonable satisfaction of Lessor.

5.3 Lessee will keep in a good state of maintenance and repair all portions of the demised premises, including (but not limited to) the repair and replacement of the electrical, plumbing, heating and air conditioning systems, and will make such repairs or replacements as may be necessary to keep the demised premises in a safe, sanitary, dry, and tenantable condition. Lessee further agrees to maintain and repair the parking area, the landscaped areas, sidewalks and public lighting and remove all snow, ice, and debris therefrom. Lessee further agrees to replace or rebuild any portion or all of the demised premises which may be destroyed or damaged by any cause whatever. It is understood and agreed that Lessor will provide no

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maintenance or repairs of any sort to or for any portion of the demised premises at any time during the term hereof.

5.4 Lessee has inspected the demised premises and accepts the demised premises in the present condition, "as is" and "where is."

5.5 Lessee will make no alterations in or additions to the demised premises without first obtaining the Lessor's written consent and Lessee will submit to Lessor, upon request, paid bills or final lien waivers for any alterations or repairs made by Lessee. All erections, additions, fixtures and improvements, whether temporary or permanent in character (except the movable office furniture and fixtures of the Lessee), made in or upon the demised premises, will remain upon the demised premises at the termination of this lease by lapse of time or otherwise.

5.6 Upon termination of this lease, whether by lapse of time or otherwise, Lessee will return possession of the demised premises to Lessor in the same condition the demised premises now are, normal wear and tear excepted, except that any office installation completed by Lessee will be left in the demised premises in good condition.

5.7 Lessor may enter the demised premises at all reasonable times for the purpose of inspecting the demised premises and for the purpose of ascertaining the compliance with the terms of this lease by Lessee. At all times during the term hereof, Lessor will hold copies of all keys necessary for entry to the demised premises. Lessee will deliver copies of all such keys to Lessor upon execution hereof, and at the time any locks are added or changes, and upon any request or requests of Lessor.

## ARTICLE 6 - DESTRUCTION OF PREMISES

6.1 If the demised premises should be damaged or destroyed, in whole or in part, by any cause, so as to render the demised premises unsuitable for the operation of the business of Lessee, Lessee will promptly rebuild or repair the demised premises. The proceeds of any insurance policies maintained pursuant to Section 8.2 will be applied to the repair or replacement of the improvements on the demised premises and the obligation of Lessee to pay rent will abate for the period of time the demised premises is unsuitable for the operation of the business of Lessee.

## ARTICLE 7 - UTILITIES

7.1 Lessee will be solely responsible for and will pay for all utilities provided to the demised premises during the term of this lease, including but not limited to gas, electricity, water, sewage, and telephone. Lessee will maintain all utility connections to the demised premises.

7.2 The obligation of Lessee to pay utility expenses, as provided above, which accrue during the term of this lease may continue after the termination of this lease with respect to all utility charges which accrue during the term hereof but which do not become payable until after the termination of this lease.

ARTICLE 8 - INSURANCE

8.1 At all times during the term of this lease, Lessor will insure against damage to the demised premises by fire, windstorm, or any other cause customarily included in the term "extended coverage", the policies to be issued by insurance companies and to contain terms as determined by Lessor. If the average monthly payment for such coverage is less than \$1,400.00, the rent payable by Lessee pursuant to Section 3.2 hereof will be reduced, for such months, by the excess of ~~\$1,400.00~~ over the amount of such average monthly payment. 925.00

8.2 At all times during the term of this lease, Lessee will maintain general liability insurance (issued by insurance companies and containing terms reasonably acceptable to Lessor) with limits of not less than \$1,000,000.00 for personal injury (single limit type policy), and \$250,000.00 for property damage, which policies will list Lessor as an additional insured party. In addition, Lessee will, at all times during the term hereof, maintain tenant's insurance on all personal property in the demised premises and workers compensation insurance with respect to all operations on the demised premises. All such policies will be issued by carriers and will contain such terms as Lessor may direct. All such policies will list Lessor as an additional insured party. Prior to taking possession of the demised premises, Lessee will deliver to Lessor certificates of all such insurance and proof of the payment of all premiums therefor through the entire term hereof.

8.3 At all times during the term of this lease, Lessee will maintain Dram Shop insurance coverage as required by law and as otherwise directed by Lessor, such policy to be issued by insurance companies and to contain terms reasonably acceptable to Lessor. All such policies will list Lessor as an additional insured party. Prior to the commencement of the sale of any alcoholic beverages from or on the demised premises, Lessee will deliver to Lessor certificates of all such insurance and proof of the payment of all premiums therefor through the entire term hereof.

ARTICLE 9 - ASSIGNMENT AND SUBLETTING

9.1 This lease may not be assigned, nor may the demised premises or any part thereof be underlet, licensed or otherwise permitted to be used by others without the prior written consent of Lessor, which consent may be withheld with or



without cause. Any such consent having been given, no further underletting, licensing or other sub-use will be permitted without again securing Lessor's written consent, which consent may be withheld with or without cause. Notwithstanding any such consent, Lessee will remain primarily liable to perform all the covenants and conditions hereof and to guarantee such performance by the assignee, subtenant, licensee or other party unless the Lessee will have been expressly released therefrom by Lessor in writing.

## ARTICLE 10 - EMINENT DOMAIN

10.1 If not more than twenty percent (20%) of the interior space of the demised premises, or not more than fifty percent (50%) of the parking area will be taken under the power of eminent domain, then the term of this Lease will cease only on the part so taken from the date possession will be taken for any public purpose, and the fixed rent will be paid up to that date. If in such event any part of the demised premises is taken, Lessor will rebuild and restore the remaining portion of the demised premises at its expense as rapidly as possible, and Lessee will be entitled to an equitable abatement of the fixed rent until the premises are restored, and thereafter said rent will be equitably reduced on account of any floor space taken by such eminent domain proceedings.

10.2 If more than twenty percent (20%) of the demised premises, or more than fifty percent (50%) of the parking area will be taken under the power of eminent domain, then from that date Lessee will have the right either to terminate this Lease as of the date possession of the part condemned is so taken, by written notice to Lessor within thirty (30) days after such date, or to continue in possession of the demised premises under all of the terms, covenants, and conditions of this lease, except that the fixed rent will be proportionately and equitably reduced.

10.3 All damages awarded for such taking will belong to and be the property of the Lessor, whether such damages will be awarded as compensation for diminution in the value of the Leasehold or to the fee of the demised premises. For the purposes of this paragraph, acquisition of all or a part of the demised premises by governmental or quasi-governmental authority by means of voluntary negotiations and contracts will be deemed to be acquisition by the exercise of the power of eminent domain.

## ARTICLE 11 - QUIET ENJOYMENT

11.1 Lessor covenants and agrees that if Lessee will pay and otherwise perform and do all of the things and matters herein provided for to be done by Lessee that Lessee will peaceably and quietly have, hold, possess, use, occupy, and enjoy the said demised premises during the term of this lease.

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## ARTICLE 12 - DEFAULTS BY LESSEE

12.1 Right to Re-Enter. In the event of any failure of Lessee to make any payment required hereunder within ten (10) days after the due date thereof, or any failure to perform any other of the terms, covenants, or condition of this Lease to be observed or performed by Lessee for more than thirty (30) days after written notice of such default will have been mailed to Lessee, or if Lessee becomes bankrupt or insolvent, or file any debtor proceedings, or take or have taken against Lessee in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property or if Lessee makes an assignment for the benefit of creditors or petitions for or enters into an arrangement, or if Lessee will abandon said premises or suffer this lease to be taken under any writ of execution, Lessor, besides other rights or remedies he may have, will have the immediate right of re-entry and may remove all persons and property from the demised premises and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

12.2 Right to Re-let. Should Lessor elect to re-enter as herein provided or should he take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this lease or may from time to time without terminating this lease make such alterations and repairs as may be necessary in order to re-let the premises and re-let said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Lessor in his sole discretion may deem advisable. Upon each such re-letting all rentals received by Lessor from such re-letting will be applied, first, to the payment of any indebtedness other than rent due hereunder from Lessee; second, to the payment of any costs and expenses of such re-letting including brokerage fees and attorney fees and the cost of such alterations and repairs; third, to the payment of rent due and unpaid hereunder; and residue, if any, will be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received from such re-letting in any month be less than that to be paid during that month by Lessee hereunder, Lessee will pay any such deficiency to Lessor. Such deficiency will be calculated and paid monthly. No such re-entry or taking possession of said premises of Lessor will be construed as an election on his part to terminate this Lease unless a written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without

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termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedies he may have, Lessor may recover from Lessee all damages he may incur by reason of such breach, including the cost of recovering the demised premises for the remainder of the stated term, including reasonable attorneys' fees, and including the worth at the time of the termination of the excess, if any, of the amount of rent and charges equivalent to the rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the demised premises for the remainder of the stated term, all of which amount will be immediately due and payable from Lessee to Lessor.

12.3 Cumulative Rights. It is agreed that the various rights, powers, options, elections, appointments and remedies of the Lessor contained in this lease will be construed as cumulative and no one of them is exclusive of the other or exclusive of any rights or priorities allowed by law.

## ARTICLE 13 - SURRENDER

13.1 At the termination of this lease by lapse of time or otherwise, or the taking of possession of the demised premises pursuant to Article 12 hereof, Lessee will return the demised premises in as good condition as at the commencement of the term, ordinary wear and tear only excepted, failing which, Lessor may restore the demised premises to such condition and Lessee will pay the cost of such restoration upon demand, as so much additional rental.

13.2 If Lessee retains possession of any or all of the demised premises beyond the expiration date of this lease after Lessor has given notice to Lessee of its intent not to renew this lease, then Lessee will pay to Lessor as liquidated damages, a sum equal to one and one-half (1 1/2) times the monthly rental provided in this lease for the period of time that Lessee will retain possession of the demised premises or any part thereof after the expiration date of the lease.

## ARTICLE 14 - WAIVER OF BREACH

14.1 It is agreed by the parties hereto that no waiver of a breach of the terms, covenants and conditions of this lease will be construed as a waiver of any succeeding breach of the same or any other term, covenant or condition.

## ARTICLE 15 - MORTGAGES

15.1 Lessor may subject the demised premises to any lien of any mortgage or deed of trust placed upon, or hereafter placed upon, Lessor's interest in the demised premises, provided that such mortgage or deed of trust, by its terms, recognizes the

validity and continuance of this lease and Lessee's right to quiet possession in any event, so long as Lessee is not in default under the terms of this Lease. In connection with the foregoing, Lessee agrees to execute at any time, and from time to time, such documents which properly and correctly reflect the terms set forth above.

ARTICLE 16 - NOTICES

16.1 All notices, demands and requests hereunder will be in writing and given by United States registered or certified mail or by messenger delivery, in the case of Lessor to 5191 West Lincoln Highway, Crown Point, Indiana 46307, attention James Ellsworth, and in the case of Lessee to the demised premises.

16.2 Each party from time to time may change its address for purposes of notice under this article by giving to the other party notice of such change of address. Any notice, demand or request given by United States registered or certified mail, as provided herein, will be deemed served on the date it is deposited in the United States mail properly addressed and with postage fully prepaid.

ARTICLE 17 - MECHANIC'S LIENS

17.1 Nothing in this lease will authorize Lessee to do any act which will in any way encumber the title of Lessor in and to the demised premises, nor will the interest of the Lessor in the demised premises be subject to any lien arising from any act or omission of Lessee.

17.2 If any mechanic's lien or liens will be filed against the demised premises for work done or materials furnished to the Lessee, Lessee will within thirty (30) days after he has actual notice of such lien, at his own expense, cause such lien or liens to be discharged by payment of such claims or by filing of bond pursuant to statute.

17.3 Should Lessee fail to pay such lien or post bond therefor, Lessor may, but he will not be required to do so, discharge such mechanic's lien or liens by payment thereof and the amount paid by Lessor together with Lessor's costs and expenses will be due and payable from Lessee forthwith on demand.

ARTICLE 18 - FIXTURES

18.1 Lessee may install and operate in and upon the demised premises such trade fixtures, decorations, equipment and appliances as Lessee will deem necessary; provided, however, that all laws, rules and regulations of governmental bodies with respect thereto will be fully complied with by Lessee. Upon the expiration of this lease or any extension or renewal thereof, Lessee will remove all of such trade fixtures, decorations,

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equipment and appliances installed on said premises by Lessee, excepting those items which are installed pursuant to Section 5.2 hereof, which will remain on the demised premises and will become the property of Lessor. Lessee will forthwith repair any damage to the premises which may be caused by such installation, operation or removal.

## ARTICLE 19 - CUMULATIVE RIGHTS

19.1 It is agreed that the various rights, powers, options, elections, appointments and remedies of Lessor contained in this lease will be construed as cumulative and no one of them as exclusive of the other or exclusive of any rights or priorities allowed by law.

## ARTICLE 20 - OPTION TO PURCHASE

20.1 During the term of this lease, Lessee will have the option to purchase the demised premises from Lessor as provided in this Article. Lessee will exercise this option to purchase by giving notice of its election to Lessor on or before August 1, 1992. If Lessee fails to so give notice of its intention to exercise this option, this option will expire and be of no further effect.

20.2 If Lessee gives timely notice to Lessor of its election to exercise the option provided in Section 20.1, the purchase price for the demised premises and personal property will be \$340,000.00. The purchase price will be reduced by \$560.00 for each monthly rental amount which has been paid by Lessee to Lessor hereunder prior to closing; however, if the closing occurs prior to the commencement of the last month of the term hereof, for which the rent has been prepaid, the full amount of such prepaid final month's rent will be credited to the purchase price.

20.3 The closing of said purchase will occur within thirty days after Lessee gives timely notice to Lessor pursuant to Section 20.1.

20.4 At the option of Lessee, the purchase price hereunder may be paid as follows:

(a) Immediately upon the exercise of the option, Lessee will pay the sum of \$10,000.00 to Lessor as and for earnest money.

(b) Lessee will pay \$15,000.00 to Lessor by certified funds at closing.

(c) The remainder of the purchase price, including interest on all principal and other amounts payable hereunder from the date of closing at the rate of

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ten percent (10%) per year, compounded quarterly, will be paid as follows:

(i) all accrued interest will be paid in full on the 92nd day after closing;

(ii) commencing one month after the 92nd day after closing, and on the same day of each calendar month thereafter, Lessee will pay the sum of \$3,039.82 to Lessor, including all accrued interest and principal, representing principal and interest based upon a 20-year amortization.

(iii) all principal, all accrued interest, and all other amounts payable hereunder will be paid in full on or before the third anniversary of the date of closing.

(d) At closing, Lessee will deliver to Lessor a promissory note evidencing the amounts and terms provided above. Such promissory note will be jointly and severally guaranteed by Lessee.

(e) All furniture, furnishings, equipment, fixtures, leasehold improvements, signs, inventory, and supplies of Lessee and, if different, the transferee, and any and all additions and accessions thereto, products thereof, and proceeds thereof, including insurance proceeds and tort claims, will serve as security for the amounts owed pursuant to the promissory note. Lessee will, at closing, execute a Security Agreement and financing statements in favor of Lessor for all such personal property. Such lien in favor of Lessor will be a first lien with respect to all such property.

(f) All of Lessee's interest in the demised Premises will serve as security for the amounts owed pursuant to the promissory note. Lessee will, at closing, execute an appropriate mortgage in favor of Lessor, which mortgage will be in a form designated by Lessor.

(g) There will be no penalty for prepayment of any amounts due hereunder.

(h) At closing, Lessee will deposit into an escrow account held by Lessor the sum of \$15,500.00. Such escrow account will be for the payment of real estate taxes with respect to the Real Estate. In addition, at the time the first nine scheduled monthly payments of principal and interest are due under the terms of the promissory note, Lessee will deposit the sum of \$3,466.67 into said escrow. After the completion of said first nine payments, Lessee will deposit into said escrow the sum of \$2,600.00 (or such

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greater amount as Lessor may reasonably determine to be necessary to assure the availability of funds for the payment of all real estate taxes and assessments) at the time each subsequent monthly payment is payable under the promissory note.

(i) At closing, Lessee will either provide Lessor with proof of the payment of all insurance premiums for all such insurance as may reasonably be designated by Lessor for the one-year period ending on the first anniversary of the date of closing, or Lessee will deposit into an escrow account held by Lessor the sum of \$12,000.00. Such escrow account will be for the payment of all such insurance premiums. In addition, at the time the first nine scheduled monthly payments of principal and interest are due under the terms of the promissory note, Lessee will deposit the sum of \$1,333.33 into said escrow. After the completion of said first nine payments, Lessee will deposit into said escrow the sum of \$1,000.00 (or such greater amount as Lessor may reasonably determine to be necessary to assure the availability of funds for the payment of all such insurance premiums) at the time each subsequent monthly payment is payable under the promissory note.

20.5 At closing, except as provided in Section 20.4, Lessee will pay the purchase price to Lessor by certified or cashier's check. Lessor will deliver to Lessee title to the demised premises by warranty deed or by trustee's deed, conveying merchantable title to Lessee (or its assigns), subject only to covenants, easements, and restrictions of record, to taxes and assessments with respect to the demised premises not yet due and payable, and to encumbrances resulting from the acts of Lessee. At closing, Lessor will also deliver to Lessee a Bill of Sale for the personal property to be transferred. As of closing, Lessor will pay all costs for the issuance of an owner's title insurance policy issued by a title insurance company properly authorized to operate in the State of Illinois, in the amount of the purchase price, containing only the standard exceptions therein and the exceptions stated in this Section.

20.6 The parties agree that the purchase price will be allocated as follows:

Real Estate	\$ 240,000.00
Personal Property	100,000.00.

## ARTICLE 21 - MISCELLANEOUS

21.1 Whenever required by the context, the use of the words "term of this lease" or any variation thereof, will be deemed to include any extension or renewal of this lease, and the singular will be deemed to include the plural and the masculine

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to include the feminine and neuter.

21.2 The captions of this lease are for convenience only and are not to be construed as part of this lease and will not be construed as defining or limiting in any way the scope or intent of the provisions thereof.

21.3 If any term or provision of this lease will to any extent be held invalid or unenforceable, the remaining terms and provisions of this lease will not be affected thereby, but each term and provision of this lease will be valid and be enforced to the fullest extent permitted by law.

21.4 This lease will be construed and enforced in accordance with the laws of the State of Illinois.

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

Lessor:

FIRST BANK OF WHITING

By: [Signature]  
[Signature]

Lessee:

[Signature]  
Dale J. Soderbloom

[Signature]  
Sandra J. Soderbloom

Mail to:  
The First Bank of Whiting  
5191 W. Lincoln Hwy.  
Crown Point, In. 46307  
Attn: Nancy Pachal

Processed by:  
Lambert C. Conner  
Atty. at Law  
Ruckel, Murphy, Conner & Co.  
8585 Broadway Suite 600  
Hammond, In. 46324  
319-769-1313

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EXHIBIT A

Legal Descriptions of Three Collateral Properties

LOT 15 IN BLOCK 7 IN SOUTHDALE SUBDIVISION UNIT #1, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF SAUK TRAIL ROAD, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 1, 1957 AS DOCUMENT NUMBER 17025805, IN COOK COUNTY, ILLINOIS.

Commonly known as 2017 - 218th Place, Sauk Village, Illinois

LOT 33 IN BLOCK 10 IN SOUTHDALE SUBDIVISION UNIT 1, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING NORTH OF SAUK TRAIL ROAD, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 1, 1957, AS DOCUMENT 17025805, IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS.

Commonly known as 21619 Merrill Court, Sauk Village, Illinois

LOT 21 IN BLOCK 10 IN SOUTHDALE SUBDIVISION UNIT NO. 1, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF SAUK TRAIL ROAD ACCORDING TO THE PLAT THEREOF, RECORDED OCTOBER 1, 1957, AS DOCUMENT 17025805, IN COOK COUNTY, ILLINOIS.

Commonly known as 2025 - 216th Court, Sauk Village, Illinois

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EXHIBIT B 9 1 3 7 3 8 8

## REPAIR SCHEDULE

1991

TEAR OFF AND INSTALL RUBBERIZED MODIFIED ROOF WEST AREA APPROX. 15 FT. X 30 FT.

PUT MODIFIED IN DRAIN AREA APPROX. 15 FT X 80 FT

REPAIR FLASHING WEST AREA OF BANQUET ROOM

REPAIR FLASHING ON LOUNGE ROOF AND REPAIR AROUND DUCTS AND AIR CLEANERS

PAINT AND CLEAN AS NECESSARY

INSTALL DRAIN TILE NORTH WEST CORNER AND REGRADE WEST PARKING LOT

REPLACE CEILING TILES AS NEEDED

1992

INSTALL MODIFIED ROOF OVER LOUNGE

MAINTENANCE WORK ON BOWLING ROOF AS DEEMED NECESSARY

1993

FINISH INSTALLATION OF MODIFIED ROOF ON BOWLING ALLEN

*3000 to 4000*

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