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JESSE WHITE

SKOKIE OFFICE

COLLATERAL ASSIGNMENT OF LEASE -
GLASS MANUFACTURING CORPORATION

LASALLE BANK LAKE VIEW

3201 N. ASHLAND AVE.

CHICAGO, ILL. 60667

Box 146

ATTN: FRAN HANSEL

94985173

This Collateral Assignment of Lease (the "Assignment") is made as of Sept. 14, 1994, and given by GLASS MANUFACTURING CORPORATION ("Assignor"), with a mailing address at 7131 West 61st Street, Chicago, Illinois 60638 to LASALLE BANK LAKE VIEW ("Assignee"), with a mailing address at 3201 North Ashland Avenue, Chicago, Illinois 60657.

WHEREAS, pursuant to and as described in that certain Loan and Security Agreement dated as of the date of this Assignment (such loan and security agreement, as may be amended, modified and/or restated from time to time, shall be referred to as the Loan and Security Agreement), entered into by and among Silver Capital Corporation, Glass Manufacturing Corporation, GTC International, Inc., Picture Me Talking, Inc., Harry Price and Assignee, that certain Revolving Note (such revolving note, as may be renewed, extended, amended, modified, substituted, replaced and/or restated, from time to time, shall be referred to as the "Revolving Note") as defined in the Loan and Security Agreement and that certain Term Note (such term note, as may be renewed, extended, modified, substituted, replaced and/or restated, from time to time, shall be referred to as the "Term Note") (the Term Note and the Revolving Note shall be sometimes referred to individually as a "Note" and collectively as the "Notes") have been, or may be, executed and delivered by Assignor to Assignee; and

WHEREAS, that certain lease dated March 1, 1994, has been entered into by and between Artaius Corporation, an Illinois corporation, as Lessor, and Assignor, as Lessee (such lease, as may be extended, renewed, amended, modified, substituted, replaced or restated from time to time shall be referred to as the "Lease"), a copy of which is attached hereto as Exhibit "A", which Lease demises the premises located at, and legally described on Exhibit "A" attached hereto (the "Premises"); and

WHEREAS, to secure the following (collectively, the "Obligations"): the payment of the Notes and the Liabilities (as defined in the Loan and Security Agreement) and the performance of all other obligations of Assignor under the Documents (as such term is defined in the Loan and Security Agreement), Assignor desires to collaterally assign the Lease to Assignee.

NOW, THEREFORE, subject to the provisions of this Assignment, Assignor, for and in consideration of these premises (which are incorporated herein by this reference as an integral part of this Assignment of Lease) and the mutual agreements herein contained and as security for the payment and performance of the Obligations and the performance of the covenants and obligations hereinabove set forth, and in consideration of the sum of

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Ten Dollars (\$10.00) to Assignee in hand paid, the receipt whereof is hereby acknowledged, Does Hereby Collaterally Grant, Sell, Convey, Assign and Transfer unto Assignee all of the right, title and interest of Assignor in, to and under the Lease, together with all purchase options, rents, income and profits arising from the Lease. It is the express intention of Assignor to establish, conditioned upon both the occurrence and continuance of an Event of Default (as defined in the Loan and Security Agreement) and the exercise by Assignee of Assignee's specific rights, remedies and powers pursuant to this Assignment, and subject to the terms and provisions of this Assignment, an absolute transfer and assignment of the Lease, and to all the avails thereof, to Assignee. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, Assignor does hereby irrevocably appoint Assignee as its true and lawful attorney in its name and stead (with or without taking possession of the Premises), to assign the Lease, rent, sublease, or let all or any portion of the Premises to any party or parties at such price and on such terms, in its discretion as it may determine, and to collect all of said avails, rents, issues, deposits and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under the Lease, with the same rights and powers and subject to the same immunities, exoneration of liability, and rights of recourse and indemnity as Assignee would have upon taking possession of the Premises pursuant to the provisions hereinafter set forth.

Nothing herein contained shall be construed as deeming Assignee a "party in possession" in the absence of the taking of actual possession of the Premises by Assignee pursuant to the provisions of this Assignment. In the exercise of the powers herein granted Assignee, no liability shall be asserted or enforced against Assignee, all such liability being expressly waived and released by Assignor.

To protect the security of this Assignment, Assignor agrees:

- a) To faithfully abide by, perform and discharge all of Assignor's obligations, covenants, conditions and agreements pursuant to the Lease, at the sole cost of Assignor. Except with Assignee's prior written authority and consent (which consent shall not be unreasonably withheld or delayed), Assignor shall not cancel or terminate the Lease or materially amend, modify, extend (except on substantially the same terms as currently in effect with a fair market rental increase), renew (except on substantially the same terms as currently in effect with a fair market

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rental increase), or in any material way alter the terms or provisions of the Lease;

- b) To appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Lease or the obligations, duties or liabilities of Lessor and Lessee thereunder, at Assignor's sole cost and expense, and to pay all costs and expenses of Assignee in any action or proceeding in any matter connected with the Lease in which Assignee must appear through no fault of Assignee, including reasonable attorneys' fees and costs;
- c) In the event Assignor fails to make any payment or perform any obligation pursuant to the Obligations, or to perform or discharge any of Assignor's duties or obligations under the Lease or this Assignment, Assignee at Assignee's option upon ten (10) days written notice to Assignor (or such lesser notice, as may be reasonable under the circumstances) and without releasing Assignor from any obligation pursuant to this Assignment, may perform or discharge any or all of Assignor's duties or obligations under the Lease in the manner and to the extent Assignee deems necessary to protect Assignee's security interest, including without limitation, the right to appear in and defend any action or proceeding which may affect Assignee's security interest or Assignee's rights and powers pursuant to this Assignment. In exercising any such powers, Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and costs; and
- d) To pay immediately upon demand all sums expended by Assignee under the authority hereof, together with interest thereon at the highest rate set forth in the Notes until repaid to Assignee.

Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed that (a) notwithstanding anything else contained to the contrary in this Assignment, Assignee shall not exercise any of the rights and powers conferred upon it herein until and unless an Event of Default shall occur and (b) nothing contained in this Assignment shall be deemed to affect or impair

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any rights which Assignee may have under the Documents or any other agreement, document or instrument mentioned in this Assignment.

Upon or at any time after an Event of Default which is continuing, Assignor agrees that Assignee shall be entitled to: (a) take actual possession of the Premises or any part thereof personally, or by its agents or attorneys, and Assignee in its discretion may enter upon and take and maintain possession of all or any part of said Premises, together with all the documents, books, records, papers and accounts of the Assignor, and may exclude the Assignor, its agents or servants, wholly therefrom and may, as attorney-in-fact or agent of the Assignor, or in its own name as Assignee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assignee may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, deposits and profits of the Premises; (b) with or without taking actual possession of the Premises, (i) cancel, amend, modify, extend, renew, terminate or in any way alter the Lease for any cause or on any ground which would entitle Assignor to do the same; and (ii) obtain or evict tenants, collect, sue for, fix or modify the rents under the Lease and enforce all rights of the Assignor under the Lease; and (c) perform any and all other acts that may be necessary or proper to protect the security of this Assignment.

Upon the occurrence and continuation of an Event of Default, Assignor hereby grants to Assignee full power and authority to exercise each and every of the rights, privileges and powers granted in this Assignment at any and all times hereafter, without notice to the Assignor, including, without limitation, full power to make all the necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises that may seem judicious, in its discretion, insure and reinsure the same for all risks, incidental to Assignee's possession, operation and management thereof and to receive all such avails, rents, issues, deposits and profits.

Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligations, duty or liability under the Lease relating to said Premises, and Assignor shall and does hereby agree to indemnify and hold the Assignee harmless of and from any and all liability, loss or damage which it may or might incur under this Assignment, the Lease or under or by reason of the assignment of the Lease and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the

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terms, covenants or conditions contained in the Lease or this Assignment, except for claims or demands based upon Assignee's gross negligence or willful misconduct. Should Assignee incur any such liability, loss or damage under the Lease, or under or by reason of the assignment thereof, or in the defense of any claims or demands, except for claims or demands based upon Assignee's gross negligence or willful misconduct, Assignor agrees to reimburse Assignee for the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, immediately upon demand.

It is understood and agreed that the provisions set forth in this Collateral Assignment of Lease shall be deemed as a special remedy given to Assignee, and shall not be deemed exclusive of any of the remedies granted in the Loan and Security Agreement or any of the Documents but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted.

Whenever the word "Assignor" is mentioned herein, it is hereby understood that the same includes, and shall be binding upon, successors and assigns (including successors by consolidation) of Assignor, and any party or parties acquiring an interest in the Lease or to the Premises by, through, or under Assignor. All of the rights, powers, privileges and immunities herein granted and assigned to Assignee shall also inure to its successors and assigns, including all holders, from time to time, of the Notes or any of the Obligations.

It is expressly understood that no judgment or decree which may be entered on any debt secured or intended to be secured by this Assignment shall operate to abrogate or lessen the effect of this instrument, but that the same shall continue in full force and effect until any and all indebtedness secured by this Assignment (in whatever form the said indebtedness may be) shall have been paid in full and all bills incurred by virtue of the authority contained herein have been fully paid out of the rents, issues, deposits, profits or proceeds of sale of the Premises, or by Assignor, or until such time as this Assignment may be voluntarily released.

In the event Assignor exercises any purchase option contained in the Lease, this Assignment shall be deemed to be a mortgage of the Premises given by Assignor to Assignee and Assignor hereby mortgages to Assignee the Premises.

Upon payment and performance in full of the Obligations, including, but not limited to, the Notes and the Liabilities, and the performance of the covenants and obligations of Assignor under this Assignment and of Assignor under the Documents, this Assignment shall become void and of no effect, but Assignee's affidavit showing any part of the Obligations or the aforesaid obligations remaining unpaid or unperformed shall constitute re-

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buttable, presumptive evidence of the validity, effectiveness and continuing force of this Assignment.

Notwithstanding anything to the contrary contained in this Assignment:

- (1) Assignee shall have no greater rights under the Lease than the rights of Assignor in the Lease; and
- (2) If Assignee exercises its rights and remedies pursuant to this Assignment and takes transfer of the Lease, Assignee must comply with all of the terms and provisions of the Lease; and
- (3) Except (a) with Lessor's prior written consent or (b) as specifically set forth in the Lease, neither Assignor nor Assignee shall have any right to take any action on behalf of Lessor.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed as of the date hereinabove first written.

GLASS MANUFACTURING
CORPORATION

By: 

Title: President

ATTEST:

By: 

Title: (Assistant) Secretary

This Document Prepared By:

Steven Bright, Esq.
Boehm, Pearlstein & Bright, Ltd.
33 North LaSalle Street
Suite 3500
Chicago, Illinois 60602
(312) 782-7474

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CONSENT TO COLLATERAL ASSIGNMENT

The undersigned hereby consents to the foregoing Collateral Assignment of Lease and agrees to use commercially reasonable efforts to give to Assignee a copy of any notice of any default of Lessee under the Lease concurrently with the giving of such notice to Lessee; provided, however, that the undersigned's failure to provide Assignee with any such notice shall not give Assignee any claim or cause of action against the undersigned and the undersigned shall not be liable to Assignee for any costs, expenses, fees or damages resulting from such failure to provide notice. Any notice to be provided to Assignee by the undersigned shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) two (2) business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service, or (iv) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service, and (b) addressed as follows:

If to Lender:

LaSalle Bank Lake View
3201 North Ashland Avenue
Chicago, Illinois 60657
Attn: Ms. JoAnn Clay

With copy to:

Boehm, Pearlstein & Bright, Ltd.
33 North LaSalle Street
Suite 3500
Chicago, Illinois 60602
Attn: Steven Bright, Esq.

The undersigned hereby certifies to Assignor and Assignee that as of this date the undersigned is the title holder of record to the Premises or the 100% beneficiary of the trust which is the title holder of record to the Premises, or the duly authorized agent of either of them.

Dated: October 11, 1994

LANDLORD:

ARTAIUS CORPORATION, an
Illinois corporation

By: 

Title: President

94985173

INDUSTRIAL LEASE

THIS INDUSTRIAL LEASE ("Lease"), is made as of the 1st day of March, 1994, by and between Artaius Corporation, an Illinois corporation (hereinafter, for convenience, referred to as the "Lessor"), and Glass Manufacturing Corporation (hereinafter, for convenience, referred to as the "Lessee");

W I T N E S S E T H:

A. Lessor owns certain land containing approximately 155,277 square feet, together with an approximate 115,850 square foot industrial building located on such land (such land and industrial building are hereinafter referred to as the "Demised Premises");

B. Lessee has been occupying the Demised Premises since January 1, 1994 on a month-to-month basis under an unwritten lease between Lessor and Lessee.

C. Lessor now desires to lease to and Lessee desires to lease from Lessor the Demised Premises on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

ARTICLE I

THE LEASED PREMISES, FIXTURES AND EQUIPMENT:

SEC. 101. THE LEASED PREMISES. Lessee does hereby demise and lease from Lessor, in "As Is" condition (as such condition existed on January 1, 1994) and upon the terms herein set forth, approximately One Hundred Fifty Five Thousand Two Hundred Seventy Seven (155,277) square feet of land, legally described on Exhibit "A" attached hereto, which Exhibit is, by this reference, expressly made a part hereof, together with a building thereon containing approximately One Hundred Fifteen Thousand Eight Hundred Fifty (115,850) square feet and including all easements, improvements, tenements, appurtenances, hereditaments, fixtures, rights and privileges thereto belonging, or in any way appertaining and subject to any restrictions, easements and encroachments and to any zoning ordinances, laws, rules or regulations of any Public Authority, now or hereafter in effect, relating to or affecting the Demised Premises.

The Demised Premises are commonly known as 7131 West 61st Street, Chicago, Illinois.

SEC. 102:1. BUILDING FIXTURES AND EQUIPMENT. All fixtures, machinery and equipment which are necessary to the general operation and maintenance of the Demised Premises, shall be the property of the Lessor, whether owned by Lessor at the commencement of the Term (as defined below), subsequently purchased by Lessor, or purchased by Lessee in accordance with the provisions of this Lease. Without in any way limiting the generality of the foregoing, all electric power panels, lighting fixtures, plumbing, heating and air-conditioning equipment shall be considered necessary to the general operation and maintenance of the premises.

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SEC. 102.2. TRADE FIXTURES. Only the Production Office currently located on the Demised Premises (excluding the electrical duct) and those trade fixtures, machinery, non-structural partitions and other equipment which are supplied, installed and used by Lessee in the conduct of its business, including process machinery and equipment, process piping, process electric switch gear, conveyors, battery chargers, storage racks and shelving (other than building equipment), which may hereafter be installed therein, shall be the property of Lessee and may be removed by Lessee at any time prior to or upon termination of the Lease, whether by lapse of time or otherwise; provided the Lessee is not, at any such time, in default of any of the terms or conditions of this Lease. Lessee shall remove, on demand by Lessor and at Lessee's expense, any and all such items at the termination of the Lease term, whether by lapse of time or otherwise, and repair any damage caused by such removal, restoring the Demised Premises to their condition prior to the installation of all such items or any of them. Lessee shall not remove the electrical duct that is part of the Production Office which electrical duct is owned by Lessor.

SEC. 103. "DEMISED PREMISES" AND "IMPROVEMENTS" DEFINED. "Demised Premises" shall mean the premises described in Exhibit "A" and shall include any and all improvements, now or hereafter, located or constructed thereon, including the building, fixtures and equipment on such premises, which are the property of Lessor as above described.

"Improvements" shall mean all buildings and other improvements, now or hereafter, located or constructed on the Demised Premises, which are the property of Lessor as above described.

ARTICLE 2

TERM; POSSESSION:

SEC. 201. TERM. The term of this Lease shall be for a period commencing on March 1, 1994 and ending on February 28, 1996 ("Term").

SEC. 202. HOLD-OVER TENANCY. In the event the Lessee remains in possession of the Demised Premises after the expiration of the Term, or any extension hereof, without the written consent of Lessor, the Lessee shall then be obligated to pay double the rate of the annual Base Rent as set forth herein, in equal installments on the first day of each calendar week, for so long as the Lessor is unable to obtain possession of the Demised Premises. No such payment, nor the acceptance thereof, shall in any way constitute a waiver of the rights of the Lessor to dispossess the Lessee and recover possession of the Demised Premises and the just and former estate of the Lessor and to bring any action for damages suffered by Lessor on account of Lessee's failure to vacate the premises.

ARTICLE 3

RENTAL:

SEC. 301. RENTAL. The Lessee hereby covenants and agrees with the Lessor, as follows:

To take and accept such demise and lease of the Demised Premises on the terms herein set forth and to pay as base rent ("Base Rent") for such Demised Premises (i) from March 1, 1994 through February 28, 1995 the sum of Three Hundred Nine Thousand and 00/100 Dollars (\$309,000.00) and (ii) from March 1, 1995 through February 28, 1996 the sum of Three Hundred Sixty-Four and 00/100 Dollars (\$364,000.00). Such rental shall be paid in lawful money of

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the United States of America in weekly installments of \$5,000.00 each on March 1, March 7 and March 14, 1994 and thereafter in weekly installments of \$6,000.00 each in respect to the period from March 21, 1994, through February 28, 1995 and in weekly installments of \$7,000.00 each in respect to the period from March 1, 1995 through February 28, 1996, each installment to be paid upon the first day of each and every calendar week during the Term, at such place as may, from time to time, be designated by Lessor; and in the absence of such designation, at Artaius Corporation, c/o William T. Nihill, 35 Shawnee Trail, #3, Indian Head Park, Illinois 60525.

SEC. 302. COVENANTS CONCERNING RENTAL PAYMENTS. Lessee shall pay all rent required hereunder on or before the date due, without notice or demand therefor, and without any abatement, deduction or setoff for any reason whatsoever. No payment by Lessee, or receipt or acceptance by Lessor, of a lesser amount than the correct rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed an accord or satisfaction, and Lessor may accept such payment without prejudice to its right to recover the balance due or pursue any other remedy in this Lease or at law.

SEC. 303. NET RENT. It is intended that the rent provided for in this Lease shall be an absolutely net return to Lessor for the Term, and any renewals or extensions thereof, free of any and all expenses or charges with respect to the Demised Premises, other than as described below in Article 4 hereof for Taxes (as hereinafter defined), insurance as required by Article 5 hereof and maintenance as required by Article 6 hereof.

ARTICLE 4

TAXES AND INSURANCE
ESCROW, ASSESSMENTS,
UTILITY CHARGES,
INSPECTION FEES
AND LIENS:

SEC. 401. TAXES AND INSURANCE. Lessor shall be responsible for the payment of (a) Taxes (as hereinafter defined) and (b) premiums for insurance required by Article 5 hereof. As used in this Article 4, the term "Taxes" shall mean all taxes, including, without limitation, ad valorem general real estate taxes, installments of assessments, general and special, and all other public charges levied upon or assessed against the Demised Premises, or any part(s) thereof, or arising by reason of the existence, occupancy, use or possession of the Demised Premises, but not the income taxes of Lessee or other taxes arising from or attributable to the business carried on therein.

SEC. 402. UTILITY CHARGES. Lessee shall secure service and pay all charges for water, electricity, gas, telephone and any and all other utility services furnished to the Demised Premises.

The water system on the Demised Premises is connected with a Chicago water main. Such water as will be consumed in the Demised Premises will be registered on a water meter within the Demised premises and the Lessee shall pay, or cause to be paid, all water charges for water used on the Demised Premises, whenever the same shall be due and payable.

The Lessor, the public authorities and the utility companies servicing or located on the Demised Premises shall, at all reasonable hours, by its or their agents or employees, have the right to install, repair and replace the utility conduits, meters and other facilities located on the Demised Premises; it being understood and agreed, however, that the Lessor shall not be liable for the care, upkeep or maintenance of the water system,

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including the control valve lying on the water service line serving the Demised Premises.

SEC. 403. INSPECTION FEES. All inspection fees of any kind or character whatsoever, imposed by the City, County or State Government, or any other governmental unit or public authority for inspection of the Demised Premises, or any part thereof during the Term, shall be paid promptly by Lessee prior to delinquency.

SEC 404. MECHANIC'S LIENS. Lessee shall not permit any liens to stand against the Demised Premises for any labor or material in connection with work of any character performed or claimed to have been performed on the Demised Premises at the direction or sufferance of Lessee (except work done by Lessor), whether such work was performed or material furnished or claimed to be performed or furnished prior to, or subsequent to the commencement of the Term. In the event of any such lien attaching to the Demised Premises, Lessee shall promptly notify Lessor of such event and Lessee will (i) bond over such lien within sixty (60) days after such lien is filed with a company acceptable to Lessor, and (ii) discharge such lien within one hundred eighty (180) days after such lien is filed.

SEC. 405. PAYMENT BY LESSOR. If at any time any water or other charges, rates, fees or inspection fees, generally or specifically charged or assessed against the Demised Premises shall become due or payable and the Lessee shall not pay the same; or, in the event any lien for labor or material shall not be released of record by Lessee within thirty (30) days of the filing of such lien of record, the Lessor may, at its option, pay the same at any time thereafter without inquiring into the validity thereof, and the amount of any and all such payments so made by the Lessor (with interest thereon at twelve (12%) percent per annum from and after the date any such payment was due and payable by Lessee) shall be and hereby is declared to be so much additional and further rent for the Demised Premises, due from and payable by the Lessee with the next installment of rent and may be collected in the same manner as other rents due hereunder; provided, however, that subject to the further provisions hereinafter set forth, Lessee shall have the right, at its own expense, to contest in good faith in any manner permitted by law, water and other charges, liens, rates or fees so specifically charged or assessed against the Demised Premises.

SEC. 406. CONTEST. In the event Lessee desires to contest any water or other charges, liens, rates or fees as herein provided, it shall do so by paying the amounts under protest, or shall provide for the payment thereof, together with all penalties, interest, costs and expenses, by the deposit of a sufficient sum of money to be held in escrow by Lessor or, at the option of Lessor, by a good and sufficient undertaking as may be required or permitted by law, all to the end that no delinquency or proceedings based upon delinquency shall in anyway affect the title or interest of Lessor in the Demised Premises.

Lessee agrees that it will prosecute any such contest with due diligence and in the event any such contest be adjudicated adversely to Lessee, that Lessee will, within thirty (30) days after final determination, or within the time provided for in such adjudication, whichever is sooner thereof, pay the full amount of any such charges, liens, rates or fees, or other obligations which may have been the subject of such contest as so determined, together with all interest and penalties, costs and charges which may be payable in connection therewith and satisfy and cause the release of the same of record.

Lessee shall keep the Lessor notified, from time to time throughout the period of its pendency, as to the progress and status of any such contest. If a final determination is not had within one

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(1) year from the date of instituting any such contest or prior to the expiration of the Term, whichever is sooner, or in the event of any default of the Lessee, pursuant to the terms of this Lease, Lessor, at its option, may pay out of any funds held in escrow any water or other charges, liens, rates or fees which may be under contest, together with all penalties, interest charges and other expenses whatsoever in connection with such contest.

Lessor shall cooperate with Lessee in each and any such contest, including the execution of all documents necessary to prosecute such contest, provided however that Lessor shall not become liable for any costs or expenses arising from such cooperation.

In the event the funds so held are insufficient to pay and satisfy the same, Lessee shall immediately pay to Lessor as additional rent due hereunder, upon demand, an amount, when combined with the funds then held by Lessor for such purpose sufficient to satisfy same.

Nothing contained in this agreement shall be construed to authorize Lessee to create or incur on behalf of Lessor any liability, indebtedness or obligation whatsoever. Anything herein to the contrary notwithstanding, Lessee shall defend, completely indemnify and hold Lessor forever harmless from any and all consequences of any such water or other charges, liens, rates, fees and costs (including attorneys' fees and costs), or any contest thereof.

ARTICLE 5

INSURANCE:

SEC. 501. PROPERTY INSURANCE. Lessor shall procure at its sole cost and expense, insurance upon the Improvements against loss or damage by fire, lightning and other casualties, in such amounts and with such companies as Lessor shall, in its sole discretion, deem appropriate and shall maintain such insurance in full force and effect during the Term and so long as this Lease is in effect, including all extensions hereof.

No such policy of insurance shall include either the contents of the Improvements or any other property of the Lessee or any third party.

The Lessee will not place, nor permit to be placed, any other policies of insurance upon the Improvements without advance written permission of Lessor and without Lessor as a named insured.

SEC. 502. PUBLIC LIABILITY INSURANCE. Lessor and Lessee shall each also procure, at its respective sole cost and expense, for the mutual benefit of the Lessor and the Lessee, comprehensive public liability insurance, including property damage covering the Demised Premises and in amounts not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one person injured or killed and not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one accident and not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for property damage per accident.

SEC. 503. INSURANCE, GENERALLY. The public liability insurance policies maintained by Lessee in accordance with Section 502 above shall provide for at least ten (10) days mandatory advance written notice to Lessor before cancellation, reduction or other amendment. The comprehensive public liability insurance obtained by Lessee shall provide that Lessor shall be an additional insured thereunder.

In the event Lessee shall refuse or fail to provide the insurance coverage herein required or to provide evidence of such

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coverage, the Lessor may, at its election but with no obligation so to do, (i) declare a default under this Lease by Lessee or (ii) procure, and, from time to time, renew such insurance and all amounts expended therefor with interest thereon at twelve (12%) percent per annum from the respective dates on such expenditures shall be so much additional rent hereunder due from the Lessee on demand.

SEC. 504. WAIVER OF SUBROGATION. Lessee and Lessor hereby waive and release any and all right of recovery against the other, including their respective employees and agents, arising during the Term, or any renewal or extension hereof, for any and all loss or damage to any property located within or constituting a part of the Demised Premises, which loss or damage arises from the perils covered by the insurance required by Sec. 501 hereof. This mutual waiver is in addition to any other waiver or release contained in this Lease. Lessor and Lessee shall give written notice to its insurers of the provisions of this waiver and release and have its insurance policies endorsed, if required, to prevent invalidation of insurance coverage by reason of this waiver and release.

ARTICLE 6

USE AND CONDITION OF THE DEMISED PREMISES:

SEC. 601. Lessee shall not breach or suffer the breach of any of the conditions, agreements and restrictions of record affecting the Demised Premises and shall defend, completely indemnify and hold Lessor forever harmless from all consequences of any such breach. Lessee has investigated the applicable zoning classification and other rules, ordinances, laws and regulations applicable to the Demised Premises and has satisfied itself that the intended use and occupancy of the Demised Premises does not violate any such rule, ordinance, law or regulation.

Lessee may use and occupy the Demised Premises for light manufacturing, storage, assembly and distribution of its products and for offices in connection therewith, provided, however, that Lessee shall strictly comply with all present and future laws, ordinances and regulations applicable to the Demised Premises, as well as all insurance underwriting and inspection and rating requirements, now or hereafter in any manner affecting the use of the Demised Premises, the sidewalks, alleys, driveways and parkways adjacent thereto, if any, or any Improvements thereon, or the use thereof. Lessee shall not permit any unlawful occupation, business or trade or nuisance to be conducted on the Demised Premises, or any use to be made thereof contrary to any law, ordinance or regulation. Without in any way limiting the generality of the foregoing, Lessee will not, at any time, store any material or equipment of any kind or character outside the Improvements, except in strict compliance with all applicable ordinances, laws or regulations of any governmental unit having jurisdiction over the Demised Premises.

Lessee, at the sole cost and expense of Lessee, shall have the right to contest the validity of any such rules, laws, ordinances or regulations affecting the use of the Demised Premises, provided, however, in any event, that Lessee shall defend, completely indemnify and hold the Lessor forever harmless from all consequences of any such contest and the violation of any such rule, law, ordinance or regulation.

Lessee will not use or permit to be used upon or in the Demised Premises or the Improvements any substance or material that will invalidate any policy of insurance at any time insuring the Demised Premises, or the Improvements, nor shall Lessee permit any dangerous condition to exist on the Demised Premises.

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Lessee shall not cause or suffer any sign to be erected upon the Demised Premises, nor upon any of the Improvements, without the prior written approval of Lessor.

Anything herein to the contrary, notwithstanding, Lessee shall not at any time overload any structural member (including, by way of illustration and not limitation, all roofs, columns, walls, beams, trusses and floors) of the building located on the Demised Premises; nor shall Lessee cause or suffer the demolition of any of the Improvements, or any part(s) thereof without the prior written approval of the Lessor.

The Lessee further covenants and agrees that the entry into occupancy of the Demised Premises by the Lessee on January 1, 1994 constituted an acknowledgment that the same and the Improvements have been received by the Lessee in first-class condition and repair.

Lessee agrees to indemnify and hold harmless Lessor from any and all "Environmental Liability" (as hereinafter defined) in connection with the Demised Premises that is caused by Lessee, its employees, agents, contractors or business invitees at any time on or after January 1, 1994. As used in this Section 601, "Environmental Liability" means any losses, liabilities, obligations, penalties, charges, fees, claims, litigation demands, defenses, costs, judgments, suits proceedings, response costs, damages, disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, claim or proceeding) which may at any time be actually imposed upon, incurred by or asserted or awarded against Lessor or any of its Affiliates (as hereinafter defined) in direct connection with or directly arising from:

(i) any Hazardous Material (as hereinafter defined) on, in, under or affecting all or any portion of the Demised Premises or the groundwater;

(ii) any violation by Lessee, its employees, agents, contractors or business invitees, or claim of the Lessee's, its employees, agents, contractors or business invitees' violation of any Environmental Laws (as hereinafter defined);

(iii) the imposition of any lien for damages caused by, or the recovery of any costs for, the remediation cleanup of Hazardous Material as a result of events that took place on or after January 1, 1994;

(iv) costs of removal of any and all Hazardous Material from all or any portion of the Demised Premises;

(v) costs incurred to comply, in connection with all or any portion of the Demised Premises, with all Environmental Laws with respect to Hazardous Material on, in, under or affecting the Demised Premises; or

(vi) any spills, discharges, leaks, escapes, releases, dumping, transportation (on or after January 1, 1994), storage, treatment or disposal of any Hazardous Material occurring on or after January 1, 1994) but only to the extent that such Hazardous Materials originated from or were or are located on the Demised Premises;

Lessee will immediately notify Lessor, in writing, of any existing, pending or threatened investigation, inquiry, claim or action by any governmental authority in connection with any law,

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rules or regulation relating to industrial hygiene or environmental conditions with respect to the Demised Premises.

As used herein, the following terms shall have the following meanings:

(a) Affiliate: Of any Person shall mean any other Person directly or indirectly controlling, controlled by, or under common control with, such Person, whether through the ownership of voting securities, partnership or joint venture interests by contract or otherwise, with control being the power to direct or cause the direction of management and/or policies.

(b) Environmental Laws: Means all federal, state and local statutes, laws, rules, regulations, ordinances, requirements, or rules of common law, including but not limited to those specifically listed in subparagraph c below, any judicial or administrative interpretation thereof, and any judicial and administrative consent decrees, orders or judgments, whether now existing or hereafter promulgated, relating to public health and safety and protection of the environment.

(c) Hazardous Materials: Means (a) "hazardous substances," as defined by the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601 et seq. and the Illinois Environmental Protection Act, Ill. Rev. Stat. Ch. 111-1/2 § 1001 et seq.; (b) "hazardous wastes," as defined by the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6902 et seq.; (c) any radioactive material, as described in 42 U.S.C. §2011 et seq., as amended or hereafter amended; (d) any toxic or hazardous wastes, pollutants, or substances, including without limitation, asbestos in any form or condition, PCBs, petroleum products and by-products, and substances defined as "hazardous substances" or "toxic substances" or similarly identified in the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., Clean Water Act, 33 U.S.C. Sec. 1251 et seq., as amended, and Clean Air Act, 42 U.S.C. Sec. 7401 et seq., or in any other applicable federal, state or local Environmental Laws.

(d) Person: Any individual, partnership, firm, corporation, association, joint venture, trust or other entity, or any governmental or political subdivision or agency, department or instrumentality thereof.

(e) Release: A release of Hazardous Materials on, within or under the Demised Premises, or the release of Hazardous Materials on any other property which becomes deposited on, within or under the Demised Premises.

The indemnities and covenants contained in this Section 601 shall survive the Term. The indemnities and covenants contained herein shall apply only to any use, Release or disposal which is caused by Lessee, its employees, agents, contractors or business invitees.

Lessor's rights and remedies against Lessee hereunder shall be in addition to and not in lieu of all other rights and remedies of Lessor at law or in equity.

All obligations, representations and warranties of Lessee hereunder shall be with recourse to any and all assets of the Lessee and shall not be limited to the Demised Premises.

Lessee acknowledges and agrees that Lessor shall have no obligation or liability to Lessee relating to or arising from any

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environmental condition affecting the Demised Premises prior to January 1, 1994.

SEC. 602. MAINTENANCE. During the Term and any extensions thereof, the Lessee shall maintain and preserve, at Lessee's sole cost and expense, the Demised Premises and Improvements; including, without limitation, the interior and exterior, thereof in first-class condition making all repairs, replacements and restorations necessary for such maintenance and preservation including, without limitation, tuckpointing, painting, floor, glass replacement and glazing, caulking and the repair, replacement and restoration of all components of the docks and landscaping. All repairs, replacements and restorations shall be in quality at least equal to the original construction. Notwithstanding the foregoing, Lessor shall maintain and preserve, at Lessor's sole cost and expense, the roof and parking lot on the Demised Premises in first-class condition, making all repairs, replacements and restorations necessary for such maintenance and preservation; provided, however, that Lessor shall be reimbursed by the Lessee as additional rent due hereunder promptly upon demand, for amounts expended by Lessor for maintenance or repairs to the roof or parking lot required due to damage thereto caused by Lessee, its employees, agents, contractors or business invitees. Lessor shall have the right, at any time, to enter upon the Demised Premises to effect such maintenance and preservation and if Lessee denies Lessor such access, Lessee agrees to defend, indemnify and hold forever harmless the Lessor from and against any and all liability, fines, suits, claims, demands, actions, causes of action, losses, costs (including attorneys' fees and costs), damages, judgments and expenses of any kind or character, name or nature due to or arising directly or indirectly out of such denial of access.

Lessee shall, at Lessee's sole cost and expense, remove all accumulations of snow from all surfaces of the Improvements, including roofs, without injury to such surfaces, whenever such removal is reasonably necessary to prevent damage to the Improvements or to prevent a dangerous condition from existing on the Demised Premises.

At the termination of this Lease, by lapse of time or otherwise, Lessee shall deliver the Demised Premises to the Lessor in first-class condition and repair (ordinary wear and tear excepted); subject, however, to loss or damage due to any casualty to the extent actually covered by then valid, in force, insurance policies provided by Lessor as herein set forth.

Anything herein to the contrary notwithstanding, Lessee will not suffer any waste to occur on the Demised Premises and will make every reasonable effort to prevent the Demised Premises from falling into disrepair; including, without limitation, the prompt performance of all repair, replacement and restoration obligations herein set forth.

SEC. 603. ALTERATIONS. Lessee shall make no alterations to the Demised Premises without prior written approval of Lessor which approval may be withheld for any reason or no reason. Lessee shall remove, on demand by Lessor and at Lessee's expense, any and all alterations at the termination of this Lease, whether by lapse of time or otherwise, and shall repair any damage caused by such removal, restoring the Demised Premises to their condition prior to the making of any such alterations(s), or any of them.

Any and all alterations, additions and improvements made to or placed upon the Demised Premises by the Lessee, or suffered by Lessee to be made to or placed upon the Demised Premises, as well as all fixtures and articles of personal property attached to or made a part of the Demised Premises, which Lessee has not been required to remove by Lessor, shall immediately become the property of the

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Lessor at the termination of this Lease and shall be surrendered to the Lessor.

Subject to the provisions hereinabove set forth, the Lessee may expend such additional sums of money upon the Demised Premises, as Lessee may desire with the full understanding that such additional sums so paid shall not be deducted from or set off against any rents or other payments due hereunder.

SEC. 604. LESSOR'S RIGHT TO INSPECT AND REPAIR. Lessor, its agents and employees shall have the right, at any reasonable time, to enter upon the Demised Premises to inspect the same. In the event Lessee (i) fails to commence such repairs, replacements or restorations (other than those for which Lessor is responsible under Section 602 hereof) as are necessary to maintain the Demised Premises in first-class condition within thirty (30) days after notice from Lessor or (ii) fails to diligently prosecute the same to completion, the Lessor, at its option, but without any obligation to do so, may make such repairs, replacements or restorations, and amounts expended for such work by the Lessor shall be reimbursed by the Lessee as additional rent due hereunder, promptly on demand, together with interest at twelve (12%) percent per annum from date of expenditure.

Anything herein to the contrary notwithstanding, Lessor shall have the right, at any time, to enter upon the Demised Premises but without any obligation so to do, in order to effect any repair, replacement or restoration of an emergency nature and Lessee shall reimburse Lessor as additional rent due hereunder, promptly upon demand, for expenditures incurred for such work (other than work for which Lessor is responsible under Section 602 hereof) and if Lessee denies Lessor such access, Lessee agrees to defend, indemnify and hold forever harmless the Lessor from and against any and all liability, fines, suits, claims, demands, actions, causes of action, losses, costs (including attorneys' fees and costs), damages, judgments and expenses of any kind or character, name or nature due to or arising directly or indirectly out of such emergency.

ARTICLE 7

INDEMNIFICATION AND HOLDING HARMLESS OF LESSOR:

SEC. 701. INDEMNIFICATION. To the extent permitted by law, Lessee shall defend, completely indemnify and hold forever harmless the Lessor from and against any and all liability, fines, claims, demands, actions, causes of action, losses, costs, (including attorneys' fees and costs) damages, judgments and expenses of any kind or character, name or nature, due to or arising out of:

- (a) any breach, violation or non-performance of any covenant, obligation, condition or agreement of the Lessee in this Lease; and/or
- (b) any damage to, loss or destruction of any property arising directly or indirectly out of Lessee's use and occupancy of the Demised Premises; and/or
- (c) any injury to any person(s), including death, resulting at any time therefrom, occurring in or about the Demised Premises and/or the sidewalks, drive and alleyways, parkways, if any, and any and all other appurtenances thereunto appertaining;

except to the extent that Lessor has been indemnified by valid, in force, insurance policies provided for hereunder.

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In the event the Lessor is made a party to any action or proceeding which Lessee is required to defend pursuant to the provisions of this Lease, the Lessor shall cause written notice thereof to be promptly given to the Lessee. Notwithstanding the foregoing, the right to indemnification hereunder shall not be affected by any delay in giving notice unless, and then only to the extent that, the rights and remedies of the Lessee shall have been prejudiced as a result of the delay in the giving of such notice. In the event and only in the event that the Lessee acknowledges in writing to the Lessor within thirty (30) days after the Lessor has given such notice that the Lessee will fully indemnify and reimburse the Lessor with respect to a particular third party claim or lawsuit pursuant to the provisions of this Section 701, (a) the Lessee upon such acknowledgement within such thirty (30) day period shall be permitted to and shall conduct the defense of such claim or lawsuit at its own expense, (b) the Lessor may retain separate co-counsel at its sole cost and expense, and (c) the Lessee will not consent to the entry of any judgment or enter into any settlement with respect to the matter without the written consent of the Lessor, which shall not be unreasonably withheld. In the event that the Lessee (i) does not provide such acknowledgement within such thirty (30) day period or (ii) the Lessor determines in its sole and reasonable discretion that the Lessee is not diligently pursuing the defense of a claim, the Lessor may defend against, or enter into any settlement with respect to, the matter in any manner it may deem appropriate without in any manner diminishing, lessening or obviating any of its rights or remedies under this Section 701 or otherwise. The parties shall cooperate with each other in the defense of any such claim or suit.

Notwithstanding anything contained herein to the contrary, the parties agree to cooperate with each other in the defense of that certain suit, Mr. Frank, Inc. v. Glass Tempering of Chicago, Inc., et al., 92 CH 02368, in the Circuit Court of Cook County, Illinois, County Department, Chancery Division. The parties further agree to share equally all of the costs of removing the mechanic's lien of Mr. Frank Inc. from the Demised Premises, provided that each party's share of such costs, including such amount, if any, as may be paid to Mr. Frank, Inc., shall not exceed \$5,000.00.

Lessee shall also completely indemnify Lessor as to all costs and expenses incurred to enforce any of the terms, provisions, conditions or covenants of this Lease; including, but not limited to, attorney's fees.

Nothing herein shall be construed as obligating the Lessee to indemnify or hold harmless any party from and against the consequences of a negligent act or omission of the party to be indemnified.

SEC. 702. LOSS OF PROPERTY. Lessee agrees that under no circumstances shall Lessor be liable to Lessee or any third party for any loss of, destruction of, damage to or shortage of any property; including, by way of illustration and not limitation, equipment, goods or merchandise placed on the Demised Premises or suffered to be placed thereon by Lessee, it being the intention of the parties hereto that the risk of any and all such loss, destruction, damage or shortage shall be borne by Lessee and Lessee agrees to defend, completely indemnify and hold Lessor forever harmless from and against any and all liability, suits, claims, demands, actions, causes of action, losses, costs (including reasonable attorneys' fees and costs), damages, judgments and expenses arising out of such loss, destruction, damage or shortage.

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ARTICLE 8

DAMAGE OR DESTRUCTION OF IMPROVEMENTS:

SEC. 801. DAMAGE OR DESTRUCTION OF IMPROVEMENTS. In the event the Improvements shall be damaged by fire or other casualty, within fifteen business days of such casualty, the Lessor shall provide Lessee with written notice of either its intent to either repair the Improvements and continue the Term or not repair the Improvements and terminate the Lease. If the Lessor notifies the Lessee that it will repair the Improvements, this Lease shall continue in full force and effect and the rent shall be abated in accordance with Section 901 below. However, if the Lessor terminates this Lease, such termination shall be effective as of the date of such notice to the Lessee, provided, however, that the rent hereunder for the period from the date of the casualty to the date of termination of this Lease shall be abated in accordance with Section 901 below.

ARTICLE 9

RENT ABATEMENT BECAUSE OF DAMAGE OR DESTRUCTION:

SEC. 901. RENT ABATEMENT BECAUSE OF DAMAGE OR DESTRUCTION. In the event the Improvements shall be damaged by fire or other casualty covered by the provision of the insurance policies then in effect as provided for herein, the Lessee shall not be required to pay rent on any untenable portion of the Improvements and the rental reserved hereunder shall be reduced to the proportion that the square foot area of the Improvements remaining tenable bears to the square foot area of the original Improvements. Such rental shall be increased pro rata, from time to time, if and when additional areas of the Improvements are returned to tenable condition.

ARTICLE 10

CONDEMNATION:

SEC. 1001. AWARD. In the event the Demised Premises, or any part thereof, shall be condemned or taken for a public or a quasi-public use, or is sold by Lessor under threat of condemnation, any award made or sales price paid to compensate for the value of the Demised Premises or Improvements, or for damages to the remainder thereof shall be paid to the Lessor and Lessee shall have no claim thereto and the Lessee hereby irrevocably assigns and transfers to the Lessor any right to any compensation or damage awards, except that to the extent such an award does not reduce in any way the amount of Lessor's award, Lessee shall be entitled to an award for moving expenses and the unamortized value of any leasehold improvements paid for by Lessee.

In the event any or all of the Demised Premises shall be condemned or taken, the Lessee shall execute and deliver to Lessor, promptly on demand, all documents necessary and proper to evidence the termination of the interest of the Lessee in and to the Demised Premises and this Lease, including, without limitation, a recordable release and cancellation of this Lease and a Quit Claim Deed. The failure of the Lessee to so execute and deliver such documents shall in no way affect such termination of this Lease and the interest of the Lessee in and to the Demised Premises.

SEC. 1002. REMAINDER SUSCEPTIBLE OF OCCUPANCY. In the event a part of the Demised Premises remains which is susceptible of occupation for the uses set forth herein, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the

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condemning authority and the rent payable hereunder shall be adjusted so that the Lessee shall be required to pay for the remainder of the Term only such fractional portion of such rent as the area of the part of the Improvements remaining after condemnation bears to the area of the Improvements as of the date of condemnation; but, in such event, Lessor shall have the option to terminate this Lease as of the date when title to the part so taken vests in the condemning authority by written notice to Lessee within thirty (30) days after the date on which the title so vests.

In the event the Lessor does not so terminate this Lease, this Lease shall remain in full force and effect and the Lessor shall promptly commence and diligently prosecute to completion the restoration of the Improvements located on the Demised Premises so that they shall again constitute a complete architectural unit but the Lessee shall be required to pay only that fractional portion of the rent as is provided for herein-above in this SEC. 1002.

SEC. 1003. REMAINDER NOT SUSCEPTIBLE OF OCCUPANCY. Subject to the further provisions of SEC. 1004 hereof, and in the event all of the Demised Premises, or such part thereof be taken or condemned so that there does not remain a portion susceptible for occupancy for the uses set forth herein, at Lessee's option this Lease shall terminate upon the date on which the title to the part taken vests in the condemning authority and Lessee's obligation to pay rent or to discharge any other obligation hereunder, other than the payment of money then due and damages arising out of any breach of the covenants, conditions or terms hereof by the Lessee, shall cease.

SEC. 1004. LESSOR'S RIGHT TO RESTORE. Anything herein to the contrary notwithstanding, in the event the Demised Premises are not susceptible for occupancy for the uses set forth herein and in the further event the Lessor notifies the Lessee, within ten (10) days from the date the title of any part so taken vested in the condemning authority, of Lessor's intention to restore the Demised Premises to a condition susceptible of occupancy for the uses set forth herein; and in the further event such restoration is diligently prosecuted to completion (labor disputes, material shortages, and other causes beyond Lessor's control shall not be considered lack of diligence), this Lease shall remain in full force and effect; provided, however, that a rental adjustment shall be made proportionate to any reduction in the area of the Improvements. Absent such timely notice, the provisions of SEC. 1003 shall control.

ARTICLE 11

DEFAULT, BANKRUPTCY:

SEC. 1101. DEFAULT, BANKRUPTCY. An "Event of Default" shall mean the occurrence or existence of one or more of the following events or conditions:

- (1) Lessee shall default in the payment of any installment of rent or other payment required to be made by Lessee pursuant to the provisions of this Lease and such default shall continue for ten (10) days after notice of such default
- (2) Lessee shall default in the performance of any other of the agreements, conditions, covenants or obligations hereunder to be kept, fulfilled, observed or performed by the Lessee and such default shall not be cured within ten (10) days after notice of such default from Lessor to Lessee.

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Anything hereinabove to the contrary notwithstanding, as to any such default except the payment of any rent or other monies reserved herein, in the event the Lessee shall, within such ten (10) day period, commence the cure of such default and diligently pursue to completion any such cure as soon as reasonably practicable (but in no event shall such cure take more than thirty (30) days), the Lessor may not declare the Term ended and this Lease terminated and canceled; or

- (3) Any voluntary petition or similar pleading under any bankruptcy act or any federal or state law seeking reorganization or arrangement with creditors or adjustment of debts shall be filed by or against Lessee, or such petition or pleading shall be involuntary then Lessee shall not be discharged therefrom within thirty (30) days after the date of its filing; or
- (4) Lessee shall admit its inability to pay its debts generally as they mature or if a receiver, trustee or other appointee of a court, administrative tribunal or other governmental authority shall be appointed for all or a substantial part of Lessee's property, such appointment shall not be vacated within thirty (30) days after being made; or
- (5) The leasehold interest of Lessee shall be levied upon or attached by process of law, and such levy or attachment shall not be released of record within thirty (30) days; or
- (6) Lessee shall make an assignment for the benefit of creditors, or if any proceedings are filed by or against Lessee to declare Lessee insolvent or unable to meet its debts, such proceedings shall not be discharged within thirty (30) days after the date of their filing; or
- (7) A receiver or similar type of appointment or court appointee or nominee of any name or character shall be made for all or a substantial part of Lessee's property and such receiver shall not be discharged within thirty (30) days after appointment.

SEC. 1102. LESSOR'S RIGHTS UPON DEFAULT OF LESSEE. If Lessee shall fail to perform any of its obligations under this Lease, Lessor, without hereby waiving such default, may (but shall not be obligated to) perform such obligation of Lessee for the account, and at the expense, of Lessee, without notice in a case of emergency, and in any other case only if such default constitutes an Event of Default. Any expenses incurred by Lessor in connection with any such performance, and all costs, expenses, and disbursements of every kind and nature whatsoever, including reasonable attorneys' fees (through all appellate proceedings) involved in collecting or endeavoring to collect the rent or any part thereof or enforcing or endeavoring to enforce any rights against Lessee or Lessee's obligations hereunder, shall be due and payable upon Lessor's submission of an invoice therefor. All sums advanced by Lessor on account of Lessee under this Section, or pursuant to any other provision of this Lease, and all rent, if delinquent or not paid by Lessee and received by Lessor when due hereunder, shall bear interest at the rate of twelve percent (12%) per annum from the due date thereof until paid and such interest shall be and constitute additional rent and be due and payable immediately upon Lessor's submission of an invoice therefor.

SEC. 1103. LESSOR'S REMEDIES. If an Event of Default shall occur, Lessor, at its option, and after the proper notice, if any, may, in addition to all other rights and remedies provided in this Lease, at law or in equity: (a) terminate this Lease and Lessee's right of possession of the Demised Premises, and recover all

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damages to which Lessor is entitled under law, specifically including, without limitation, Base Rent and any additional rent for the balance of the Term, and all Lessor's expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions) or (b) terminate Lessee's right to possession of the Demised Premises without terminating this Lease; provided, however, that Lessor shall use its reasonable efforts, whether Lessor elects to proceed under Subparagraphs (a) or (b) above, to relet the Demised Premises, or any part thereof for the account of Lessee, for such rent and term and upon such terms and conditions as are acceptable to Lessor. If Lessor shall elect to pursue its rights and remedies under Subparagraph (b), then Lessor shall have the further right and remedy to rescind such election and pursue its rights and remedies under Subparagraph (a), if Lessor has obtained a tenant to whom to relet the Premises, which, in Lessor's judgment, is a suitable tenant. For purposes of such reletting, Lessor is authorized to decorate, repair alter and improve the Premises to the extent deemed necessary by Lessor, in its sole discretion. If Lessor fails to relet the Premises or if the Demised Premises are relet and a sufficient sum is not realized therefrom, after payment of all Lessor's expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions), to satisfy the payment, when due, of Base Rent and additional rent reserved under this Lease for any weekly period, then Lessee shall pay to Lessor upon demand a lump sum equal to the amount of Base Rent and additional rent due under this Lease for the remaining Term. Lessee agrees that Lessor may file suit to recover any sums due to Lessor hereunder and that such suit or recovery of any amount due Lessor hereunder shall not be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Lessor. In the event Lessor elects, pursuant to this Subsection (b), to terminate Lessee's right of possession only, without terminating this Lease, Lessor may, at Lessor's option, enter into the Demised Premises, remove Lessee's property, Lessee's signs and other evidences of tenancy, and take and hold possession thereof; provided, however, that such entry and possession shall not terminate this Lease or release Lessee, in whole or in part, from Lessee's obligation to pay the rent reserved hereunder for the full Term, or from any other obligation of Lessee under this Lease. Any and all property which may be removed from the Demised Premises by the Lessor pursuant to the authority of the Lease or of law, to which the Lessee is or may be entitled, may be handled, removed or stored by the Lessor at the risk, cost and expense of the Lessee, and the Lessor shall in no event be responsible for the value, preservation or safekeeping thereof. The Lessee shall pay to the Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in the Lessor's possession or under the Lessor's control. Any such property of the Lessee not retaken from storage by the Lessee within thirty (30) days after the end of the Term, however terminated, shall be conclusively presumed to have been conveyed by the Lessee to the Lessor under this Lease as a bill of sale without further payment or credit by the Lessor to the Lessee. Lessee hereby grants to Lessor a first lien upon the interest of Lessee under this Lease to secure the payment of moneys due under this Lease, which lien may be enforced in equity; and Lessor shall be entitled as a matter of right to have a receiver appointed to take possession of the Demised Premises and relet the same under order of court.

SEC. 1104. RIGHTS OF LESSOR. Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Lessor from time to time at its election, and nothing contained herein shall limit or preclude recovery by Lessor against Lessee of any sums or damages which, in addition to the damages particularly provided above, Lessor may lawfully be entitled by reason of any default hereunder on the part of Lessee. The various

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rights, remedies and elections of Lessor reserved, expressed or contained herein are cumulative and no one of them shall be deemed to be exclusive of the others or of such other rights, remedies, options or elections as are now or may hereafter be conferred upon Lessor by law. Lessor is hereby granted a valid security interest to secure payment of all Base Rent and additional rent becoming due hereunder and to secure payment of any loss or damage due to any personal property of Lessee which may now or hereafter be installed or placed in the Demised Premises.

In the event the right, title and interest of Lessee in and to the Demised Premises and this Lease is terminated, whether by lapse of time or otherwise, the Lessee shall execute and deliver to Lessor, promptly on demand, all documents reasonably requested by Lessor to evidence such termination, including, without limitation, a recordable release and cancellation of this Lease and a Quit Claim Deed. The failure of Lessee to so execute and deliver such documents shall in no way affect the termination of this Lease and the interest of the Lessee in and to the Demised Premises.

SEC. 1105. NO WAIVER. No waiver by Lessor of any Event of Default shall be a waiver of any subsequent Event of Default, nor shall any forbearance by Lessor to seek a remedy for any Event of Default be a waiver by Lessor of any of the rights and remedies of Lessor hereunder or by law granted or permitted, with respect to such or any subsequent Event of Default.

SEC. 1106. LESSEE'S WAIVER. The Lessee hereby waives, surrenders and gives up all right or privilege which Lessee may or might have under or by reason of any applicable law, regulations or ruling now in effect, or any future law, regulation or ruling, to redeem, occupy or re-occupy the Demised Premises or have a continuance of this Lease after having been dispossessed or ejected therefrom by process of law.

ARTICLE 12

TRANSFER, ASSIGNMENT, SUBLEASE:

SEC. 1201. TRANSFER, ASSIGNMENT, SUBLEASE. The Lessee may not assign, transfer, mortgage or pledge this Lease or the interest of the Lessee herein or hereunder or sublet the Demised Premises or any portion thereof without, in each case, the prior written consent of the Lessor which consent may be withheld in Lessor's sole and absolute discretion. Lessor reserves the right to cancel and terminate this Lease or to recapture all or any portion of the Demised Premises within sixty (60) days upon receipt of such notice from Lessee of its request to assign, sublet, mortgage or otherwise transfer the Demised Premises or portion thereof. Any purported assignment, mortgage, transfer, pledge or sublease without the prior written consent of Lessor shall be absolutely null and void and of no legal force or effect.

SEC. 1202. INCREASED RENT TO LESSOR. As a condition precedent to the approval of any sublease, assignment or any other type of transfer by the Lessee to any third party of all or a portion of its interest in and to the Demised Premises pursuant to the provisions of this Lease, Lessee agrees that it will pay to the Lessor, contemporaneously with the rental payments due hereunder, any amounts Lessee may receive in excess of the rent reserved herein and in the event less than all of the Demised Premises are so subleased, assigned or transferred in any way, the Lessee shall pay to the Lessor any increase in the per square-foot rate of rent paid to Lessee by any third party.

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The rent that Lessee pays to the Lessor for the purpose of this Section shall be calculated by dividing the then-applicable total weekly rent reserved herein by the square foot area of the building located on the Demised Premises as stated hereinabove.

SEC. 1203. LESSOR MAY SELL MORTGAGE, TRANSFER OR ASSIGN. Lessor shall have the right to sell, mortgage, pledge, hypothecate or in any other manner transfer or assign the interest of the Lease in the Demised Premises and/or in the Lease, subject to all of the covenants and conditions of this Lease. The term "Lessor", as used in this Lease, means only the owner at the relevant time of the Demised Premises and in the event of any sale, conveyance or other transfer of the Demised Premises, or the interest of Lessor in the premises of this Lease, the Lessor shall be and shall be entirely freed of all covenants and obligations of Lessor hereunder arising after the date of such sale, transfer assignment or conveyance. This Lease shall not be affected by any such sale and Lessee agrees to attend to the purchaser or assignee.

SEC. 1204. SUBORDINATION. This Lease is and shall be subject and subordinate to the lien of any mortgage or mortgages, deeds of trust or ground leases which at any time may be placed upon the Demised Premises by Lessor, its successors, or assigns, and to any replacements, renewals or extensions thereof. Lessee agrees, at any time hereafter, on demand, to execute and deliver any instruments, releases or other documents that may be required for the purpose of confirming the subordination of this Lease to the lien of any such mortgage or mortgages, deeds of trust or ground leases. Lessee hereby appoints Lessor the attorney-in-fact of Lessee, irrevocably, to execute and deliver such instruments, releases or other documents for and on behalf of Lessee.

SEC. 1205. LESSEE'S STOPPEL LETTER. Lessee agrees at any time and from time to time upon not less than ten (10) days prior written request by Lessor to execute, acknowledge and deliver to Lessor 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 dues to which the basic rent and other charges have been paid in advance, whether, to the best of Lessee's knowledge, Lessor is in default under this Lease and such other matters as Lessor might reasonably require if any, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the fee or mortgagee or assignee of any mortgage upon the fee of the Demised Premises.

ARTICLE 13

MISCELLANEOUS:

SEC. 1301. NOTICES. Any notice provided for herein shall be in writing and shall be given by registered or certified mail addressed to Lessor, as follows:

Artaius Corporation
c/o Miller, Shakman, Hamilton,
Kurtzon & Schlifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604
Attention: Bernard A. Schlifke

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with a copy to:

Miller, Shakman, Hamilton,
Kurtzon & Schlifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604
Attention: Bernard A. Schlifke

and if to Lessee at the Demised Premises:

with a copy to:

Barry A. Chatz
Law Office of Barry A. Chatz
614 W. Monroe Street
Chicago, Illinois 60661

SEC. 1302. CHANGE OF ADDRESS. The person and places to which notices or payments are to be mailed may be changed, from time to time, by Lessor or Lessee upon written notice to the other given in accordance with SEC. 1301 above.

SEC. 1303. MODIFICATION. This Lease may be modified only by written agreement signed by Lessor and Lessee.

SEC. 1304. DESCRIPTIVE HEADINGS. The descriptive headings and index of this agreement are inserted for convenience in reference only and do not constitute a part of this agreement.

SEC. 1305. SUCCESSORS AND ASSIGNS. This Lease and the covenants, terms, conditions and provisions hereof, shall be binding upon the respective parties hereto and upon their respective successors, assigns and personal representatives and shall inure to the benefit of said respective parties hereto and their said respective successors, assigns and personal representatives.

Wherever in this Lease a reference to any of the parties hereto is made, such reference shall be deemed to include, wherever applicable and even though not expressly stated, also a reference to the successors, assigns and personal representatives of such party, as the case may be, the same as if in every case expressly stated.

The phrase "successors and assigns" is used in this Lease in its broadest possible meaning and includes, in addition to administrators, trustees and conservators, every person, firm, corporation or other entity succeeding to the interest in or to this Lease, or any part thereof, or in or to any real estate, or any part or portion thereof, described or referred to herein or any part hereto, or of any of the successors or assigns of any such party, whether such succession results from the act of a party in interest, occurs by operation of law or is the effect of the operation of law together with any act(s) of any such party or parties.

SEC. 1306. ENTRY TO SHOW PREMISES. Lessor, its agents or assigns may, from time to time, during the Term, and each and every extension hereof, enter the Demised Premises at reasonable times to show the same to prospective buyers or tenants.

During the last six (6) months of the Term or after the occurrence of any default on the part of the Lessee hereunder, the Lessor hereby reserves the right to enter the Demised Premises and to place, on the outer walls or roof of any building(s) located thereon and upon any part of the Demised Premises, outside such building(s) "For Sale" and/or "For Rent" signs of a type similar to those used in the area. Lessee agrees not to remove, interfere with, or obstruct the view of any such sign(s).

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SEC. 1307. TIME OF ESSENCE. Time is of the essence of this Lease and in all of the conditions, obligations, agreements, provisions, terms and covenants hereof.

SEC. 1308. RESOLUTION. Lessee shall, contemporaneously with the execution and delivery of this Lease, also deliver to Lessor a copy of a Resolution of the Board of Directors of Lessee, specifically authorizing those of Lessee's officers whose names are subscribed hereto to enter into this Lease with the Lessor named herein. Such Resolution shall make reference to this Lease, the Demised Premises, lease term and rental reserved, shall be duly certified to by the Secretary of such Board of Directors and shall be appended hereto as Exhibit B.

SEC. 1309. UNENFORCEABILITY. In the event any covenant, term, provision, obligation, agreement or condition of this Lease is held to be unenforceable at law, it is mutually agreed and understood, by and between the parties hereto, that the other covenants, terms, provisions, obligations, agreements and conditions herein contained shall remain in full force and effect.

SEC. 1310. WAIVER OF TRIAL BY JURY. The Lessee waives a trial by jury of any or all issues arising in any action, or proceeding between the parties hereto, or their successors arising out of, or in any way connected with, this Lease, or any of its provisions, the Lessee's use, or occupancy of the Demised Premises and/or any claim of injury or damage.

SEC. 1311. EXHIBITS. The following Exhibits are attached hereto and expressly make a part hereof, to wit:

EXHIBIT A - Legal Description

EXHIBIT B - Resolution of Lessee

SEC. 1312. REAL ESTATE COMMISSION. Lessor and Lessee each respectively represent and warrant to the other that neither has employed the services of any real estate broker or similar agent for the purposes of procuring this Lease, other than JDI Realty, Inc. (the "Broker").

Lessee does hereby indemnify, defend and hold Lessor forever harmless from and against all claims, demands, loss, cost and damage (including attorneys' fees and costs) arising out of any claim that a commission, finders fee or the like is payable by the Lessor other than to the Broker in connection with the registration and execution of this Lease. Lessor agrees to pay any commission or other claims made by the Broker in connection with the negotiation and execution of this Lease.

SEC. 1313. LIMITATION ON LIABILITY. Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that nothing herein shall be construed as creating any liability of Lessor personally for any breach of Lessor's obligations hereunder, and that Lessee shall look solely to Lessor's interest in the Demised Premises to satisfy any obligation of Lessor to Lessee..

SEC. 1314. OPTION TO PURCHASE. Provided that this Lease shall be in full force and effect and Lessee shall not be in default in the payment of any amount hereunder, Lessee shall have the option to purchase the Demised Premises in "As Is" condition (as such condition existed on January 1, 1994) on sixty (60) days written notice to Lessor during the Term. Lessee shall pay to Lessor on the Closing Date (as hereinafter defined) the Appraised Value (as hereinafter defined) by certified check.

The option granted pursuant to this Section shall be exercisable by Lessee only by Lessee giving notice of such

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exercise to Lessor not less than sixty (60) days prior to the selected date for the closing of the purchase of the Demised Premises ("Closing Date"), which date shall be a business day. After the exercise of such option, Lessor, on the Closing Date, shall convey to Lessee good and merchantable title to the Demised Premises free and clear of all liens and encumbrances, save only Permitted Exceptions (as hereinafter defined), by good and sufficient recordable warranty deed on tender by Lessee of the purchase price. Title to the Demised Premises shall be evidenced by a commitment for an owners policy of title insurance (which shall be an ALTA Form B Owners policy, if the title company is then issuing that type of policy) in the amount of the purchase price dated on or after the date of Lessee's exercise of its option, issued by the title company reflecting Lessee as the proposed insured and showing title in Lessor subject only to the exceptions to title then set forth in the printed forms of such commitments and to the following (herein called "Permitted Exceptions"):

- (a) Taxes not yet due and payable;
- (b) Liens and encumbrances and other matters resulting from the failure of Lessee to fully perform any of its obligations under this Lease or which Lessee is obligated to pay under the terms of this Lease;
- (c) any pending procedure under the law of eminent domain in which the award has not been paid in whole or in part and provided Lessor shall assign and transfer to Lessee all rights in such award;
- (d) liens and encumbrances which may be discharged and released of record by the payment of money in an amount not in excess of the amount of the purchase price, provided that Lessee shall be allowed a credit against the purchase price for the amount of money required so to pay, discharge and obtain a release thereof of record and for the title costs of Lessee incurred by Lessee in so doing;
- (e) rights and interest of Lessee under the Lease;
- (f) things done or suffered by Lessee or by anyone claiming by, through or under Lessee;
- (g) title and survey matters which do not render title unmerchantable;
- (h) leases permitted under this Lease; and
- (i) that certain mechanic's lien of Mr. Frank, Inc. on the Demised Premises.

"Appraised Value" shall mean the value of the Demised Premises determined by mutual agreement of Lessor and Lessee, or, if mutual agreement cannot be reached within five (5) business days of Lessor's receipt of Lessee's notice of its exercise of the option, the value of the Demised Premises determined in the manner described below. If a mutually agreed upon value cannot be established, Lessor shall promptly, but no later than the sixth day after the date of Lessee's notice of its exercise of the option ("Notice Date"), appoint an appraiser, and Lessee shall promptly, but no later than the tenth day after the Notice Date appoint an appraiser, to determine the value of the Demised Premises as of the Notice Date. Each of Lessor and Lessee shall furnish the other with written notice of the name, address, and telephone number of its appraiser. The failure of any party entitled to appoint an appraiser to make an appointment within the applicable period shall constitute a waiver of such party's right

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to appoint an appraiser, and the determination of the other party's appraiser shall be deemed to be the Appraised Value, notwithstanding any other provision of this SEC. 1314. If the two (2) appraisers agree upon the value of the Demised Premises they shall jointly render a single written report of their opinion thereon, which value shall be the Appraised Value. If the two (2) appraisers cannot agree upon the value of the Demised Premises by the thirtieth day after the Notice Date, they shall appoint a third appraiser, who shall appraise the Demised Premises and shall render a written report of his or its opinion of the value of the Demised Premises by no later than the fiftieth day after the Notice Date, which value shall be the Appraised Value. Any appraiser making any appraisal pursuant to this Section 1314 shall assume an all-cash sale with respect to the Demised Premises and shall assume that (i) the Demised Premises are free from any and all environmental conditions or problems and (ii) that the Demised Premises are in first-class condition.

All appraisers appointed shall be qualified in the appraising and valuing of industrial real estate.

The fees and other costs of each of the first two (2) appraisers shall be borne by the party appointing each such appraiser, with the fees and other costs of the third appraiser being shared equally by Lessor and Lessee.

Upon exercise of the option hereunder by Lessee, the Demised Premises shall be conveyed and the purchase price paid on the Closing Date at the offices of Lessor's attorney in Chicago, Illinois. No prorations shall be made to the purchase price other than for Taxes and insurance paid in advance by the Lessor.

SEC. 1315. FINANCIAL INFORMATION. Lessee agrees to provide Lessor with such financial statements and other financial information reasonably requested by any lender or prospective lender to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized officers and their respective corporate seals to be hereunto affixed all as of the day and year first above written.

ARTAIUS CORPORATION, an Illinois corporation

By: [Signature]
Its: [Signature]

GLASS MANUFACTURING CORPORATION

By: [Signature]
Its: [Signature]

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EXHIBIT "A"

LEGAL DESCRIPTION

BLOCK 7 (EXCEPT THE WEST 27 FEET) IN HARLEM 63RD RESUBDIVISION IN THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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Volume : 397

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EXHIBIT "B"

CERTIFICATE OF RESOLUTION

I, HARRY PRICE, do hereby certify that I am the duly qualified and acting secretary of GLASS MANUFACTURING CORPORATION, an Illinois corporation, and do further certify that by unanimous consent of the directors of said corporation, on 3/1, 1994, the following resolutions were unanimously adopted:

RESOLVED, that this corporation enter into an Industrial Lease dated as of March 1, 1994, with Artalus Corporation for the premises commonly known as 7131 West 61st Street, Chicago, Illinois, for a term commencing March 1, 1994 and ending on February 28, 1996, with base rental being for a total sum of \$309,000 for the period from March 1, 1994 through February 28, 1995 and \$364,000 for the period from March 1, 1995 through February 28, 1996, payable in weekly installments.

FURTHER RESOLVED, that Harry Price, President of this corporation, be and is hereby authorized to execute such Industrial Lease on behalf of this corporation.

Dated: 3/21, 1994

Harry Price
Harry Price
Secretary of said corporation

0003
RECORDIN * 83.00
MAILINGS * 0.50
94985173 *
0034 MCH 12:04

11/21/94

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COOK COUNTY
RECORDER OF DEED
1 708 470-5103

11/21/94

RECORDIN #	83.00
MAILINGS #	0.50
94985173 #	
SUBTOTAL	83.50
CHECK	83.50

2 PURC CTR

0003
0034 MCH 12:05
SKOKIE OFFICE

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