

**AMENDED AND RESTATED SHOPPING CENTER LEASE**

**DATED May 1, 2001**

**BETWEEN**

**The Board of Education of the City of Chicago  
AS LANDLORD**

**AND**

**A & B Tobacco, Inc.  
AS TENANT**

**FOR PREMISES IN**

**125 South Clark Street  
CHICAGO, ILLINOIS**

  
**RECEIVED**

**DEC 3 2003**

**BUREAU OF REAL ESTATE**

# AMENDED AND RESTATED SHOPPING CENTER LEASE

## TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I BASIC LEASE TERMS .....	1
Section 1.1 Definitions .....	1
Section 1.2 Significance of Basic Lease Provisions .....	2
Section 1.3 Enumeration of Exhibits .....	2
ARTICLE II LEASED PREMISES AND TERM .....	2
Section 2.1 Building .....	2
Section 2.2 Leased Premises .....	2
Section 2.3 Lease Term .....	3
ARTICLE III DELIVERY OF LEASED PREMISES .....	3
Section 3.1 Delivery of the Leased Premises .....	3
Section 3.2 Tenant's Work for Suite A-9 .....	3
Section 3.3 Removal of Trade Fixtures From Suite A-1.....	7
ARTICLE IV METHOD OF RENT PAYMENT .....	8
Section 4.1 The Rent, Fixed Minimum .....	8
ARTICLE V INTENTIONALLY OMITTED .....	8
ARTICLE VI UTILITY SERVICES .....	8
Section 6.1 Utilities .....	8
Section 6.2 Heating, Ventilating and Cooling .....	8
ARTICLE VII LANDLORD'S ADDITIONAL COVENANTS .....	8
Section 7.1 Repairs by Landlord .....	8
Section 7.2 Quiet Enjoyment .....	9
ARTICLE VIII TENANT'S ADDITIONAL COVENANTS .....	9
Section 8.1 Affirmative Covenants .....	9
Section 8.2 Negative Covenants .....	14
Section 8.3 Signs, Storefront .....	17
Section 8.4 Environmental .....	17
ARTICLE IX DAMAGE OR TAKING AND RESTORATION .....	18
Section 9.1 Fire, Explosion or Other Casualty .....	18
Section 9.2 Eminent Domain .....	18

ARTICLE X	DEFAULTS BY TENANT AND REMEDIES	19
Section 10.1	Defaults by Tenant	19
Section 10.2	Interest on Late Payment	20
Section 10.3	Holdover by Tenant	20
Section 10.4	Landlord's Right to Cure Defaults	21
Section 10.5	Effect of Waivers of Default	21
Section 10.6	Remedies Cumulative	21
Section 10.7	Security Deposit	21
Section 10.8	Bankruptcy	21
ARTICLE XI	RENEWAL OPTION	22
Section 11.1	Renewal Option	22
Section 11.2	As Is	23
Section 11.3	Amendment	23
Section 11.4	Termination	23
Section 11.5	Brokers	23
ARTICLE XII	MISCELLANEOUS PROVISIONS	23
Section 12.1	Mutual Waiver of Subrogation Rights	23
Section 12.2	Notices from One Party to the Other	24
Section 12.3	Brokerage	24
Section 12.4	No Lesser Payment	24
Section 12.5	Relationship of the Parties	24
Section 12.6	Estoppel Certificate	24
Section 12.7	Applicable Law and Construction	25
Section 12.8	Passageways, etc.	25
Section 12.9	Execution of Lease by Landlord	25
Section 12.10	Binding Effect of Lease	25
Section 12.11	Agency or Independent Contractor	25
Section 12.12	Air Rights	25
Section 12.13	Lease Preparation	25
Section 12.14	Invalidity/Unenforceability	26
Section 12.15	Authority	26
Section 12.16	Complete Lease	26
Section 12.17	Lender's Requirements	26
Section 12.18	Adjacent Excavation Shoring	26
Section 12.19	Indemnity for Litigation	26
Section 12.20	Limitation of Liability	26
Section 12.21	105 ILCS 5/34 Provisions	26
Section 12.22	Board of Education Ethics Code	27
Section 12.23	Board of Education Indebtedness Policy	27
Section 12.24	Contingent Liability	27
Section 12.25	Landlord's Title	27
Section 12.26	Certain Rights Reserved to Landlord	27
Section 12.27	Default Under Other Lease	27
Section 12.28	Landlord's Termination Rights	27
Section 12.29	Tenant Criteria Manual	28

## AMENDED AND RESTATED SHOPPING CENTER LEASE

This Amended and Restated Shopping Center Lease is entered into as of the first day of May, 2001 between the Board of Education of the City of Chicago, a body politic and corporate (hereinafter referred to as "Landlord"), and A & B Tobacco, Inc., an Illinois corporation (hereinafter referred to as "Tenant").

### W I T N E S S E T H:

For good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, and for the mutual covenants and agreements herein contained, it is agreed by and between Landlord and Tenant as follows:

### **ARTICLE I BASIC SHOPPING CENTER LEASE TERMS**

Section 1.1 Definitions. In addition to the other terms, which are elsewhere defined in this Lease, the following terms and phrases, whenever used in this Lease, shall have the meanings set forth in this Subsection, and only such meanings, unless such meanings are expressly contradicted, limited or expanded elsewhere herein.

- A. Building: See Section 2.1
- B. Lease Year: A twelve (12) month period set forth in Paragraph G below. For the Lease Years commencing May 1, 2001 through March 31, 2005, a Lease Year shall commence on May 1<sup>st</sup> and shall end on April 30<sup>th</sup>. Thereafter a Lease Year shall commence on April 1<sup>st</sup> and shall end on March 31<sup>st</sup>. Any portion of the Lease Term commencing prior to the first full Lease Year and any portion of any Lease Year not containing twelve (12) consecutive calendar months shall be deemed a "Partial Lease Year".
- C. Commencement Date: May 1, 2001.
- D. Date of this Lease: May 1, 2001.
- E. Landlord's Address: 125 South Clark Street, Chicago, Illinois 60603.
- F. Lease Term: Eleven (11) years and eleven (11) months, with one (1) ten (10) year option to renew.
- G. Monthly Fixed Minimum Rent:

<u>Lease Year(s)</u>	<u>Annual Fixed Minimum Rent</u>	<u>Monthly Fixed Minimum Rent</u>
5/1/01 to 1/31/04 (33 months)	\$20,000.00	\$1,666.67
2/1/04 to 3/31/05 (14 months)	\$17,201.00 (abated to \$4,889.76*)	\$1,433.41 (abated to \$407.48*)
4/1/05 to 3/31/06	\$17,715.36	\$1,476.28
4/1/06 to 3/31/07	\$18,246.82	\$1,520.56
4/1/07 to 3/31/08	\$18,794.22	\$1,566.18
4/1/08 to 3/31/09	\$19,358.04	\$1,613.17
4/1/09 to 3/31/10	\$19,938.78	\$1,661.56
4/1/10 to 3/31/11	\$20,536.94	\$1,711.41
4/1/11 to 3/31/12	\$21,153.04	\$1,762.75
4/1/12 to 3/31/13	\$21,787.63	\$1,815.63

\*The abatement is made by the Landlord on the condition that Tenant is not in default under this Lease at the time the payment of Monthly Fixed Minimum Rent is due.

The Monthly Fixed Minimum Rent is a gross amount, which includes taxes, operating expenses, gas, common area electricity and water.

- H. Rent: Fixed Minimum Rent, Additional Rent, Late Charges, if any, and any other sums that have accrued under the terms of this Lease.
- I. Security Deposit: None
- J. Tenant's Mailing Address: Before Substantial Completion of Suite A-9:  
  
125 South Clark Street  
Suite A-1 First Floor Arcade  
Chicago, Illinois 60603  
Attn: Ashok Shah  
  
After Substantial Completion of Suite A-9:  
  
125 South Clark Street  
Suite A-9 First Floor Arcade  
Chicago, Illinois 60603  
Attn: Ashok Shah
- K. Tenant's Proportion: Intentionally Omitted
- L. Tenant's Trade Name: None.
- M. Commencement Date: May 1, 2001.
- N. Termination Date: Defined in Section 2.3.
- O. Total Fixed Minimum Rent: The aggregate of all Fixed Minimum Rent payable during the Lease Term including Fixed Minimum Rent payable during exercised Renewal Options.
- P. Use: The retail sale of newspapers, magazines, combs, cosmetic mirrors, non-prescription drugs and medicines, toothpaste, lottery tickets, tobacco products, candy, gum, soft drinks, and pre-packaged snack foods for consumption elsewhere, insofar as permitted by law and for no other purpose whatsoever. Notwithstanding the foregoing, Tenant shall not engage in the following uses: photography services; immigration and passport photography services; portrait photography services; fingerprinting services; notary public services; and the sale of "Smoothies" (Smoothies being defined herein to mean a fresh fruit shake made with a combination of milk (skim or otherwise) and/or fruit juice, fresh fruit, yogurt (frozen or otherwise) blended together to form the final beverage product).

TENANT SHALL NOT SELL: (1) ARTICLES OF CLOTHING, INCLUDING, BUT NOT LIMITED TO WOMEN'S PANTYHOSE AND NYLON STOCKINGS or (2) CHRISTMAS ORNAMENTS, GREETING CARDS, GIFT WRAP AND/OR PARTY SUPPLIES.

- Q. Substantial Completion: means the later of the following dates: (i) the date that the Tenant's Work for Suite A-9 has been essentially completed (except for Punch List Work), such that the Tenant may occupy and fully use Suite A-9, or, (ii) if the nature of Tenant's Work for Suite A-9 requires that a Certificate of Occupancy be issued, it means the date of issuance of the Certificate of Occupancy.

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

Lease Term.

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

Exhibit "A"	Depiction of Leased Premises for Suite A-1
Exhibit "A-1"	Depiction of Leased Premises for Suite A-9
Exhibit "B"	Tenant Construction Criteria Manual

## **ARTICLE II LEASED PREMISES AND TERM**

Section 2.1 Building. Landlord is the owner of a leasehold interest in a parcel of real estate which is commonly known as 125 S. Clark Street, Chicago, Illinois and any and all improvements and appurtenances constructed on the Land (hereinafter referred to as the "Building").

Section 2.2 Leased Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby accepts from Landlord, subject to and with the benefit of the terms and provisions of this Lease, the store premises set forth below in the Building, together with the non-exclusive right and easement to use the other common facilities in or adjacent to the Arcade Level of the Building (including, without limitation, the sidewalks, lobbies, hallways, Arcade Level bathroom facilities, and the "Service Corridor" as defined below) which may from time to time be furnished by Landlord, in common with Landlord and the tenants and occupants of the Building, and their respective agents, employees, customers and invitees:

A. From May 1, 2001 to Substantial Completion of Suite A-9, Suite A-1, consisting of 500 rentable square feet on the Arcade Level of the Building, as depicted on Exhibit "A";

B. After Substantial Completion of Suite A-9, Suite A-9, consisting of 668 rentable square feet on the Arcade Level of the Building, as depicted on said Exhibit "A-1"; and

C. The term "Leased Premises" shall mean either Suite A-1 or Suite A-9, as the context may require, unless a specific Suite number is referenced.

Section 2.3 Lease Term. The Lease Term shall commence on May 1, 2001 and the Lease Term shall end on March 31, 2013 unless sooner terminated (hereinafter referred to as the "Termination Date").

## **ARTICLE III DELIVERY OF LEASED PREMISES**

Section 3.1 Delivery of the Leased Premises. Tenant acknowledges that the Leased Premises are in good order and satisfactory condition and that Landlord has made no promise to alter, remodel, or improve the Leased Premises or the Building and no representation respecting the Leased Premises or the Building have been made by the Landlord to the Tenant, the Tenant acknowledging that it accepts the Leased Premises in an "AS-IS" and "WHERE IS" condition.

### Section 3.2 Tenant's Work for Suite A-9.

A. The Tenant is hereby granted access rights in and to Suite A-9, commencing upon execution hereof, for the purposes of making such inspections and measurements and testing as the Tenant deems necessary to enable the Tenant to prepare "Tenant's Plans" (as hereinbelow defined). However, the Tenant shall not commence actual construction within Suite A-9 until the Tenant has complied with the provisions below concerning submittal and receiving Landlord's prior approval to "Tenant's Plans" and the submittal to the Landlord of insurance and appropriate building permits and

construction contracts. The rights of access granted in this Section 3.2 A shall not be deemed to permit Tenant to operate its business in Suite A-9 until Suite A-9 has been Substantially Completed.

B. The Tenant shall, at Tenant's sole cost and expense, cause to be prepared and submitted to the Landlord at such time as Tenant desires (but in no event later than 12-31, 2003), plans and specifications (hereinafter referred to as the "Tenant's Plans"), including, but not limited to, all space plans, working drawings, mechanical and engineering drawings for Landlord's prior approval, disclosing all construction to be performed to build out the entire Leased Premises. The Landlord agrees to review and either approve or disapprove (and noting with such disapproval the specific items not approved and the reasons therefor) the Tenant's Plans within seven (7) business days of Landlord's receipt of a complete set of Tenant's Plans. If the Tenant's Plans are disapproved, the Tenant shall revise and resubmit Tenant's Plans expeditiously and Landlord shall review the same and notify the Tenant of its approval or disapproval within seven (7) business days thereafter in the same manner as required for the initial submittal. No change shall be made to the Tenant's Plans without, in each instance, the prior written consent of the Landlord. The Tenant shall commence construction of the Tenant's Work on or before January 1, 2004.

C. The Tenant is hereby granted the right to utilize contractors of Tenant's own choice (hereinafter referred to as "Tenant's Contractor") to build out Suite A-9 in compliance with all applicable governmental laws, rules, statutes, ordinances and regulations (all of such work, installations and modifications are hereinafter collectively referred to as the "Tenant's Work"), subject to Landlord's reasonable approval as to the qualifications of any such contractor. Prior to commencing any work on or to Suite A-9, Tenant shall submit all Tenant Plans and written contracts for such work, providing for a fixed cost for same by Tenant's Contractor, together with financial information regarding Tenant's Contractor, to Landlord for approval. All installations, alterations and additions shall be in accordance with the Tenant's Plans and shall be constructed in a good and workmanlike manner and only new and good grades of material shall be used. Such work performed by Tenant's Contractor shall comply with all applicable insurance requirements, all laws, statutes, ordinances and regulations of the City of Chicago, the State of Illinois and the United States of America. In addition, the Tenant agrees to comply with the Tenant Construction Criteria Manual, a copy of which is attached to this Lease as Exhibit "B". Tenant shall permit Landlord to observe all construction operations within Suite A-9 performed by Tenant's Contractor. All such review and observation by the Landlord shall be solely and only for the benefit of the Landlord. The Tenant shall be required, at its sole cost and expense, to provide for its own supervision of the Tenant's Contractor. No silence or statement by the Landlord's supervisor shall be deemed or construed as an assumption by said supervisor or the Landlord of any responsibility for or in relation to the construction of Suite A-9 or any guarantee that the work completed within Suite A-9 complies with laws, complies with Tenant's Plans, or is suitable or acceptable to the Tenant for Tenant's intended business purposes. Tenant shall, prior to commencement of any installations, alterations or additions and Tenant's Work, furnish to Landlord, contractor's affidavits identifying all labor and material to be expended and used in constructing Suite A-9.

D. The cost of all work necessary to construct the Tenant's Work (including, but not limited to, all labor, material, and permits) and to pay architectural fees, permit fees, and engineering fees shall be the responsibility of the Tenant. On or before 12-31, 2003, the Tenant does hereby agree to deposit into a Strict Joint Order Escrow with Chicago Title Insurance Company the sum of Twenty Five Thousand Dollars (\$25,000.00), which is hereinafter referred to as the "Construction Deposit", to be used solely for the Tenant's Work and the items described in the foregoing sentence. The Construction Deposit shall be paid in not more than three (3) installments as the Work progresses within thirty (30) days of Tenant's presentation to Landlord of reasonable documentation evidencing (i) the amounts of payments previously made in relation to the work to the general contractor and any subcontractors and materialmen, including, but not limited to, general contractor's statement and partial and final lien waivers, as the case may be, covering all Work for

which the Tenant is requesting payment; and (ii) the percentage of the Work completed. Tenant shall be responsible for obtaining and submitting to Landlord all documentation reasonably required by the Landlord in relation to Construction Deposit draw requests made by Tenant. Tenant shall present the final request for payment of the Construction Deposit, including all requisite waivers of lien and all other requisite documentation to Landlord not later than sixty (60) days after Tenant takes occupancy of Suite A-9 to conduct its business. Construction Deposit draw amounts shall never exceed, in the aggregate, the lesser of: (i) the remaining unpaid amount of the Construction Deposit, or (ii) that amount equal to ninety (90%) percent of the cost of all Work completed in accordance with the Tenant's Plans, as evidenced by the documentation furnished with such request (including lien waivers). Any unused portion of the Construction Deposit shall be refunded to the Tenant. If the costs of construction of the Tenant's Work including changes, as reasonably estimated by Landlord, exceeds the Construction Deposit, the Tenant shall, prior to the commencement of any construction work, deposit into the Strict Joint Order Escrow with Chicago Title and Trust Company referred to above, an amount equal to such excess. Said amount shall be the first funds disbursed to pay construction draws in accord with the procedure provided above.

E. The Landlord reserves the right from time to time, but not more often than monthly, to require the Tenant to furnish partial or final lien waivers (as applicable) and sworn contractors' statements and all other reasonable information Landlord may request, in writing, so as to enable the Landlord to determine the status of (i) the preparation of Tenant Plans, (ii) all contracts let or to be let in relation to the Work; (iii) the cost of all Work, including the cost of any extras or modifications requested by the Tenant after Landlord's approval of Tenant's Plans; (iv) the status of completion of the Work; (v) the status of payment to all contractors, subcontractors and materialmen in relation to the Work; (vi) the status of Tenant's obligations to obtain partial and final lien waivers, as the situation may require, from all contractors, subcontractors and materialmen in relation to the Work; and (vii) the status of any adverse claims or disputes with contractors, subcontractors or materialmen in relation to the Work. The Tenant shall furnish such information as Landlord may reasonably require to evidence the foregoing no later than ten (10) days subsequent to the date the Landlord requests the same, in writing. If the Tenant shall fail to so furnish said information within the ten (10) day time period provided above, the Landlord shall have the right, without further notice and without any liability whatsoever to Tenant (including any claim by the Tenant that it should be entitled to an abatement of Rent or an extension of the occurrence of the Commencement Date) cause the agent to withhold disbursement of any further payment of the Construction Deposit until such time as the Tenant shall have furnished the information and documentation requested by Landlord pursuant to the above provisions.

F. Tenant, at its sole cost and expense, shall file all necessary plans with the appropriate governmental authorities having jurisdiction over Tenant's Work. Tenant shall be responsible for obtaining all permits, authorizations and approvals necessary to perform and complete Tenant's Work. Tenant shall not commence Tenant's Work until the required permits authorizations and approvals for such work are obtained and delivered to Landlord.

G. Tenant and Tenant's Contractor shall work in harmony and shall not interfere with the performance of other work in the Building by Landlord, Landlord's contractors, other tenants or occupants of the Building (whether or not the terms of their respective leases have commenced) or their contractors. If any time Tenant or Tenant's Contractor shall cause, or threaten to cause, such disharmony or interference, Landlord may terminate their access to Suite A-9 upon twenty-four (24) hours' written notice to Tenant, and thereupon, Tenant and Tenant's Contractor causing such disharmony or interference shall immediately withdraw from Suite A-9 and the Building until Landlord determines such disturbance no longer exists.

H. The Landlord and its agents and their representative shall, at all times, have access



to the Tenant's Work wherever it is in preparation or progress for the purpose of observing and reviewing the same; provided, however, Landlord shall not unreasonably interfere with the performance of Tenant's Work in connection with any such observations or reviews. Tenant and Tenant's Contractors shall provide reasonable facilities for such access and for inspection.

I. The Tenant's Work shall commence on or before January 1, 2004 and shall be performed with a minimum of interference with other tenants and occupants of the Building. Tenant shall take all reasonable and customary precautionary steps to protect its facilities and the facilities of others affected by Tenant's Work and to properly police same. Construction equipment and materials are to be located in confined areas and delivery and loading of equipment and materials shall be done at such reasonable locations and at such time as Landlord shall direct so as not to interfere with the use or operation of the Building. Tenant shall, at all times, keep Suite A-9 and adjacent areas free from accumulations of waste materials or rubbish caused by its suppliers, contractors or workmen. Landlord may require daily clean-up and reserves the right to do clean-up at the expense of Tenant if Tenant fails to comply with Landlord's reasonable cleanup requirements. At the completion of Tenant's Work, Tenant's Contractor shall forthwith remove all rubbish and all tools, equipment and surplus materials from and about Suite A-9 and the Building. Any damage caused by Tenant's Contractor to any portion of the Building or to any property of Landlord or other tenants shall be repaired forthwith, after written notice from Landlord, to its condition prior to such damage by Tenant at Tenant's expense.

J. Tenant and Tenant's Contractor shall assume responsibility for the prevention of accidents to its agents and employees and shall take all reasonable safety precautions with respect to the work to be performed and shall comply with all reasonable safety measures initiated by the Landlord and with all applicable laws, ordinances, rules, regulations and orders applicable to the Tenant's Work including those of any public authority for the safety of persons or property. Tenant shall advise Tenant's Contractor to report to the Landlord any injury to any of its agents or employees and shall furnish Landlord a copy of the accident report filed with its insurance carrier within three (3) days of its occurrence.

K. Tenant shall, or shall cause Tenant's Contractor to, secure, pay for, and maintain during the performance of Tenant's Work, insurance in the following minimum coverages and limits of liability.

(1) Workmen's Compensation and Employer's Liability Insurance with limits of not less than \$500,000 and as required by any Employee Benefit Acts or other statutes applicable where the work is to be performed as will protect Tenant's Contractors from liability under the aforementioned acts.

(2) Comprehensive General Liability Insurance (including Owner's and Contractor's Protective Liability) in an amount not less than \$1,000,000 per occurrence, whether involving bodily injury liability (or death resulting therefrom) or property damage liability or a combination thereof with a minimum aggregate limit of \$5,000,000. Such insurance shall provide for explosion and collapse, completed operations coverage with a two-year extension after completion of the work, and broad form blanket contractual liability coverage and shall insure Tenant's Contractor against any and all claims for bodily injury, including death resulting therefrom and damage to the property of others and arising from its operations under the contracts whether such operations are performed by Tenant's Contractor, or by anyone directly or indirectly employed by them.

(3) "All-risk" builder's risk insurance upon the entire Tenant's Work to the full insurance value thereof. Such insurance shall include the interest of Landlord and

Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in Tenant's Work and shall insure against the perils of fire and extended coverage and shall include "all-risk" builder's risk insurance for physical loss or damage including, without duplication of coverage, theft, vandalism, and malicious mischief. If portions of Tenant's Work are stored off the site of the Building or in transit to such site are not covered under such "all-risk" builder's risk insurance, then Tenant shall effect and maintain similar property insurance on such portions of Tenant's Work. The waiver of subrogation provisions contained in this Lease shall apply to the "all-risk" builder's risk insurance policy to be obtained by Tenant pursuant to this paragraph.

All policies (except the workmen's compensation policy) shall be endorsed to include as additional named insureds Landlord and its agents, board members, officers, employees, contractors, architect, and such additional persons as Landlord may designate. Such endorsements shall also provide that all additional insured parties shall be given thirty (30) days' prior written notice of any reduction, cancellation, or non-renewal of coverage by certified mail, return receipt requested (except that ten (10) days' notice shall be sufficient in the case of cancellation for non-payment of premium) and shall provide that the insurance coverage afforded to the additional insured parties thereunder shall be primary to any insurance carried independently by such additional insured parties.

To the fullest extent permitted by law, Tenant shall indemnify and hold harmless the Landlord, its agents, board members, officers, employees, and contractors from and against all claims, damages, liabilities, losses and expenses of whatever nature, including but not limited to reasonable attorneys' fees, the cost of any repairs to Suite A-9 or the Building necessitated by activities of the Tenant or Tenant's Contractor, bodily injury to persons or damage to property of the Landlord, its employees, agents, invitees, licensees, or others, arising out of or resulting from the violation by Tenant of any of the terms and provisions of this Section 3.2 and/or the performance of the Tenant's Work by the Tenant or Tenant's Contractor. The foregoing indemnity shall be in addition to the insurance requirements set forth above and shall not be in discharge or substitution of the same, and shall not be limited in any way by any limitations on the amount or type of damages, compensation or benefits payable by or for Tenant's Contractor under Workers' or Workmen's compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

L. Utility costs or charges for any service to Suite A-9 during performance of Tenant's Work shall be the responsibility of Tenant from the date Tenant commences Tenant's Work. Tenant shall apply and pay for all utility meters required in connection with Tenant's Work.

M. Upon completion of Tenant's Work, Tenant shall furnish Landlord with "as-built" plans identifying the Tenant's Work as same has been constructed, final waivers of lien and contractors affidavits for Tenant's Work, a detailed breakdown of the costs of Tenant's Work and evidence of payment reasonably satisfactory to Landlord, and an occupancy permit for Suite A-9.

Section 3.3 Removal of Trade Fixtures from Suite A-1. The Tenant shall have the right to move into Suite A-9 all or a portion of its Trade Fixtures which are currently in Suite A-1. The term "Trade Fixtures" shall include, but not be limited to, glass partition walls, chandeliers, and wall-hung display units. Any such Trade Fixtures which are not so removed by the Tenant from Suite A-1 prior to the Substantial Completion of Suite A-9 shall be deemed abandoned and may be removed and disposed of by the Landlord, at Landlord's sole cost and expense.

#### **ARTICLE IV METHOD OF RENT PAYMENT**

Section 4.1 The Rent, Fixed Minimum. Tenant agrees to pay Rent to Landlord at the address set forth in Article I hereof, or to such other person or place as Landlord may direct, without set-off or demand, the following:

(a) Monthly Fixed Minimum Rent, payable in advance on the first day of each calendar month or portion thereof included in the Lease Term. For any portion of a calendar month included at the beginning of the Lease Term (being part of the first Lease Year as provided in Section 4.1(b) hereof), one-thirtieth (1/30) of such a monthly payment for each day of such portion shall be due and payable on the first day of such portion;

(b) All other charges as are herein set forth including, but not limited to, Additional Rent, as herein described.

#### **ARTICLE V Intentionally Omitted**

#### **ARTICLE VI UTILITY SERVICES**

Section 6.1 Utilities. Tenant agrees that throughout the Lease Term, and for such period prior to the Lease Term that Tenant has the right of possession of the Leased Premises, it will pay when due, at Tenant's sole cost and expense, all utility charges consumed or used in connection with the Leased Premises, including, but not limited to, water, gas, electric, sewer and telephone, including all deposits, meter fees, installation, hook-up and connection fees and including all utility charges used in the operation of Tenant's heating, ventilating and air conditioning system. In connection therewith, the Tenant agrees to install a separate meter to measure its electrical use and Tenant shall be responsible for the payment thereof directly to the utility company for the payment of all electricity so consumed.

Landlord shall not be liable to Tenant for damages or otherwise if any one or more of said services is interrupted or terminated because of necessary repairs, installations, improvements, or any cause beyond the control of Landlord. Landlord may cease to furnish any one or more of said services without any responsibility to Tenant.

Section 6.2 Heating, Ventilating and Cooling. Unless separate heating, ventilating, and air conditioning systems ("HVAC") are installed in the Premises by the Tenant as set forth below, Landlord shall supply HVAC to the Leased Premises necessary for the comfortable occupancy thereof. Such HVAC shall be supplied to the Leased Premises at the same hours and to the same extent that Landlord provides such services to the other retail tenants located in the Arcade Level of the Building. Except for after hours usage, there shall be no separate or additional charge to Tenant for such HVAC service to the Leased Premises

If Tenant deems it necessary to install separate heating and air conditioning systems for the Leased Premises, the same shall be installed by Tenant, at Tenant's sole cost and expense, and Tenant, at Tenant's sole cost and expense, shall heat and air condition the Leased Premises to meet its requirements. During the Lease Term, at Tenant's sole cost and expense, Tenant shall keep the separate heating and air conditioning systems in good order, repair and condition, and shall replace any parts which may require replacement with parts of equal or superior quality to those now in use in the systems.

#### **ARTICLE VII LANDLORD'S ADDITIONAL COVENANTS**

Section 7.1 Repairs by Landlord. Landlord covenants, at its sole cost and expense, to keep the foundations and roof of the Building, and the structural soundness of the concrete floors and exterior walls thereof, in good order, repair and condition, unless any necessary work is required because of damage caused by any act, omission or negligence of Tenant, any permitted concessionaire or their respective employees, agents, invitees, licensees or contractors. Landlord shall not be required to commence

any such repair until a reasonable time after written notice from Tenant that the same is necessary. The provisions of this Section shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain, in which events the obligations of Landlord shall be controlled by Article IX. Except as provided in this Section 7.1, Landlord shall not be obligated to make repairs, replacements or improvements of any kind upon the Leased Premises, or any equipment, facilities or fixtures contained therein, which shall be the responsibility of Tenant.

Section 7.2 Quiet Enjoyment. Landlord covenants and agrees that, so long as Tenant promptly pays the Fixed Minimum Rent, the Additional Rent and all other sums due hereunder and keeps, performs and observes all the other terms, covenants, provisions, agreements and conditions herein contained on the part of Tenant to be performed, kept and observed, all of which obligations of Tenant are independent of Landlord's obligations hereunder, Tenant's peaceful and quiet possession of the Leased Premises during the Lease Term shall not be disturbed by Landlord or by anyone claiming by, through or under Landlord.

## ARTICLE VIII TENANT'S ADDITIONAL COVENANTS

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

A. Lease Obligations. To perform promptly all of the obligations of Tenant set forth in this Lease; and to pay when due the Rent and all other charges, rates and other sums which by the terms of this Lease are to be paid by Tenant, without any set-offs or counterclaims whatsoever.

B. Use. To use the Leased Premises only for the Use; to operate its business in the Leased Premises under Tenant's Trade Name, if any; and, during the Term, to continuously conduct its business at all times in a high grade and reputable manner so as to produce the maximum volume of sales and transactions and to help establish and maintain a high reputation for the Building. Except when and to the extent that the Leased Premises are untenable by reason of damage by fire or other casualty, Tenant shall use and continuously operate for retail sales purposes all of the Leased Premises other than such minor portions thereof as are reasonably required for storage and office purposes and shall use such storage and office space only in connection with the business conducted by Tenant in the Leased Premises and to store therein only merchandise which is to be offered at retail sale within a reasonable time after receipt. Tenant shall furnish and install all trade fixtures which shall, at all times, be suitable and proper for carrying on Tenant's business and Tenant shall carry a full and complete stock of seasonable merchandise offered for sale at competitive prices. Tenant shall maintain adequately trained personnel for efficient service to customers and maintain current displays of merchandise in the display windows, if any. Tenant shall open for business and remain open on all days during the entire Lease Term, excluding only Sundays, New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas for not less than eight (8) hours per day, and for any day that Tenant does not fully comply with this provision, in addition to any other remedies available to Landlord under this Lease or at law or in equity, the Fixed Minimum Rent, prorated on a daily basis, shall be increased by 50%, such sum representing minimum damages (and not a penalty) which the parties agree Landlord will suffer by reason of Tenant's non-compliance. The parties hereto acknowledge that the amount of such damages are not ascertainable and agree that such increase in Rent will be deemed liquidated damages. Tenant shall light its display windows and signs, if any, during any hours when either the Arcade Level of the Building or the Leased Premises are open for business.

C. Sprinklers. If the "sprinkler system" installed in the Building or any of its appliances shall be damaged or injured or not in proper working order by reason of any act or omission of Tenant, Tenant's agents, servants, employees, licensees or visitors, Tenant shall forthwith restore the same to good working condition at its sole cost and expense; and if the Board of Fire Underwriters or Fire Insurance Exchange or any bureau, department or official of the state or city government, requires or recommends that any changes, modifications, alterations or additional sprinkler heads or other equipment be made or supplied by reason of Tenant's business or the location of partitions, trade fixtures, or other contents of the Premises, or for any other reason, or if any such changes, modifications, alterations, additional sprinkler heads or other equipment, become

necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate as fixed by said Exchange, or by any fire insurance company, Tenant shall, at Tenant's sole cost and expense, promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment.

D. Licenses and Permits. To apply for, secure, maintain and comply with all licenses or permits which may be required for the conduct by Tenant of the business herein permitted to be conducted in the Leased Premises and to pay, if, as and when due, all license and permit fees and charges of a similar nature in connection therewith.

E. Refuse. To keep all drains inside the Leased Premises clean; to receive and deliver goods and merchandise only in the manner and at such times and in such areas as may be designated by Landlord; to conform to all rules and regulations of any applicable governmental authority and which Landlord may make in the management and use of the Building requiring such conformance by Tenant's employees; and to store all trash and garbage in adequate containers within the Leased Premises, which Tenant shall maintain in a neat and clean condition so as not to be visible to members of the public and so as not to create any health or fire hazard. Tenant shall not burn any trash or garbage at any time in or about the Building and Tenant shall, at Tenant's sole cost and expense, attend to the daily disposal thereof in the manner designated by Landlord. If Landlord shall provide any services or facilities for such pickup, the Tenant shall be obligated to use the same and shall pay the Tenant's Proportion of the actual cost thereof within ten (10) days after being billed therefor. Tenant agrees to pay Tenant's Proportion, promptly after being billed therefor, of any costs incurred by Landlord for pest control service, which Landlord may determine is necessary to employ for the Leased Premises.

F. Maintenance of Leased Premises. To keep the entire Leased Premises in good repair, maintaining the Leased Premises at all times in a first class manner, including, but not limited to, the fire protection system, pipes, plumbing, conduit, all glass, store-fronts, electric wiring, air conditioning and heating equipment, boilers, motors, escalators, elevators, engines, tanks, machinery, equipment, fixtures, appliances, furniture, floor coverings, walls, wall coverings, ceilings, decor, partitions, doors, entrance-ways, bathrooms, dressing rooms and appurtenances belonging thereto installed for the use or used in connection with the Leased Premises and, at Tenant's sole cost and expense, by contractors or mechanics approved by Landlord, to make as and when needed all repairs in or about the Leased Premises and in and to all such equipment, fixtures, appliances and appurtenances necessary to keep the same in good order and condition.

When used in this Lease, the term "repairs" shall include all replacements, renewals, alterations, additions and betterments. All repairs made by Tenant shall be of new first class material and workmanship and at least equal to the original work.

As used in this Article and Article VII, the expression "exterior walls" shall not be deemed to include interior walls, drywall, partitions, studs, framing, store front or store fronts, plate glass, window cases, or window frames, doors or door frames. It is understood and agreed that the Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the Leased Premises or the mechanical equipment exclusively serving the Leased Premises at any time except as in this Lease expressly otherwise provided, all such repairs, alterations, additions and improvements to be made by and at the sole cost and expense of Tenant.

G. Extermination. To cause the infestation of vermin in the Leased Premises to be exterminated from time to time to the satisfaction of Landlord and to employ such exterminators and such exterminating company or companies as shall be reasonably approved by Landlord.

H. Repairs, Alterations and Additions. At Tenant's sole cost and expense, to make any and all repairs, alterations, additions or replacements to the Leased Premises required by any law or ordinance or any order or regulation of any public authority, or fire underwriters or underwriters' fire prevention engineers; to

keep the Leased Premises equipped with all safety appliances so required because of the Use; to procure any licenses and permits required for any Use; and to comply with the orders and regulations of all governmental authorities. Tenant shall pay promptly when due the entire cost of any work, including the Tenant's Work, in the Leased Premises undertaken by Tenant in order that the Leased Premises shall at all times be free of liens for labor and materials and shall procure all necessary permits before undertaking such work. All such work performed in the Leased Premises shall be performed in a good and workmanlike manner, employing materials of good quality and in compliance with all governmental requirements. All work performed by Tenant within the Leased Premises shall be accomplished only by contractors and pursuant to contracts and plans, all of which shall first be approved by Landlord, which approval shall not be unreasonably withheld. Tenant does hereby indemnify, defend and agree to save and hold Landlord and its mortgagees and agents and their respective successors and assigns harmless from and against all liability, injury, loss, claims, cost, damage and expense (including reasonable attorneys' fees and expenses) with respect of any injury to, or death of, any person, or damage to, or loss or destruction of, any property occasioned by or growing out of any such work. Landlord shall have no liability whatsoever for loss or damage to any such work performed by Tenant or to fixtures, equipment or other property of Tenant or Tenant's contractors. Tenant shall not commence any such work until Landlord has been provided with insurance certificates evidencing that the contractors and subcontractors performing such work have in full force and effect adequate workmen's compensation insurance as required by the laws of the State of Illinois, public liability and builders risk insurance in such amounts and according to terms reasonably satisfactory to Landlord. The interest of the Landlord in and to the Leased Premises and the Building shall not be subject to liens for improvements made in or to the Leased Premises by Tenant or by Tenant's employees, contractors or agents.

I. Indemnity; Insurance. To indemnify, defend and save Landlord and its mortgagees, agents, board members, officers and employees harmless from and against all liability, injury, loss, cost, damage and expense (including reasonable attorneys' fees and expenses) in respect of any injury to, or death of, any person, and from any damage to, or loss or destruction of any property while on the Leased Premises or any other part of the Building occasioned by any act or omission of Tenant, or anyone claiming by, through or under Tenant. The foregoing covenants are intended to survive the expiration of the Lease Term or earlier termination of this Lease. To maintain, at all times during the Lease Term, in responsible companies approved by Landlord, which approval will not be unreasonably withheld, public liability insurance, insuring Landlord and its mortgagees, agents and Tenant, as their interests may appear, against all claims, demands or actions for injury to or death of any one person in an amount of not less than \$2,000,000.00 and for injury or death of more than one person in any one occurrence in an amount of not less than \$2,000,000.00 and for damage to property in an amount not less than \$500,000.00 made by or on behalf of any persons, firm or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business in the Leased Premises (Landlord shall have the right to direct Tenant to increase said amounts whenever it reasonably considers them inadequate) and, in addition, and in like amounts, covering Tenant's contractual liability under the aforesaid hold harmless provision; to carry like coverage against loss or damage by boiler or compressor or internal explosion of boilers or compressors, if there is a boiler or compressor in the Leased Premises; to maintain plate glass insurance covering all plate glass in the Leased Premises; to carry business interruption insurance covering a one (1) year period; and to carry fire insurance with extended coverage endorsements including, but not limited to, vandalism and malicious mischief and sprinkler leakage endorsements, covering all of Tenant's stock in trade, trade and lighting fixtures, furniture, furnishings, floor and wall coverings, ceiling and equipment or any other personal property of Tenant in the Leased Premises on a full replacement cost basis (no deduction for depreciation). All of said insurance shall be in form, and carried with responsible companies, each satisfactory to Landlord and shall provide that it will not be subject to cancellation, termination or change except after at least thirty (30) days prior written notice to Landlord and its mortgagees. The policies or duly executed certificates for the same (which shall evidence the insurer's waiver of subrogation) together with satisfactory evidence of the payment of the premium thereon, shall be deposited with Landlord on or before the Commencement Date and upon renewals of such policies, not less than thirty (30) days prior to expiration of the term of such coverage. If Tenant fails to comply with such requirements, Landlord may obtain such insurance and keep the same in effect, and Tenant shall pay Landlord the premium cost thereof upon demand. Each such payment shall constitute Additional Rent payable by Tenant under this Lease, and Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by

reason of Tenant's failure to provide and keep the insurance in force, as aforesaid, to the amount of insurance premium or premiums not paid or incurred by Tenant and which would have been payable upon such insurance, but Landlord, in addition to any and all other rights and remedies provided Landlord under the terms of this Lease, shall also be entitled to recover as damages for such breach the uninsured amounts of any loss, to the extent of any deficiency in the insurance required by the provisions of this Lease.

J. Waiver. Landlord and its mortgagees and their respective agents, board members, and employees shall not be liable for, and to the extent permissible by law, Tenant waives all claims for damage to person or property sustained by Tenant or any person claiming by, through or under Tenant resulting from any accident or occurrence in or upon the Leased Premises or the Building, or any part thereto, including, but not limited to, claims for damage resulting from: (i) any equipment or appurtenances becoming out of repair; (ii) Landlord's failure to keep the Building in repair; (iii) injury done or occasioned by wind, water or other natural element; (iv) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring, gas, water, steam pipes, stairs, railings, elevators, escalators or walks (including, but not limited to, the installation of any of the foregoing); (v) broken glass; (vi) the backing up of any sewer pipe or downspout; (vii) the discharge from any automatic sprinkler system; (viii) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Building or the Leased Premises; (ix) the escape of steam or hot water; (x) water, snow or ice being upon or coming through the roof, skylight, trapdoor, stairs, walks or any other place upon or near the Building or the Leased Premises or otherwise; (xi) the falling of any fixture, plaster or stucco; (xii) any act, omission or negligence of any other tenant, licensee or invitee or of any other persons or of other occupants of the Building or of adjoining or contiguous buildings or of owners of adjacent or contiguous property; (xiii) any interruption of utility or heat or air conditioning service; and (xiv) any temporary blockage of direct access of or visibility to, from or of the Leased Premises other than claims for damage resulting from the neglect, acts or omissions of Landlord which are covered by insurance.

K. Entry. To permit Landlord and its mortgagees or agents, at reasonable times, to enter the Leased Premises for the purpose of inspecting the same, of making repairs, additions or alterations thereto or to the Building, and of showing the Leased Premises to prospective purchasers, lenders and tenants, and other persons having a legitimate interest in inspecting the same. Landlord shall have the right to place "For Rent" signs upon the Leased Premises six (6) months prior to the expiration of the Lease Term. Tenant agrees that any such entry, inspection and repairs, additions or alterations, shall not constitute eviction of Tenant in whole or in part and Rent shall not abate.

L. Removal. At the expiration or termination of this Lease, due to the lapse of time or otherwise: (a) to remove as Landlord may reasonably request: (i) all of Tenant's goods and effects which are not permanently affixed to the Leased Premises; (ii) Tenant's store sign; (iii) all carpet; and (iv) all of the alterations and additions made by Tenant; (b) to repair any damage caused by such removals; (c) to deliver all keys for and all combinations on all locks, safes and vaults in the Leased Premise to Landlord; and (d) to peaceably yield up the Leased Premises and all alterations, additions, floor covering and carpeting thereto (except such as Landlord has requested Tenant to remove) and all decorations, fixtures, furnishings, partitions, heating, ventilating and cooling equipment and other equipment, which are permanently affixed to the Leased Premises, which (if not then the property of Landlord) shall thereupon become the property of Landlord without any payment to Tenant, in clean and good order, repair and condition, damage by fire or other casualty and reasonable wear and tear excepted. Any personal property of Tenant not removed within five (5) days following such expiration or termination shall, at Landlord's option, become the property of Landlord without payment to Tenant. Tenant waives all rights to notice and all common law and statutory claims and causes of action against Landlord subsequent to such five (5) day period. The foregoing covenants shall survive the expiration or termination of this Lease due to the lapse of time or otherwise.

M. Subordination. That Landlord reserves the right to subordinate this Lease, at all times, to the lien of any mortgage, mortgages, trust deed or trust deeds now or hereafter placed upon its interest in the Premises or on all or any part of its interest in the Building, which includes the Leased Premises, and Tenant

covenants and agrees to execute and deliver, upon demand, such further instruments subordinating this Lease to the lien of any such mortgage, mortgages, trust deed or trust deeds as shall be desired by Landlord, or any mortgagees or proposed mortgagees or trustees under trust deeds. If the mortgagee or trustee named in any first mortgage or trust deed hereafter placed upon Landlord's interest in the Building or any part thereof, or upon any portion or all of the Building and other property shall elect by written notice to Tenant to subject and subordinate the rights and interests of the Tenant under this Lease (in whole or in part) to the lien of its mortgage or trust deed, the rights and interests of Tenant under this Lease shall be so subject and subordinate, provided that the mortgagee or trustee shall agree in said notice to recognize this Lease of Tenant in the event of, but only upon, foreclosure if Tenant is not in default. In the alternative, any mortgagee or trustee may elect to give some or all of the rights and interest of Tenant under this Lease priority over the lien of its mortgagee or trust deed. The election of such mortgagee or trustee shall be binding upon Tenant whether this Lease is dated prior to or subsequent to the date of said mortgage or trust deed. Tenant further waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligation of Tenant hereunder in the event any such foreclosure proceeding is brought, prosecuted or completed. Tenant shall execute and deliver whatever instruments may be required for such purposes, and, if Tenant fails so to do within ten (10) days after demand in writing, Tenant does hereby make, constitute and irrevocably appoint Landlord as its attorney in fact and in its name, place and stead so to do. At Tenant's request, Landlord shall use its best efforts to provide Tenant with an agreement of any existing mortgagee that such mortgagee shall not disturb Tenant's possession of the Leased Premises so long as Tenant is not in default hereunder.

N. Financial Statements. To promptly furnish Landlord, from time to time, financial statements reflecting Tenant's current financial condition, whenever requested by Landlord.

O. Notice of Casualty. To give Landlord prompt written notice of any accident, casualty, damage or other similar occurrence in or to the Leased Premises or the Common Areas of which Tenant has knowledge.

P. Enforcement Expenses. To pay on demand Landlord's expenses, including reasonable attorneys' fees, expenses and administrative hearing and court costs incurred either directly or indirectly in enforcing any obligation of Tenant under this Lease, in connection with appearing, defending or otherwise participating in any action or proceeding arising from the filing, imposition, contesting, discharging or satisfaction of any lien or claim for lien, in defending or otherwise participating in any legal proceedings initiated by or on behalf of Tenant wherein Landlord is not adjudicated to be in default under this Lease and Landlord is the prevailing party; or in connection with any investigation or review of any conditions or documents if Tenant requests Landlord's approval or consent to any action of Tenant which may be desired by Tenant or required hereunder.

Q. Compliance with Rules and Regulations. To promptly comply with: (i) all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and local governmental departments, commissions, boards and officers; (ii) all orders, rules and regulations of the National Board of Fire Underwriters, Illinois Inspection and Rating Bureau, the local Board of Fire Underwriters, or any other body or bodies exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Leased Premises; (iii) all insurance policies and the recommendations of all insurance inspections and insurance carriers with respect thereto at any time in force with respect to the Leased Premises, the Building or any part thereof; and (iv) all present or future rules and regulations for the use and occupancy of the Building as Landlord, in its reasonable discretion, from time to time promulgates, provided Landlord shall have no liability for violation by any other tenant or tenants, their agents, employees, customers or invitees of the Building, of any rules or regulations, nor shall such violation or the waiver thereof excuse Tenant from full and complete compliance therewith, all as any of the foregoing may now be or hereafter become applicable to the Leased Premises and to all or any parts thereof and any and all facilities used in connection therewith or, as applicable, to the use or manner of use of the Leased Premises, or to the owners, tenants or occupants thereof,



whether or not any such law, ordinance, order, rule, regulation or requirement shall interfere with the use and enjoyment of the Leased Premises.

R. Labor Relations. To conduct its labor relations and its relations with its employees and agents in such a manner as to avoid all strikes, picketing and boycotts of, on or about the Building. If any of its employees or agents strike or if picket lines or boycotts or other visible activities objectionable to Landlord are established or conducted or carried out against Tenant or its employees or agents, or any of them, on or about the Building, Tenant further agrees that it shall immediately close the Leased Premises to the public and remove all employees therefrom until the dispute giving rise to such strike, picket line, boycott or objectionable activity has been settled to Landlord's satisfaction.

S. Payment for Violations. To pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of or be imposed because of the failure of Tenant to comply with the provisions of this Article VIII, and in any event Tenant agrees to indemnify and hold harmless the Landlord and its mortgagees, agents, board members, and employees against all liability, damages, costs and expenses including reasonable attorneys' fees arising therefrom. Tenant shall promptly give written notice to Landlord of any notice of violation received by Tenant.

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

A. Prohibited Operations. (i) Not to solicit business nor to distribute advertising matter in the Common Areas (ii) not to conduct any auction, distress, fire or bankruptcy sale or any going out of business sale; (iii) not to represent or advertise that it regularly or customarily sells merchandise at manufacturer's, distributor's, wholesale warehouse discount, fire sale, bankruptcy sale or similar price other than at retail, but nothing contained herein shall restrict Tenant from determining the selling price of its own merchandise or preclude the conduct of periodic, seasonal, promotional or clearance sales; and (iv) not to install any radio, telephone, phonograph or other similar devices, or aerial attached thereto (inside or outside the Leased Premises) without first obtaining, in each instance, the Landlord's written consent, and if such consent be given, no such device shall be used in a manner so as to be heard or seen outside of the Leased Premises.

B. Prohibited Actions. Not to injure, overload, deface or otherwise harm the Leased Premises; nor commit any nuisance; nor unreasonably annoy owners or occupants of neighboring property; nor use the Leased Premises for any extra-hazardous purpose or in any manner that will suspend, void or make inoperative any policy or policies of insurance of the kind generally in use in the State of Illinois at any time carried on any improvement within the Building or in any manner which will increase the cost of any of Landlord's insurance; nor burn any trash or refuse within the Building; nor sell, imbibe, display, distribute or give away any alcoholic liquors or beverages; nor sell, distribute or give away any product which tends to create a nuisance in the Building; nor make any use of the Leased Premises which is improper, offensive or contrary to any law or ordinance or any regulation of any governmental authority; nor use any advertising medium such as hand bills, flashing lights, searchlights, loud speakers, phonographs, sound amplifiers or radio or television receiving equipment in a manner to be seen or heard outside the Leased Premises; nor place any structure, barricade, building, improvement, division rail or obstruction of any type or kind on any part of the Common Areas; nor install or use any sign or other advertising device other than a store identity sign approved by Landlord at the location approved by Landlord; nor use or permit the use of any portion of the Leased Premises as living quarters, sleeping apartments or lodging rooms; nor do any act tending to injure the reputation of the Building. If Tenant does any act or uses the Leased Premises in such a manner as will increase the cost of any of Landlord's insurance, then, without prejudice to any other remedy of Landlord for such breach, Landlord shall have the right to require Tenant to pay as Additional Rent hereunder the amount by which Landlord's insurance premiums are increased as a result of such use.

C. Changes in Leased Premises. Not to make any alterations or additions, nor permit the making of any holes in the walls, partitions, ceilings, or floors, nor permit the painting or placing of any exterior

signs, placards or other advertising media, awnings, aerials, antennas, or the like, without on each occasion obtaining the prior written consent of Landlord, which consent shall include the approval by Landlord of plans and specifications which are deemed necessary or appropriate by Landlord, and on each occasion complying with all applicable statutes, ordinances, regulations and codes.

D. Machines. Not to operate any coin or token operated vending machine or similar device for the sale of any goods, wares, merchandise, newspapers, magazines or other publications, postage stamps, food, beverages, or services including, but not limited to, pay telephones, pay lockers, pay toilets, scales, amusement devices and machines for the sale of beverages, foods, candy, cigarettes or other commodities.

E. Alienation. Not, without Landlord's prior written consent which, in each instance, shall not be unreasonably withheld or delayed, to: (i) assign, transfer, hypothecate, mortgage, encumber, or convey this Lease or any interest under it or subject or permit any lien or charge to exist upon this Lease or any interest under it; (ii) allow any transfer of, or any lien upon, Tenant's interest in this Lease by operation of law or otherwise; (iii) sublet the Leased Premises in whole or in part; or (iv) allow the use or occupancy of any portion of the Leased Premises for a use other than the Use or by anyone other than Tenant or Tenant's employees. Tenant shall pay, as Additional Rent, to Landlord all of Landlord's costs which are incurred in reviewing Tenant's request for such consent, including, but not limited to, Landlord's reasonable attorney's fees and expenses. If Landlord consents to any assignment or sublease, Tenant shall pay Landlord, as Additional Rent in the case of each and every assignment or sublease, all sums, including Rent, additional charges or other consideration whatsoever payable to Tenant (and/or Landlord in the case of an assignment) by the subtenant or assignee which exceed all Rent under this Lease accruing during the term of the sublease or assignment in respect of the subleased or assigned space (i.e., allocated in proportion to the space demised, as reasonably computed by Landlord) pursuant to the terms hereof (including, but not limited to, sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or furnishings or other personal property, less, in the case of a sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns). Tenant shall pay Landlord all amounts due under this Section 8.2E as and when payable by the assignee or subtenant to Tenant. If Tenant requests Landlord's consent to an assignment of the Lease or to a sublease of all or a substantial portion of the Leased Premises, Landlord may, in lieu of granting such consent or withholding the same, terminate this Lease, effective on the proposed effective date of said assignment or on the proposed commencement date specified in the sublease, as the case may be, to which Landlord's consent was requested, and Landlord may, at its option and without liability, rent any or all of the Leased Premises or another portion of the Building to any proposed assignee or subtenant of Tenant. The consent by Landlord to an assignment or subletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to a further assignment or subletting, or relieve Tenant from primary liability under the terms of this Lease. Tenant shall remain fully obligated under this Lease notwithstanding any assignment or sublease or any indulgence granted by Landlord.

If Tenant is an entity whose ownership is not publicly held, and if during the Term, the ownership of the control of Tenant changes, Tenant shall notify Landlord of such change within five (5) days thereof, and Landlord, at its option, may at any time thereafter terminate this Lease by giving Tenant written notice of said termination at least sixty (60) days prior to the date of termination stated in the notice. The term "control" as used herein means the power to directly or indirectly direct or cause the direction of the management or policies of the Tenant. A change or series of changes in ownership of stock or membership interests which would result in direct or indirect change in ownership by the stockholders or an affiliated group or stockholders or members of less than fifty (50%) percent of the outstanding stock or membership interests shall not be considered a change of control.

F. Liens. Not to suffer any mechanics', laborers' or materialmen's liens to be filed against the Building or any portion thereof or any interest therein by reason of any work, labor, services performed at, or materials furnished to, or claimed to have been performed at, or furnished to, the Leased Premises, by, or at the direction or sufferance of, Tenant, or anyone holding the Leased Premises by, through or under the Tenant; provided, however, that if any such liens shall, at any time, be filed or claimed, Tenant shall have the right to

contest, in good faith and with reasonable diligence, any and all such liens, provided security satisfactory to Landlord is deposited with Landlord to insure payment thereof and to prevent any sale, foreclosure or forfeiture of the Building or any portion thereof by reason of nonpayment thereof. On final determination of the lien or claim for lien, Tenant shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released of record and any judgment satisfied. If Tenant shall fail to contest the same with due diligence (having secured Landlord's consent as herein provided) or shall fail to cause such lien to be discharged within thirty (30) days after being notified of the filing thereof and in any case, before judgment of sale, foreclosure or forfeiture thereunder, then, in addition to any other right or remedy of Landlord, Landlord may, at its option, discharge the same by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by Landlord, and the amount so paid by Landlord and/or all costs and expenses, including reasonable attorneys' fees, expenses and court costs, incurred by Landlord in procuring the discharge of such lien or judgment shall be deemed to be Additional Rent and, together with interest thereon as provided in Section 10.2, shall be due and payable by Tenant to Landlord on the first day of the next following month. Nothing in this Lease contained shall be construed as a consent on the part of the Landlord to subject Landlord's estate in the Leased Premises to any lien or liability under the Mechanic's Lien Law of the State of Illinois.

G. Intentionally Omitted

Section 8.3 Signs, Storefront. Tenant shall not affix, maintain or locate (1) upon the glass panes and supports of any window (or within less than 24 inches of any window), or (2) upon doors or all exterior walls including the rear of the Leased Premises, any merchandise, inventory, fixtures, equipment, signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first been approved by Landlord, in writing, as to size, type, color, location, copy, nature and display qualities. All signs, placards or other advertising material permitted hereunder shall be professionally prepared. Anything to the contrary in the Lease notwithstanding, Tenant shall not affix any sign to the roof of the Building. Tenant shall not locate any fixtures, equipment, inventory, signs, placards or any other kind of advertising material, outside of the store front or store windows without the prior written approval of Landlord. Landlord may, without notice, and without any liability therefor, enter the Leased Premises and remove any items installed or maintained by Tenant in violation of this Section 8.3. herein.

Section 8.4 Environmental. Tenant agrees that it will not use, handle, generate, treat, store or dispose of, or permit the use, handling, generation, treatment, storage or disposal of any Hazardous Materials (hereinafter defined) in, on, under, around or above the Leased Premises now or at any future time and will indemnify, defend and save Landlord harmless from and against any and all actions, proceedings, claims, costs, expenses and losses of any kind, including, but not limited to, those arising from injury to any person, including death, damage to or loss of use or value of real or personal property, and costs of investigation and cleanup or other environmental remedial work, which may arise in connection with the existence of Hazardous Materials in the Leased Premises during the term hereof. The term "Hazardous Materials," when used herein, means without limitation, above or underground storage tanks, flammables, explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, methane, lead-based paint, polychlorinated biphenyl compounds, hydrocarbons or like substances and their additives or constituents, pesticides and toxic or hazardous substances or materials of any kind, including without limitation, substances now or hereafter defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the following statutes, as amended: the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601, et seq.); the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §9671 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.); the Toxic Substances Control Act (15 U.S.C. §2601, et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.); the Clean Air Act (42 U.S.C. §7401 et seq.); the Clean Water Act (33 U.S.C. §1251, et seq.); the Rivers and Harbors Act (33 U.S.C. §401 et seq.); and any so-called "Superlien Law"; and the regulations promulgated pursuant thereto, and any other applicable federal, state or local law, common law, code, rule, regulation, order, policy or ordinance, presently in effect or hereafter enacted, promulgated or implemented imposing liability or standards of conduct concerning any hazardous, toxic or dangerous substances, waste or material, now or hereafter in effect.

Tenant does hereby indemnify, defend and hold harmless Landlord and its mortgagees, agents, board members, officers, directors, beneficiaries, shareholders, partners, agents and employees from and against all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including reasonable attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, treatment, discharge or other release of Hazardous Materials that occurs during the Lease Term,

at or from the Leased Premises, or which arises at any time from Tenant's use or occupancy of the Leased Premises, or from Tenant's failure to provide all information, make all submissions, and take all steps required by all applicable governmental authorities. Tenant's obligations and liabilities under this Section 8.4 shall survive the termination or expiration of this Lease.

## ARTICLE IX DAMAGE OR TAKING AND RESTORATION

Section 9.1 Fire, Explosion or Other Casualty. If the Leased Premises are damaged by fire, explosion or any other casualty or cause to an extent which is less than fifty (50%) percent of the cost of replacement of the Leased Premises, the damage shall promptly be repaired by Landlord at Landlord's expense, provided that Landlord shall not be obligated to expend for such repair an amount in excess of the insurance proceeds recovered as a result of such damage and that in no event shall Landlord be liable for or be required to repair or replace (i) Tenant's stock in trade, (ii) lighting, trade or other fixtures, furniture, furnishings, wall and floor coverings, ceiling, and equipment, (iii) any improvements to the Leased Premises made by Tenant, and (iv) any personal property of Tenant. In the event of any such damage and (a) Landlord is not required to repair as above provided, or (b) the Leased Premises shall be damaged to the extent of fifty (50%) percent or more of the cost of replacement, or (c) the Building is damaged to the extent of twenty-five (25%) percent or more of the cost of replacement, Landlord may elect either to repair or rebuild the Leased Premises or the Building or to terminate this Lease upon giving notice of such election in writing to Tenant within ninety (90) days after the occurrence of the event causing the damage. If the casualty, repairing, or rebuilding shall render the Leased Premises untenantable, in whole or in part, and the damage shall not have been due to the default or neglect of Tenant, a proportionate abatement of the Fixed Minimum Rent shall be allowed from the date when the damage occurred until the date Landlord completes its work, said proportion to be computed on the basis of the relation which the gross rentable square foot area of the space rendered untenantable bears to the rentable floor space of the Leased Premises. If Landlord is required or elects to repair the Leased Premises as herein provided, Tenant shall, at its sole cost and expense, repair or replace its stock in trade, fixtures, furniture, furnishings, floor and wall coverings, ceiling and equipment, and if Tenant has closed, Tenant shall promptly reopen for business.

Section 9.2 Eminent Domain. If the entire Leased Premises shall be taken by any public authority by the exercise, or under the threat of the exercise of the power of eminent domain, the Lease Term shall cease as of the day the right to possession shall be taken by such public authority, and Tenant shall pay Rent up to that date with an appropriate refund by Landlord of such Rent as may have been paid in advance for any period subsequent to the date the right to possession is taken. If less than all of the floor area of the Leased Premises shall be so taken, the Lease Term shall cease only for the parts so taken as of the day the right to possession shall be taken by such public authority, and Tenant shall pay Rent up to that day with appropriate refund by Landlord of such Rent as may have been paid in advance for any period subsequent to the date the right to possession is taken and thereafter the Fixed Minimum Rent shall be equitably adjusted. Landlord shall at its expense make all necessary repairs or alterations to the basic building and exterior work so as to constitute the remaining premises a complete architectural unit, provided that Landlord shall not be obligated to undertake any such repairs and alterations if the cost thereof exceeds the award received by Landlord. If the floor area of the Leased Premises so taken leaves space no longer suitable for the Use, then the Lease Term shall cease and Tenant shall pay Rent up to the day the right to possession is taken, with an appropriate refund by Landlord of such Rent as may have been paid in advance for any period subsequent to the date of the taking. If more than twenty-five (25%) percent of the floor area of the Building shall be taken by the exercise, or under the threat of the exercise of the power of eminent domain, Landlord may, by written notice to Tenant delivered on or before the date of surrendering the right to possession to the public authority, terminate this Lease and Rent shall be paid or refunded as of the date of termination. All compensation awarded for any taking under the power of eminent domain, whether for the whole or a part of the Leased Premises, shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or the fee of the Leased Premises or otherwise and Tenant hereby assigns to Landlord all of the Tenant's right, title and interest in and to any and all such compensations; provided, however, that Landlord shall not be entitled to any separate award specifically made to Tenant for the taking of Tenant's trade fixtures, furniture or leasehold improvements which do not diminish Landlord's award.

**ARTICLE X**  
**DEFAULTS BY TENANT AND REMEDIES**

Section 10.1 Defaults by Tenant.

A. Events of Default. Each of the following shall constitute a breach of this Lease by Tenant and a default by Tenant hereunder: (i) Tenant fails to pay any installment or other payment of Fixed Minimum Rent, Additional Rent, or other charges payable by Tenant hereunder within five (5) days of written notice from Landlord that same is past due when due; (ii) Tenant fails to observe or perform any of the other covenants, conditions or provisions of this Lease to be observed or performed by Tenant and fails to cure such default within fifteen (15) days after written notice thereof to Tenant, or if such default cannot be cured within said fifteen (15) days then provided Tenant commences such cure within said fifteen (15) days and diligently and continuously prosecutes the cure for same, then within said additional time, not to exceed sixty (60) days, as is necessary to cure such default; (iii) the interest of Tenant in this Lease is levied upon under execution or other legal process; (iv) a petition is filed by or against Tenant to declare Tenant bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Bankruptcy Act, or any amendment, replacement or substitution therefor, or to delay payment of, reduce or modify Tenant's debts, or any petition is filed or other action is taken to reorganize or modify Tenant's capital structure or upon the dissolution of Tenant; (v) Tenant is declared insolvent by law or any assignment of Tenant's property is made for the benefit of creditors or a receiver is appointed for Tenant or Tenant's property; (vi) Tenant abandons the Leased Premises; (vii) if Tenant ceases operation prior to the Termination Date for more than ten (10) days; or (viii) Tenant shall repeatedly be late in the payment of Rent or other charges to be paid hereunder or shall repeatedly default in the keeping, observing or performing of any other covenants or agreements herein contained to be kept, observed or performed by Tenant (provided notice of such late payment or other defaults shall have been given to Tenant, but whether or not Tenant shall have timely cured any such late payment or other defaults of which notice was given).

B. Termination. Upon the happening of any one or more of the above-mentioned events, Landlord may terminate this Lease. Upon such termination of the Lease, Landlord may re-enter the Leased Premises, with or without process of law, using such force as may be necessary, and remove all persons, fixtures and chattels therefrom. Landlord shall be entitled to recover as damages all Rents and other sums payable by Tenant on the date of termination plus (1) a sum of money equal to the value of the Fixed Minimum Rent, Additional Rent and other sums provided herein to be paid by Tenant to Landlord for the remainder of the Lease Term, less the fair rental value of the Leased Premises for said period, and (2) the cost of performing any other covenants to be performed by Tenant.

C. Repossession. Upon the happening of any one or more of the above-mentioned events, Landlord may repossess the Leased Premises by forcible entry or detainer suit, or otherwise, without demand or notice of any kind to Tenant (except as above expressly provided for) and without terminating this Lease, in which event Landlord may, but shall be under no obligation so to do, relet all or any part of the Leased Premises for such Rent and upon such terms as shall be satisfactory to Landlord (including the right to relet the Leased Premises for a term greater or lesser than that remaining under the Lease Term, the right to relet the Leased Premises as a part of a larger area, and the right to change the character or use made of the Leased Premises). For the purpose of such reletting, Landlord may decorate and make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary or convenient. If Landlord does not relet the Leased Premises, Tenant shall pay to Landlord, on demand, as damages, all Rents and other sums payable by Tenant on the date Landlord repossesses the Leased Premises, plus (1) a sum equal to the amount of the Fixed Minimum Rent, Additional Rent, and other sums provided herein to be paid by Tenant for the remainder of the Lease Term, and (2) the cost of performing any other covenants to be performed by Tenant. If the Leased Premises are relet and a sufficient sum shall not be realized from such reletting (after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting, including, without limitation, broker's commissions and attorneys' fees and expenses, and the collection of the Rent accruing therefrom) to satisfy the Rent herein provided to be paid for the remainder of the Lease Term, Tenant shall pay to Landlord on demand any

deficiency and Tenant agrees that Landlord may file suit from time to time to recover any sums falling due under the terms of this Section 10.1.

D. Repeated Default. If Tenant fails to comply with the covenants or agreements in this Lease pertaining to the appearance, maintenance, repair or operation of the Leased Premises or the Building, then, whether or not Tenant shall have timely cured such default, if such default recurs, or a substantially similar default occurs (such recurrence of default or similar default being referred to collectively as "Repeated Default") within a 12-month period, the Fixed Minimum Rent (pro rated on a daily basis) shall be increased by fifty (50%) percent for each day such Repeated Default occurs and/or continues. This increase in Fixed Minimum Rent shall be in addition to, and not in substitution for or diminution of, any other rights and remedies under this Lease or pursuant to law or equity, to which Landlord may be entitled. This increase in Fixed Minimum Rent shall be treated as liquidated damages and not as a penalty.

E. Insolvency. If Tenant or any Guarantor of this Lease shall become bankrupt or insolvent or unable to pay its or their debts as such become due, or file any debtor proceedings, or if Tenant or any guarantor shall take or shall have taken against either party, 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 Tenant's or any such guarantor's property, or if Tenant or any such guarantor makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, then the occurrence of any one of such events shall constitute a breach of this Lease and this Lease shall thereupon terminate and Landlord may exercise any of the remedies for breach of this Lease herein provided or provided at law, in equity or by statute and, in addition thereto, Landlord shall have the immediate right of reentry and may remove all persons and property from the Leased Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, 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.

Section 10.2 Interest on Late Payment. All amounts (unless otherwise provided herein, and other than the total Fixed Minimum Rent, which shall be due as hereinbefore provided) owed by the Tenant to the Landlord hereunder shall be deemed Additional Rent and be paid when due hereunder. All such amounts (including total Fixed Minimum Rent) shall bear interest after five (5) days from the due date thereof until the date paid at the rate of four (4%) percent above the corporate base rate of interest as announced by the Chicago office of Bank One (or its successor) on the date that any payment is due (said interest rate is herein defined as the "Lease Interest Rate"). In addition, Tenant shall pay a late payment fee equal to five (5%) percent of the amount due if any payment of Rent is paid more than five (5) days after the date that same is due.

Section 10.3 Holdover by Tenant. Any holding over by Tenant of the Leased Premises after the expiration of this Lease shall operate and be construed to be a tenancy from month-to-month only, at a monthly rate equal to twice the Fixed Minimum Rent calculated for the month immediately prior to the expiration of this Lease, for each month or part thereof (without reduction for any such partial month) that Tenant thus remains in possession, and in addition thereto, Tenant shall pay Landlord all damages, consequential as well as direct, sustained by reason of Tenant's retention of possession. Alternatively, at the election of Landlord expressed in a written notice to Tenant, and not otherwise, such holding over shall constitute a renewal of this Lease for one (1) year at a monthly rate equal to twice the Fixed Minimum Rent calculated for the month immediately prior to the expiration of this Lease. In all events, Tenant shall remain liable for all other charges payable hereunder. Any such extension or renewal shall be subject to all of the other terms and conditions of this Lease. Nothing in this Section 10.3 shall be construed to give Tenant the right to hold over after the expiration of this Lease, and Landlord may exercise any and all remedies at law or in equity to recover possession of the Leased Premises.

Section 10.4 Landlord's Right to Cure Defaults. Landlord may, but shall not be obligated to, at any time, without notice, cure any default by Tenant under this Lease, and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such default, including, without limitation, reasonable attorneys' fees and expenses, shall be Additional Rent due on the next Rent date after such payment, together with interest (except in the case of attorneys' fees) at the Lease Interest Rate set forth in Section 10.3 hereof.

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

Section 10.6 Remedies Cumulative. No remedy herein or otherwise conferred upon or reserved to Landlord shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Landlord may be exercised from time to time and so often as occasion may arise or as may be deemed expedient. Except as otherwise provided in this Lease, Tenant waives the service of any notice of intention to terminate this Lease or to re-enter the Leased Premises and waives the service of any demand for payment of Rent or possession and the service of any and every other notice or demand prescribed by any statute or other law and agrees that the breach of any of the covenants of this Lease shall constitute a forcible detainer by Tenant within the meaning of the statutes of the State of Illinois without the service of any notice or demand whatever.

Section 10.7 Security Deposit. To secure the faithful performance by Tenant of all of the covenants, conditions and agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed and performed, including, but without limiting the generality of the foregoing, such covenants, conditions and agreements in this Lease which become applicable upon the termination of the same by re-entry or otherwise, Tenant has deposited herewith the Security Deposit as a security deposit on the understanding: (a) that such deposit or any part or portion thereof not previously applied (or from time to time such one or more parts or portions thereof) may be applied to the curing of any default that may then exist, without prejudice to any other remedy or remedies which the Landlord may have on account hereof, and upon such application Tenant shall pay Landlord, on demand, the amount so applied which shall be added to the Security Deposit so the same may be restored to its original amount; (b) that should Landlord's interest in the Leased Premises be conveyed by Landlord, the deposit or any portion thereof not previously applied may be turned over to Landlord's grantee, and if the same be turned over as aforesaid, the Tenant hereby releases Landlord and Landlord's Agent from any and all liability with respect to the deposit and/or its application or return, and the Tenant agrees to look to such grantee or agent, as the case may be for such application or return; (c) that Landlord or its successor shall not be obligated to hold said deposit as a separate fund, but on the contrary may commingle the same with its other funds and that no interest shall be paid to Tenant with respect to such funds; (d) that, if Tenant shall faithfully fulfill, keep, perform and observe all of the covenants, conditions, and agreements in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, performed and observed, the sum deposited or the part or portion thereof not previously applied, shall be returned to the Tenant without interest no later than thirty (30) days after the expiration of the term of this Lease or any renewal or extension thereof, provided Tenant has vacated the Leased Premises and surrendered possession thereof to the Landlord at the expiration of said term or any extension or renewal thereof as provided herein; and (e) that Landlord reserves the right, at its sole option, to return to Tenant said deposit or what may then remain thereof, at any time prior to the date when Landlord or its successors is obligated hereunder to return the same, but said return shall not in any manner be deemed to be a waiver of any default of the Tenant hereunder then existing nor to limit or extinguish any liability of Tenant hereunder.

Section 10.8 Bankruptcy. If Landlord shall not be permitted to terminate this Lease, as provided in this Article X because of the provisions of the United States Code relating to Bankruptcy, as amended (hereinafter referred to as the "Bankruptcy Code"), then Tenant as a debtor-in-possession or any trustee for Tenant agrees promptly, within no more than thirty (30) days upon request by Landlord to the Bankruptcy Court, to assume or reject this Lease, and Tenant on behalf of itself and any trustee agrees not to seek or request any extension or adjournment of any application to assume or reject this Lease by Landlord with such Court. In such event, Tenant or any trustee for Tenant may only assume this Lease if: (a) it cures or provides adequate assurances that the trustee will promptly cure any default hereunder; (b) compensates or provides adequate assurance that Tenant will promptly compensate Landlord of any actual pecuniary loss to Landlord resulting from Tenant's default; and (c) provides adequate assurance of performance during the fully stated term hereof of all of the terms, covenants, and provisions of this Lease to be performed by Tenant. After the assumption of this Lease, no then existing default shall remain uncured for a period in excess of the earlier of ten (10) days or the time period set forth herein. Adequate assurance of performance of this Lease, as set forth above, shall include, without limitation, adequate assurance: (i) of the source of Rent reserved hereunder; and (ii) that the assumption of this Lease will not breach any provision hereunder.

If Tenant assumes this Lease and proposes to assign the same pursuant to the provisions of the Bankruptcy Code to any person or entity who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then notice of such proposed assignment, setting forth: (i) the name and address of such person; (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such person's future performance under the Lease, including,

without limitation, the assurance referred to in section 365(b)(3) of the Bankruptcy Code (this Lease being a shopping center lease under the Bankruptcy Code), shall be given to Landlord by the Tenant no later than twenty (20) days after receipt by the Tenant, but in any event no later than ten (10) days prior to the date that the Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to the Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease.

If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code any and all monies or other considerations payable or otherwise to be delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of the Tenant within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting the Landlord's property under the preceding sentence not paid or delivered to the Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid to the Landlord.

Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be conclusively deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Upon demand, any such assignee shall, execute and deliver to Landlord an instrument confirming such assumption. Any such assignee shall be permitted to use the Leased Premises only for the Use.

Nothing contained in this Section shall, in any way, constitute a waiver of the provisions of Paragraph 8.2E of this Lease relating to alienation. Tenant shall not, by virtue of this Section, have any further rights relating to assignment other than those granted in the Bankruptcy Code. Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as Rent, shall constitute Rent for the purpose of Section 501(b)(6) or any successor section of the Bankruptcy Code.

## **ARTICLE XI RENEWAL OPTION**

Section 11.1 Renewal Option. Tenant shall have the option (hereinafter referred to as a "Renewal Option") to renew the initial Lease Term for all of the Leased Premises as of the Termination Date of the initial Lease Term, for one (1) additional period of ten (10) years (hereinafter referred to as the "Renewal Term") upon the following terms and conditions:

A. Tenant gives Landlord written notice of its exercise of a Renewal Option at least six (6) months prior to the expiration of the initial Lease Term.

B. Tenant is not in default under this Lease either on the date Tenant delivers the notice required under A. above or at any time thereafter prior to the commencement of the Renewal Term.

C. All of the terms and provisions of this Lease (except this Section 11.1) shall be applicable to the Renewal Term, except that Monthly Fixed Minimum Rent for the Renewal Term shall be equal to the Market Rental Rate (as hereinafter defined) per annum, but in no event shall the Monthly Fixed Minimum Rent for any year in the Renewal Term be less than the Monthly Fixed Minimum Rent in effect for the last year of the Term. The Market Rental Rate shall be the rate for the leasing of comparable space in the Building for a term equal to the Renewal Term and commencing at approximately the commencement date of the Renewal Term taking into account rent abatement, tenant construction allowance, and other concessions given to other tenants of similar space for similar lease terms. Landlord's good faith determination of the Base Rent for the Renewal Term shall be conclusive, binding upon Tenant and not contestable by Tenant; provided, however, Tenant shall have the right to nullify its exercise of the Renewal Option by notice to Landlord, given within ten (10) days of Landlord's notice to Tenant (which Landlord's notice shall be given to Tenant not later than three (3) months prior to the commencement of the Renewal Term) setting forth the initial Monthly Fixed Minimum Rent for the Renewal Term, in which event Tenant's exercise of the option to extend shall



be null and void and neither Landlord nor Tenant shall have any further rights or liabilities with respect thereto. Tenant's failure to give the notice of nullification described above within such applicable ten (10) day period shall constitute acceptance by Tenant of, and Tenant's agreement to pay, the Monthly Fixed Minimum Rent specified for the Renewal Term.

Section 11.2 As Is. Tenant agrees to accept the Leased Premises to be covered by this Lease during any Renewal Term in an "AS-IS" and "WHERE-AS" physical condition and Tenant shall not be entitled to receive any allowance, credit, concession or payment from Landlord for the improvement thereof. Landlord shall have no obligation to make improvements, decorations, repairs, alterations, or additions to the Leased Premises as a condition to Tenant's obligation to pay Monthly Fixed Minimum Rent, Additional Rent, or additional charges for the Renewal Term.

Section 11.3 Amendment. If Tenant exercises the Renewal Option, Landlord and Tenant shall mutually execute and deliver an amendment to this Lease reflecting the renewal of the Lease Term on the terms herein provided.

Section 11.4 Termination. The Renewal Option herein granted shall automatically terminate upon the earliest to occur of (i) the expiration or termination of this Lease, (ii) the termination of Tenant's right to possession of the Leased Premises, (iii) any assignment or subletting by Tenant, or (iv) the failure of Tenant to timely or properly exercise any applicable Renewal Option.

Section 11.5 Brokers. Landlord and Tenant acknowledge and agree that no real estate brokerage commission or finder's fee shall be payable by Landlord in connection with any exercise by Tenant of the Renewal Options herein contained.

## ARTICLE XII MISCELLANEOUS PROVISIONS

Section 12.1 Mutual Waiver of Subrogation Rights. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease or anyone claiming by, through or under them in connection with the Leased Premises and (b) such party is then either covered in whole or in part by insurance with respect to such loss, cost, damage or expense, or required under this Lease to be so insured, then the party so insured (or so required) hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered, had insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost thereupon keeping such release and waiver in full force and effect).

Section 12.2 Notices from One Party to the Other. Any notice or demand from Landlord to Tenant or from Tenant to Landlord shall be in writing and shall be personally delivered or delivered by expedited messenger service, with evidence of receipt, addressed, if to Tenant, to the address of Tenant set forth in Section 1.1, or such other address as Tenant shall have last designated by notice in writing to Landlord, and, if to Landlord, to the place then established for the payment of Rent, or such other address as Landlord shall have last designated by notice in writing to Tenant. All notices shall be deemed received: (i) the date of delivery, if personally delivered or (ii) one (1) day after deposit with a commercial express courier specifying next day delivery, with written verification of delivery. Either party may change the address to which notices shall be sent by notice to the other party as provided above.

Section 12.3 Brokerage. Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease, except for U.S. Equities Realty, LLC and Tenant covenants to pay, hold harmless and indemnify Landlord from and against any and all cost (including reasonable attorneys' fees), expense or liability for any compensation, commissions and charges claimed by any other broker or other agent or finder with respect to this Lease or the negotiation thereof.

Section 12.4 No Lesser Payment. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of Rent due shall be deemed to be other than a payment on account of the amount due and no endorsement or

statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or payment of Rent or pursue any other remedies available to Landlord. No receipt of money by the Landlord from the Tenant after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Leased Premises shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

Section 12.5 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship, other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

Section 12.6 Estoppel Certificate. Within ten (10) days after Landlord's request, or in the event that upon any sale, assignment or hypothecation of the Building or any portion thereof or interest therein, an Estoppel Certificate shall be required from Tenant, Tenant shall deliver, executed in recordable form, a declaration to any person designated by Landlord: (a) ratifying this Lease; (b) stating the Commencement and Termination Dates; and (c) certifying: (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease to be performed by Landlord have been satisfied (stating exceptions, if any); (iii) no defenses or offsets against the enforcement of this Lease by Landlord exist (or stating those claimed); (iv) advance Rent, if any, paid by Tenant; (v) the date to which Rent has been paid; (vi) the amount of security deposited with Landlord; and (vii) such other information as Landlord or its mortgagee or Purchaser requires. Persons or entities receiving such statement shall be entitled to rely upon it.

Section 12.7 Applicable Law and Construction. The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. The headings of the several articles and sections contained herein are for convenience only and do not define, limit or construe the contents of such articles or sections. Time shall be of the essence hereof. Notwithstanding anything in this Lease to the contrary, with respect to any provision of this Lease which requires Landlord's consent or approval, Tenant shall not be entitled to make, nor shall Tenant make, any claim for, (and Tenant hereby waives any claim for) money damages as a result of any claim by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval, but Tenant's sole remedy shall be an action or proceeding to enforce such provision, or for specific performance, injunction or declaratory judgment.

Section 12.8 Passageways, etc. No permanent or temporary revocations or modifications of any license permit or privilege to occupy or use or maintain any passageway or structure in, over or under any street or sidewalk, nor any permanent or temporary deprivation of any existing right, privilege or easement appurtenant to the Leased Premises, shall operate as or be deemed an eviction of the Tenant or in any way terminate, modify, diminish or abate the obligation of the Tenant to pay the full Rent and Additional Rent as in this Lease provided, and to perform each and every covenant thereof. Landlord shall have the right to grant any easements on, over, under and above the Leased Premises, superior to Tenant's estate created hereby, for such purposes as Landlord determines, provided that such easements will not materially interfere with the Use.

Section 12.9 Execution of Lease by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Leased Premises and this document becomes effective and binding only upon the execution and delivery hereof by Landlord and by Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and may be modified or altered only by agreement in writing between Landlord and Tenant, and no act or omission of any employee or other agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof. The submission of an executed copy of this Lease by Tenant constitutes Tenant's offer to Landlord to enter into this Lease.

Section 12.10 Binding Effect of Lease. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and permitted assigns. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease. Upon such assignment and the assumption by the assignee of the covenants and agreements to be performed by Landlord herein, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.

Section 12.11 Agency or Independent Contractor. Any service which Landlord is required or elects to furnish under this Lease may be furnished by any agent employed by Landlord or by an independent contractor.

Section 12.12 Air Rights. This Lease does not grant any rights to light or air over or about the Building. Landlord specifically excepts and reserves to itself the use of any roofs, the exterior portions of the Building, all rights to the land and improvements below the improved floor level of the Building, to the air rights above the Building and to the air rights located outside the demising walls of the Building and to such areas within the Building required for installation of utility lines and other installations required to serve any occupants of the Building and to maintain and repair same, and no rights with respect thereto are conferred upon Tenant, unless otherwise specifically provided herein.

Section 12.13 Lease Preparation. The preparation of this Lease has been a joint effort of the parties hereto and the resulting documents shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

Section 12.14 Invalidity/Unenforceability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 12.15 Authority. Tenant warrants and represents that it has full power and authority to execute this Lease. In the event Tenant is a general partnership or consists of two or more individuals, all present and future partners or individuals, as applicable, shall be jointly and severally liable hereunder.

Section 12.16 Complete Lease. This Lease sets forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant, concerning the Leased Premises and there are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them other than herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them. This Lease shall not be recorded by Tenant. Notwithstanding the foregoing, the parties recognize and agree that they (or their predecessors) were parties to a Lease Agreement dated April 4, 1991, as amended by Lease Supplement Number One, dated November 9, 1995, for Suite A-1 in the Building ("Prior Lease"). It is not the intention of the parties to subsume or supersede the Prior Lease for any duties or obligations of the parties that existed under the Prior Lease, but it is the intention of the parties that all obligations for the Leased Premises on and after the date of this Lease shall be governed by this Lease.

Section 12.17 Lender's Requirements. Should any mortgage, leasehold or otherwise, of the Building or any portion thereof, or any interest therein, require a modification or modifications of this Lease, which modification or modifications will not bring about any increased cost or expense to Tenant or in any other way substantially change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease shall be so modified.

Section 12.18 Adjacent Excavation Shoring. If an excavation shall be made upon land adjacent to the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation a license to enter upon the Leased Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which the Leased Premises form a part from injury or damages and to support the same by proper foundations without any claim for damage or indemnity against Landlord, or diminution or abatement of Rent.

Section 12.19 Indemnity for Litigation. Tenant agrees to pay all costs and expenses, including reasonable attorneys' fees, which may be incurred by or imposed on Landlord, either in enforcing this Lease or in any litigation which Landlord, without fault on its part, may be a party, and if paid by Landlord, shall be so much Additional Rent due on the next Rent date after such payment together with interest at the Lease Interest Rate.

Section 12.20 Limitation of Liability. Anything to the contrary herein contained notwithstanding, there shall be absolutely no personal liability on persons, firms or entities who constitute Landlord or its agents or board members or beneficiaries

with respect to any of the terms, covenants, conditions and provisions of this Lease, and Tenant shall, subject to the rights of any mortgage, look solely to the interest of Landlord, its successors and assigns in the Building for the satisfaction of each and every remedy of Tenant if default by Landlord hereunder; such exculpation of personal liability is absolute and without any exception whatsoever.

Section 12.21 105 ILCS 5/34 Provisions.

A. This Lease is not legally binding on the Landlord if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board of Education members during the one-year period following expiration of other termination of their terms of office.

B. Each party to this Lease hereby acknowledges that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Section 12.22 Board of Education Ethics Code. The Board of Education Ethics Code (95-0927-RU3), adopted September 27, 1995, and as amended from time to time, is hereby incorporated into and made a part of this Lease as if fully set forth herein.

Section 12.23 Board of Education Indebtedness Policy. Tenant agrees to comply with the Board of Education Indebtedness Policy (95-0726-EX3), adopted July 26, 1995, and as amended June 26, 1996 (96-0626-PO3), which is hereby incorporated into and made a part of this Lease as if fully set forth herein. The Board shall be entitled to set off an amount due hereunder equal to such sum or sums as may be owed by the Tenant to the Board, the State of Illinois Student Assistance Commission, the City of Chicago or the County of Cook for which the period granted for payment has expired and the amount of fines for any parking ticket, notice of parking violation, or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified in the complaint. Notwithstanding the above, the Board may decline to so set off such sums if the Tenant (i) has entered into an agreement with the Board, or any other entity mentioned, for payment of all amounts owed and is in compliance with such agreement, (ii) is contesting liability for or the amount owing in a pending administrative or judicial proceeding, or (iii) has filed a petition in bankruptcy and the amounts owed are dischargeable in bankruptcy.

Section 12.24 Contingent Liability. Any expenditure by Landlord beyond the then fiscal year of Landlord shall be deemed a contingent liability of Landlord, subject to appropriation in the subsequent fiscal year of Landlord.

Section 12.25 Landlord's Title. The Landlord's title is and shall always be paramount to the title of the Tenant, and nothing herein contained shall empower the Tenant to do any act which can, shall or may encumber the title of the Landlord.

Section 12.26 Certain Rights Reserved to Landlord. The Landlord reserves the following rights: (a) to change the name or the street address of the Building without notice or liability of the Landlord to the Tenant; (b) to install and maintain a sign or signs on the exterior of the Building; (c) to have access for the Landlord and the other tenants of the Building to any mail chutes located in the Premises according to the rules of the United States Post Office; (d) to designate all sources furnishing sign painting and lettering; (e) during the last ninety (90) days of the Lease Term or any part thereof, if during or prior to that time the Tenant has vacated the Premises, to decorate, remodel, repair, or otherwise prepare the Premises for reoccupancy; (f) to constantly have pass keys to the Premises; (g) to grant to anyone the exclusive right to conduct any particular business or undertaking in the Building; (h) to exhibit the Premises to others and to display "For Rent" signs on the Premises; and (i) to take all measures, including inspections, repairs, alterations, additions, and improvements to the Premises or the Building, as may be necessary or desirable for the safety, protection, or preservation of the Premises or Building or Landlord's interests, or as may be necessary or desirable in the operation of the Building.

Section 12.27 Default Under Other Lease. If the term of any lease, other than this Lease, made by the Tenant for any premises in the Building shall be terminated or terminable after the making of this Lease because of any

default by the Tenant under such other lease, such fact shall empower the Landlord, at the Landlord's sole option, to terminate this Lease by notice to the Tenant.

Section 12.28. Landlord's Termination Rights. The Landlord shall have the right to terminate this Lease as of a date not less than sixty (60) days prior to a notice to the Tenant in any year if Landlord has determined that it shall or is required, for any reason, to substantially remodel, remove, or demolish the Building or any substantial portion of it. No money or other consideration shall be payable by the Landlord to the Tenant for this right and the right hereby reserved to the Landlord shall inure to all purchasers, assignees, lessees, transferees and ground lessees, as the case may be, and is in addition to all other rights of the Landlord under this Lease.

Section 12.29. Tenant Construction Criteria Manual. The Tenant agrees to comply with the Tenant Construction Criteria Manual which is attached to this Lease as Exhibit B.

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

**LANDLORD:**

BOARD OF EDUCATION OF  
THE CITY CHICAGO

Michael W. Scott  
Michael W. Scott, President

Attest: Yolanda Chavez  
Yolanda Chavez, Assistant Secretary

Board Report Number: 03-1119-OP 12

Approved as to legal form: for  
Ruth Moscovitch  
Ruth Moscovitch, General Counsel

**TENANT:**

A & B TOBACCO, INC., an Illinois corporation

By: Ashok Shah

Name: ASHOK SHAH

Title: President

Attest:

By: \_\_\_\_\_

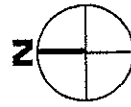
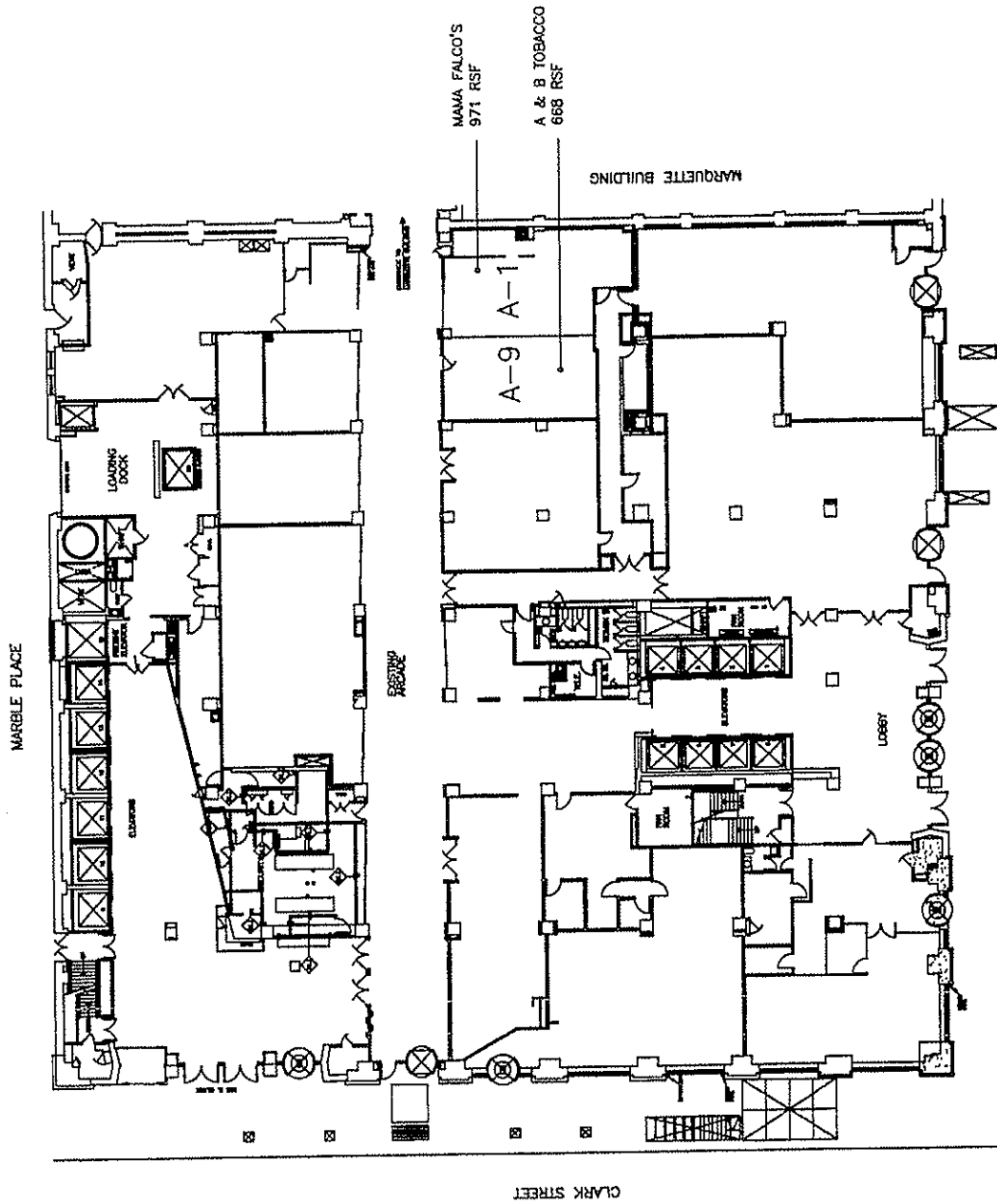
Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**DEPICTION OF LEASED PREMISES - SUITE A-1**

See Attached



Sketch Title

OTOMED Wickland Pizzoli and Peterson, Inc.  
111 West Washington St., Suite 2100  
Chicago, Illinois 60602  
Telephone 312.332.9600  
Facsimile 312.332.9601  
Professional Design Firm  
License Number 184-000339



# 1ST FLOOR PLAN - A & B TOBACCO

Project CHICAGO PUBLIC SCHOOLS  
125 S. CLARK

Project No.  
20185.56

Date  
FEB 07, 2003

By  
JO

Sketch No.:

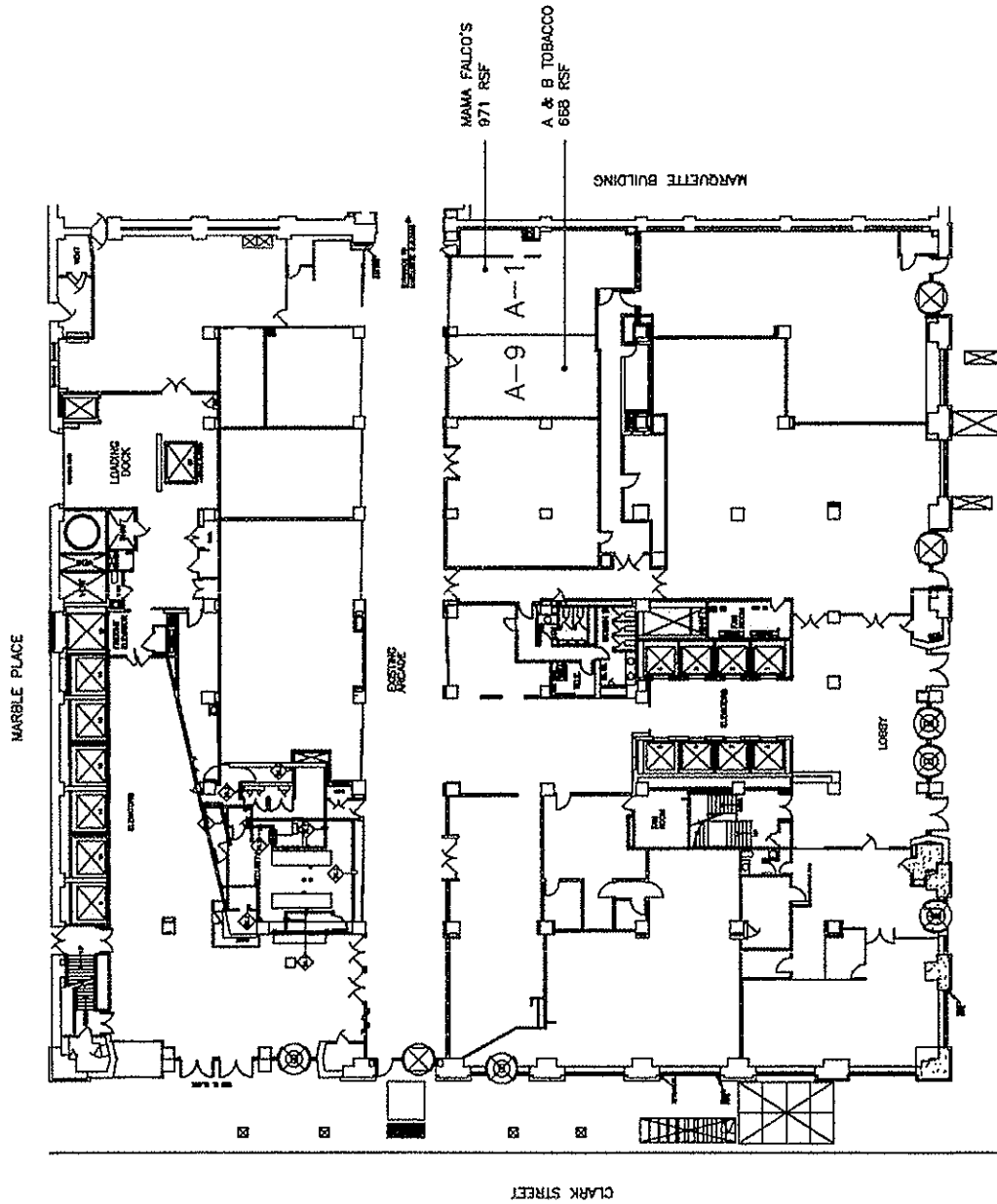
1B

**EXHIBIT "A-1"**

**DEPICTION OF LEASED PREMISES - SUITE A-9**

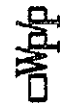
See Attached





Sketch Title

O'Donnell Williams Pizzani and Peterson, Inc.  
 111 West Washington St., Suite 2100  
 Chicago, Illinois 60602  
 Telephone 312.332.9600  
 Facsimile 312.332.9601  
 Professional Design Firm  
 License Number 184-000339



# 1ST FLOOR PLAN - A & B TOBACCO

Project CHICAGO PUBLIC SCHOOLS  
 125 S. CLARK

Project No.  
 20185.56

Date: FEB 07, 2003

By: JO

Sketch No.:

1B

**EXHIBIT B**

**TENANT CRITERIA MANUAL**

See Attached

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

# 125 SOUTH CLARK STREET TENANT CONSTRUCTION CRITERIA MANUAL RETAIL ARCADE, GROUND FLOOR

## TABLE OF CONTENTS

		<u>Page No.</u>
Section 1	INTRODUCTION	4
	1.1 Project Directory	5
	1.2 Orientation Plan	6
	1.3 Building Description	6
Section 2	LANDLORD'S WORK	7
	2.1 Walls and Partitions	7
	2.2 Ceiling Height	7
	2.3 Floors	7
	2.4 Storefronts	7-8
	2.5 Plumbing Systems	8
	2.6 Electrical Systems	8
	2.7 Tenant Graphics	8
Section 3	TENANT'S WORK	9
	3.1 Architectural Design Criteria	
	3.1.1 Floors	9
	3.1.2 Walls – Demising and Partitions	9-10
	3.1.3 Storefronts	10
	3.1.4 Ceilings	10-11
	3.1.5 Finish Materials	11
	3.1.6 Lighting Criteria	11
	3.1.7 Clear Height	12
	3.2 Engineering Design Criteria	
	3.2.1 Structural Systems	12
	3.2.2 Plumbing Systems	12
	3.2.3 Electrical Systems	13
	3.2.4 Fire Protection Systems	13
	3.2.5 Telecommunications Systems	13
	3.2.6 Security Systems	14
	3.3 Signage Criteria	
	3.3.1 Interior Storefront	14
	3.3.2 Storefront Display Windows	14
	3.3.3 Tenant's Message	14-15
	3.3.4 Prohibited Types of Signs or Sign Components	15

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

Section 4    GENERAL BUILDING  
                 REQUIREMENTS &  
                 WORK REGULATIONS

4.1	Security	16
4.2	Working Hours	16
4.3	Access to Leased Premises	16
4.4	Hazardous Material	16
4.5	Tenant Contractor – On Site	17
4.6	Temporary Facilities	17
4.7	Safety of Persons and Property	17-18
4.8	General Requirements	18-19
4.9	Emergencies	19
4.10	Structural Floor Loading Restrictions During Construction	20
4.11	Rubbish Removal During Construction	20

Section 5    TENANT SUBMISSION  
                 AND APPROVAL  
                 PROCEDURES

5.1	Special Items Requiring Landlord's Approval	21
5.2	Tenant Improvement Plan Submittal	22
5.3	Landlord Review and Approval	23
5.4	Procedures for Installation of Tenant's Work	23-25
5.5	Approval for Tenant Opening	25-26

# 125 SOUTH CLARK STREET TENANT CONSTRUCTION CRITERIA MANUAL RETAIL ARCADE, GROUND FLOOR

## SECTION 1

### *Introduction*

This Tenant Criteria Manual has been prepared for use by Tenants who will be leasing ground floor retail space in 125 South Clark, Chicago, Illinois.

The standards established herein are the minimum that are to be followed when Tenants design and build their Premises.

Any requested deviations from this Manual shall be reviewed by the Landlord to assure quality, continuity with base building architecture and coordination with the base building's systems. The information in this Manual is provided to describe the general intent of Landlord's and Tenant's work. In general, the Tenant shall provide, construct and install any and all work not provided by the Landlord which is required to construct the Tenant's Premises.

Whenever the approval of the Landlord is required hereunder, such approval may be withheld in Landlord's sole discretion and no required approval by Landlord hereunder shall be valid unless it shall be in writing and signed by Landlord or Landlord's designated agent or representative for such purpose.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*1.1 - Project Directory*

Landlord:

Chicago Board of Education of the City of  
Chicago  
125 S. Clark Street  
Chicago, IL 60603  
Attn. Urie Clark, Director of Real Estate

Property Management:

U.S. Equities  
20 N. Michigan, 4<sup>th</sup> Floor  
Chicago, IL 60602  
Attn. Michelle R. Bjelke, Property Manager

Leasing Agent:

U.S. Equities  
150 East Huron, Suite 1200  
Chicago, IL 60611  
Attn. Thomas R. Bennett

Architect:

OWP&P  
O'Donnell, Wicklund, Pigozzi & Peterson  
111 West Washington  
Chicago, IL 60602  
Attn. Arnis Kakulis

Electrical Service:

ComEd  
3500 N. California Avenue  
Chicago, IL 60602  
Attn. Mr. Oscar Longoria  
(773) 509-3569

Water Service:

City of Chicago  
Dept. of Water  
City Hall, Room 101  
121 N. LaSalle Street  
Chicago, IL 60602  
(312) 744-7090

Building Permits:

City of Chicago  
Dept. of Buildings  
City Hall, Room 800  
121 N. LaSalle Street  
Chicago, IL 60602  
(312) 744-6479

# 125 SOUTH CLARK STREET TENANT CONSTRUCTION CRITERIA MANUAL RETAIL ARCADE, GROUND FLOOR

## *1.2 - Orientation Plan*

The Retail Arcade of the 125 South Clark Building will serve the needs of this area's select retail business clientele. The entire Loop and downtown areas are within easy walking distance. It is also convenient to several commuter rail stations, subway and elevated trains.

## *1.3 - Building Description*

The retail shops and restaurants of 125 South Clark are located in the retail arcade on the ground floor of the Building which serves as the Headquarters of the Chicago Public Schools. The shops and restaurants at 125 South Clark can be reached from the retail arcade or directly from Adams Street or Clark Street.



125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

**SECTION 2**

**Landlord's Work**

Landlord shall provide the following in connection with the Premises, all in accordance with the Landlord's standards (Landlord's Work). Certain portions of the Landlord's Work may be provided during or after the Tenant's construction period. The Landlord shall have no obligation to provide any work or services which are not contained herein. If there is a conflict between information contained herein and the Base Building Construction Documents, the Base Building Construction Documents shall prevail.

***2.1 - Walls and Partitions***

A. Walls dividing Tenant's space from public corridors and service corridors shall be constructed of either concrete masonry units or metal studs with gypsum board drywall installed by the Landlord on the public side of the partition.

B. Existing core walls, vertical shafts, stairwell walls, plaster walls and gypsum board drywall walls remain as is.

1. Other demising walls shall be comprised of metal stud only or other material selected by Landlord.

2. The fire-rating of any Landlord installed walls must be maintained and in compliance with local codes.

C. Other demising walls shall be comprised of metal stud only or other material selected by Landlord.

D. The fire-rating of any Landlord installed walls must be maintained in full compliance with local codes.

***2.2 - Ceiling Height***

A. In general, the height of the existing underside of the second floor is approximately 13'-0" to 13'-2". However, clear height does not reach this level. Note: Tenant must verify measurements.

B. Suspended ducts, conduit, piping and other improvements may extend below 13'-0". Similarly, other tenant ductwork, piping, conduit supply and exhaust ductwork may reduce ceiling heights at certain locations.

***2.3 - Floors***

Tenant floor height is depressed approximately 1" below the finished common area floor elevation. Note: Tenant must verify these measurements.

***2.4 - Storefronts***

A. Landlord Constructed Tenant Storefronts

1. Interior Tenant storefronts, at Tenant's storefront lease line, adjacent to the retail arcade or public lobby areas are provided by Landlord.

# 125 SOUTH CLARK STREET TENANT CONSTRUCTION CRITERIA MANUAL RETAIL ARCADE, GROUND FLOOR

2. Storefronts shall be designed, fabricated and installed by Landlord. The arcade or public area side of the storefront shall be completely finished.
3. Exterior Tenant storefronts consist of painted aluminum mullions with painted metal base and clear glass glazing. The exterior side of the storefront shall be completely finished.
4. Exterior tenant entrances are provided by Landlord on the Clark Street and Adams Street sides of the Building in accordance with the information provided in the architectural, structural, mechanical, electrical, plumbing and fire protection plans (collectively referred to as the "Base Building Construction Documents.")

## *2.5 - Plumbing Systems*

- A. Public toilet facilities for 125 South Clark are available on the lobby level. They are located in the Adams Street corridor. These toilet facilities shall only serve the Tenant's staff members; and no customer or other non-staff individuals shall be given access thereto.
- B. Designated columns within various Tenant spaces have capabilities for water, waste and vent line tie-ins for sink and/or toilet installation.

## *2.6 - Electrical Systems*

The 125 South Clark Building has a two separate electrical services, independent from the remainder of the Building. The services enter through a Commonwealth Edison transformer vault and a 2500 amp, 120/208 volt, three phase, four wire switchboard located in the sub-basement level. Power is available at 15 watts per square foot of Tenant space, allocated as follows: (1) 120/208 volts for Tenant's lighting and general receptacles at 7.5 watts per square foot; and (2) 120/208 volts for the heat pump units at 7.5 watts per square foot.

## *2.7 - Tenant Graphics*

Landlord shall provide Tenant with a clear glass face panel (the "Interior Sign Panel") with key pattern accent border of mirror finish gold mylar. The Interior Sign Panel copy area shall be 9" in height and 5'5" in length.

# 125 SOUTH CLARK STREET

## TENANT CONSTRUCTION CRITERIA MANUAL

### RETAIL ARCADE, GROUND FLOOR

#### SECTION 3

##### *Tenant's Work*

"Tenant's Work" shall mean and include all work required to complete the Tenant's Premises other than that included in the Landlord's Work described in Section 2.0, all in accordance with Tenant Improvement Plans that have been approved by Landlord pursuant to Section 5.0 herein, including, but not limited to, walls, partitions, floor, ceiling treatments and finishes, furniture, equipment, fixtures, related lighting fixtures, electrical, mechanical, plumbing, fire protection, telephone, graphics and other work required by the Tenant and governmental agencies, including insurance companies. Landlord retains the right to reject any component of the Tenant's Work indicated on the Tenant Improvement Plans in Landlord's sole discretion.

#### *3.1 - Architectural Design Criteria*

##### *3.1.1 - Floors*

Finish floor covering used by Tenant must be selected or applied in a thickness to correspond to the exact level of the arcade, lobby or entrances defined on the base building documents. The demarcation between Landlord's floor material and Tenant's floor material are shown on Tenant's dimensioned floor plans.

##### *3.1.2 - Walls – Demising and Partition*

Demising walls at lease lines which separate tenant spaces or tenant space from public corridors or service corridors, shall be one layer of 5/8" Type X gypsum wallboard drywall with taped and sanded joints complete on the Tenant's side, extending from the finished floor to the floor deck above.

- A. If the Premises include a Landlord's concrete masonry wall, it may remain unfinished and painted in service area of the Premises. In those areas of the Premises accessible to the public, they must have an application of metal furring channels and one layer of 5/8" Type X painted gypsum wallboard drywall with taped and sanded joints by the Tenant.
- B. The fire-rating of any Landlord installed walls must be maintained, by the Tenant in compliance with local code.
- C. All interior partitions within the Premises shall be metal stud construction with one layer of 5/8" Type X gypsum wallboard drywall on both sides with taped and sanded joints or plaster-on gypsum wall board. Gypsum wallboard shall be extended a minimum of 3" above the ceiling line.
- D. Tenant operations that generate occasional or repetitive noise at such a level that disturbs other tenants or the public areas are required to insulate their demising walls, and ceilings if necessary, against sound transmissions.
- E. Tenant shall not be permitted to construct walls using masonry units of any type.
- F. Tenant is responsible for assuring that demising and storefront partitions are sealed to the overhead slab or structure above as appropriate.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

- G. The Tenant must seal all penetrations of the gypsum wallboard airtight for ductwork, sleeves, conduit, pipes, etc., to maintain the integrity of the rating of adjacent construction.
- H. Tenant shelf standards shall be flush and must be adequately supported by the wall or by supplemental supports.

**3.1.3 - Storefronts**

- A. Tenant Constructed Storefront Elements
  - a. The sign/graphics shall be designed and furnished by Tenant, in accordance with Section 3.3 herein.
  - b. Tenant shall provide finishes on unfinished drywall on the Premises side of the storefront. Tenant may not alter the storefront beyond that allowed in this Tenant Criteria Manual and the Lease.
  - c. Tenant build-out is not allowed to block or impede a view into the Premises.
- B. Unless otherwise noted in Section 2.4 A herein, all tenants shall supply and install all other storefront materials and labor as may be required to provide a completely finished tenant storefront and tenant storefront signage/graphics.
- C. Prior to the commencement of Tenant's Work, the Premises and all work areas shall be screened from the public view with a treatment designated by Landlord.

**3.1.4 - Ceilings**

- A. Within the Premises, all ceiling work shall be completed by Tenant and include all work related to ceiling treatments such as light coves, suspended ceiling, acoustical treatment, ornamental specialties and other related items. The Premises shall have a finished ceiling installed.
- B. All ceilings shall be of non-combustible construction and shall be plaster, drywall or concealed spline acoustical tile, or other decorative ceilings which are compatible with the quality of the 125 South Clark Street Building and acceptable to the Landlord.
- C. All Tenant mechanical, electrical, plumbing and fire protection runs must be concealed above the ceiling by Tenant.
- D. The Tenant shall have sole responsibility for verification of clear heights within the Premises and coordination of Tenant's work above Tenant's and adjacent tenant ceilings as may be required to complete the Tenant's Work.
- E. The Tenant shall coordinate, design and construct access panels to all Landlord and Tenant pull boxes, dampers, valves, sign boxes, etc., located within the space or above the ceiling.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

- F. All furring, framing and blocking above ceilings shall be of non-combustible material and meet the requirements of applicable codes. Combustible material of any nature shall not be allowed above finished ceilings. Organic material either treated or non-treated of any nature shall not be allowed exposed above finished ceilings
- G. If an expansion joint occurs in the Premises, Tenant is responsible for the construction of the ceiling affected by the joint in a manner consistent with acceptable construction design practices.
- H. Tenant operations that generate occasional or repetitive noise at such a level to disturb other tenants or public areas are required to insulate the ceiling in conjunction with their walls against sound transmissions.

*3.1.5 - Finish Materials*

- A. Tenant shall supply and install new and first class materials only, which are in keeping with the quality of the 125 South Clark Street Building and acceptable to the Landlord.
- B. Tenant shall supply and install furniture, fixtures and equipment as may be required for the completion of Tenant's Premises.
- C. Tenant shall submit material sample board to the Landlord for review and acceptance, clearly delineating the use and location of all finish materials.
- D. Tenant shall not make any alteration to the arcade and arcade island base building finishes, including marble walls and floors, faux marble walls and columns, painted walls and ceilings.
- E. Display cases against windows must be constructed of clear glass, and must be placed in such a way as to permit cleaning and maintenance.
- F. Tenant's floor finishes shall not include exposed existing floor construction, bare concrete floors, paint, astroturf, sheet vinyl or resinous flooring.
- G. Vinyl tile, except in Tenant service or storage areas, is not allowed.

*3.1.6 - Lighting Criteria*

- A. Tenant shall not use bare light tubes or lamps visible to public.
- B. No additional overhead fixtures in arcade bays or flat windows shall be permitted.
- C. Recessed ceiling mounted fluorescent lighting is only permitted in 2 x 2 deep cell fixtures.

# 125 SOUTH CLARK STREET

## TENANT CONSTRUCTION CRITERIA MANUAL

### RETAIL ARCADE, GROUND FLOOR

#### *3.1.7 - Clear Height*

Tenant shall be solely responsible for determining that Tenant's Work can be accommodated within the structure and space available.

#### *3.2 - Engineering Design Criteria*

##### *3.2.1 - Structural System*

###### Floor Loads and Penetrations

1. The first floor design live load is 100 PSF. Any piece of heavy equipment of 500 lbs. or more, or any heavy concentrated load must be approved by the Landlord.
2. Any hole for piping, up to 12 inches in diameter thru the floor, must be core-drilled, and a steel sleeve installed and grouted into the tile arch. Any opening larger than 12 inches in diameter will require partial removal of tile arch. Removed portion of tile arch must be replaced with a reinforced concrete slab from beam to beam.
3. Any opening through the floor must be expressly approved by the Landlord. Tenant shall notify its architect that the location of any penetration is structurally critical. The 5" fill dimension must be maintained; recessed equipment over a large area will not be allowed.

##### *3.2.2 - Plumbing Systems*

- A. All plumbing fixtures desired within a tenant space will be provided and installed by the tenant. Each tenant may tie into existing building plumbing risers located on selected columns and near each elevator shaft core area. Tenant shall consult with Landlord to determine available riser locations. Landlord shall be notified prior to any tie-in to existing building risers. All plumbing work must meet the requirements of the Chicago Building Code.
- B. Tenant shall be responsible for installing a waterproof membrane for waterproofing the floor and all floor penetrations in all wet locations.
- C. Public toilet facilities are provided by the Landlord and are located as noted in Section 2.5 herein. Any desired private toilet facilities must be provided by the Tenant and is limited to flush tank type toilets requiring no larger than a 3/4" cold water supply line. These facilities must meet the requirements of the Chicago Building code.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*3.2.3 - Electrical Systems*

- A. Tenant shall provide all electrical panels, disconnects, circuit breakers, connections, and related work necessary to comprise a working system.
- B. All tenant electrical panels and equipment shall be located within the tenant's space and shall be the responsibility of the Tenant.
- C. Power usage shall be within design criteria of 15 watts per square foot for retail space, as further defined in Section 2.6.
- D. All Tenant Work shall be in accordance with City of Chicago Electrical Code.
- E. The Tenant shall submit for Landlord's approval specifications for all equipment, including panelboards, lighting fixtures, fire alarm devices, load calculations and other similar or related items.

*3.2.4 - Fire Protection Systems*

- A. Fire extinguishers shall be installed as required by the City of Chicago Building Code and NFPA-10.
- B. Tenant shall install a life safety system in the Premises consisting of evacuation speakers, strobes and smoke detection devices connected to Landlord's fire alarm and detection system and monitored by the Landlord's fire alarm control panel.
  - a. Tenant shall be responsible for the design layout of the life safety system in accordance with all applicable laws, ordinances, codes and regulations. Coverage of smoke detectors shall be no more than 900 square feet, spaced at a maximum of 30 feet on-centers. All detectors shall have a single address on Landlord's fire alarm control panel. The Premises shall be annunciated as a single point on the Landlord's fireman's command panel. At Tenant's expense, Landlord shall add a monitor point to the system and to the annunciator panel.
  - b. Tenant is responsible for the furnishing and installation of all conduit and junction boxes within the Premises per the Tenant's design layout to existing junction boxes in the system's loop runs.
  - c. Landlord shall provide and install, at Tenant's expense, all wiring, speakers, strobes, smoke detectors and connections to Landlord's equipment.

*3.2.5 - Telecommunication Systems*

Tenant shall arrange with Tenant's chosen service provider for the pulling of wire from the telephone terminal cabinet to the Premises and for telephone service, all at Tenant's expense.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*3.2.6 - Security Systems*

- A. Tenant shall have full responsibility for designing, furnishing, and installing its own security or observation system, if required.
- B. Security or observation systems shall be as unobtrusive as possible, and consistent with the design of the Premises. Loss control systems must not obstruct the entrance of the Premises or create a safety hazard.

*3.3 - Signage Criteria*

*3.3.1 - Interior Storefront*

The Tenant's Message on the interior sign panel shall be fabricated and installed by Tenant in one of the following materials:

- A. Gold leaf to be silkscreen applied to the inside face of glass with borderless clear lacquer edge and matching protective back.
- B. Applied gold muntz metal to be applied to the front of the interior sign panel having a horizontal satin finish and 15 degree bevel on all sides.
- C. Silkscreen to be applied to the front of the interior sign panel and may, subject to Landlord's approval, be in Tenant's required color(s).
- D. Vinyl to be applied to the front of the interior sign panel and may be in mirror finish gold, horizontal satin finish gold or, subject to Landlord's approval, in the Tenant's required color(s).
- E. Neon lighted tubing to be suspended behind the interior sign panel and shall have a manufacturer's cover plate at head of frame to accommodate the electrical connectors. All electrical service units shall be remote and installed in the Tenant's ceiling area.

*3.3.2 - Storefront Display Windows*

With the prior written approval of the Landlord, Tenant shall be permitted, as secondary tenant identification, to install Tenant's Message to the inside face of the clear glass storefront display windows of the Premises as defined in Section 3.3.3 below. Such message shall be fabricated in mirror finished borderless gold leaf. At no time will color be allowed.

*3.3.3 - Tenant's Message*

Tenant's Message shall be appropriately styled and shall be in conformance to the following criteria:

- A. The wording of each of Tenant's signs shall be limited to the Tenant's store name and, subject to Landlord's approval, corporate logos, logotypes, shields, crests or insignia.



125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

- B. Tenant shall, at its sole cost and expense, cause a fabricator approved by Landlord to fabricate and install Tenant's Message in the Exterior Sign Box, the Interior Sign Panel and Tenant's display windows, as applicable, in accordance with Tenant's Sign Drawings approved in writing by Landlord. All required light fixtures and wiring to Tenant's electrical panel shall be provided and installed by Tenant. No tenant will be allowed to open without approved and installed exterior and interior signs.

*3.3.4 - Prohibited Types of Signs or Sign Components:*

- A. Moving or rotating, action or audible signs.
- B. Signs employing moving, flashing or colored lights.
- C. Signs employing exposed raceways, ballast boxes, transformers or other electrical connections.
- D. Signs which include trade name identification visible from outside of the Premises.
- E. Signs exhibiting the names, stamps or decals of the sign manufacturer or installer or the U.L. stamp of approval.
- F. Signs employing painted or non-illuminated letters not described herein.
- G. Signs employing luminous-vacuum formed type plastic letters.
- H. Cloth, wood, paper or cardboard signs, stickers, decals or painted signs on exterior surfaces of the Premises.
- I. Signs, letters, symbols or identification of any nature painted or directly affixed on the exterior or interior surfaces of the Premises.
- J. Signs employing unedged or uncapped plastic letters or letters with no returns that may have exposed fastenings.
- K. Any other sign visible from outside of the Premises unless Landlord has given its prior written approval thereof.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

**SECTION 4**

***General Building Requirements & Work Regulations***

In order to expedite the completion of all tenant stores with the least amount of inconvenience to all concerned, the following rules and regulations will be applicable to all tenants upon starting their construction work.

***4.1 - Security***

The Tenant shall be entirely responsible for the security of the Premises during construction and the fixturing period, and shall take all necessary steps to secure the same. The Landlord shall have no liability for any loss or damage including theft of building materials, equipment or supplies.

***4.2 - Working Hours***

Tenant's contractors and suppliers shall be subject to restrictions which may be imposed by the Landlord in regard to the hours, scheduling, and coordination of work.

Normal working hours are defined to be the period between 6:30 a.m. and 6:00 p.m., Monday through Friday; however, Landlord, in its sole discretion, may restrict activity during normal working hours that is considered disruptive. Tenant shall obtain the prior written consent of Landlord at least 48 hours in advance when any of the Tenant's contractors will be working in the Premises before or after normal building working hours and Tenant shall obtain such prior written consent of Landlord at least seven (7) calendar days in advance of when any of the Tenant's contractors will need to work within any other occupied space in the Building. Tenant must notify Landlord in advance of its intention to work at any other times or access to the Building will be denied.

***4.3 - Access To Premises***

Unless Tenant has its own delivery door, in which case all access shall be through that door, access to the Premises for both construction personnel and material handling will be restricted to the Dock Door. Prior to commencing construction work, the Tenant shall obtain Landlord's consent for the entrance locations and timing of material deliveries. As set forth above, during non-working hours, Tenant shall only be permitted access to the Premises if Landlord has been notified in advance. Identification must be presented upon entering the Building during non-working hours and all parties will be required to sign in and sign out.

***4.4 - Hazardous Materials***

Tenant shall not use any asbestos, toxic or other hazardous material. Tenant and its contractor shall fully comply with all Federal, state and local laws, ordinances, codes, rules and regulations governing Hazardous Materials and the notifications required hereunder.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*4.5 - Tenant Contractor - On Site*

- A. The Tenant shall ensure that its contractor contains its work within the Premises.
- B. Storage of materials shall be confined to the Premises and shall not obstruct, block or hinder the access to any Fire Exit.
- C. All entities performing work on behalf of Tenant shall provide protection for existing improvements satisfactory to Landlord. If damage occurs, any necessary repairs shall be at the Tenant's sole cost and expense.
- D. At all times, Tenant's Contractor is responsible for abiding by all rules and regulations defined herein or as may be imposed by the Landlord to ensure that other tenants may have quiet enjoyment of their premises without any other disturbing influences.

*4.6 - Temporary Facilities*

- A. Landlord shall provide temporary utility service at Tenant's expense. However, Tenant is encouraged to install its own utility service as soon as possible during the construction of its space.
- B. The marble and terrazzo floors in common areas shall be fully protected by Tenant's contractor during material deliveries or refuse removal. All floor protection shall be removed during normal working hours. Carts used for deliveries shall have rubber wheels and shall not be loaded to the point that damage to the marble or terrazzo floors could occur.

*4.7 - Safety of Persons and Property*

- A. The Tenant's contractor shall take all necessary precautions to ensure the safety of the public and workmen on the job, and to prevent accidents to any persons on, about, or adjacent to the Premises where the work is being performed. The Contractor shall comply with all laws, ordinances, codes, rules and regulations relative to health, safety and the prevention of accidents, and shall also comply with the Occupational Safety and Health Act of 1970 and the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America, and with the applicable provisions of the "American Standard Safety Code for Building Construction." In case of conflict between any code, Tenant shall notify Landlord of conflict and the Landlord will direct Tenant as to how to proceed.
- B. The Tenant's contractor shall furnish and install such temporary protection as may be required by all applicable Federal, State, and local laws, ordinances codes, rules and regulations to protect the public and workmen.
- C. From time to time, Landlord may issue instructions to Tenant's contractor regarding safety and these instructions shall be strictly adhered to.
- D. The Tenant is required to obtain, from the Landlord, a welding permit prior to commencement of any hot work, i.e., welding, braising, sweating or soldering. Before any welding operation is started within the Building, precautions shall be taken to remove all combustible material and

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

provide fireproof tarpaulins and portable fire extinguishers. Landlord reserves the right to inspect the area to insure that equipment is in proper working order, the area is kept in an orderly fashion, and fire extinguishers are properly charged and available. While work is being done and for the specified time after completion, a fire watch must be maintained. Welding permits are only good for the specified time marked on the permit.

- E. Any work shall be scheduled in order that fire systems shall not be placed out of service overnight. Landlord shall be notified, in advance, any time Tenant wishes to take the Fire Protection system out of service.

**4.8 - General Requirements**

- A. All Tenant's contractors shall be bondable, licensed, union contractors, having good labor relations, capable of performing quality workmanship and capable of working in harmony with Landlord's general contractor and other contractors in the 125 South Clark Street Building. Tenant shall coordinate Tenant's Work with other construction work in the Building.
- B. Any existing condition that is altered or damaged in the course of Tenant's Work shall be repaired by Tenant to "as-new" condition at Tenant's sole expense.
- C. Landlord shall have the right to perform on behalf of and for the account of Tenant, and at Tenant's sole expense, subject to reimbursement by Tenant, any of Tenant's Work outlined in Section 3 herein which Landlord deems necessary to be done on an emergency basis; work which relates to structural components including floors and roofing; Building Standard utility systems and life safety systems for the Building; and the erection of temporary enclosure barricades at Tenant's storefront.
- D. Tenant's Work shall be subject to the inspection of Landlord's representative(s) from time to time during the period in which Tenant's Work is being performed.
- E. No signs shall be allowed on any barricades without prior consent from Landlord. Landlord shall have the right to remove any non-permitted signs without liability or prior notice to Tenant.
- F. Before occupancy is established automatic sprinkler equipment shall be tested and placed in service affording fire protection for the Premises. The introduction of stock, furniture, fixtures, equipment or any other combustible material in the Premises is prohibited until automatic sprinklers are placed in service.
- G. The Premises shall be kept free of combustible materials. Combustible trash generated by construction activity shall be removed from the Premises daily. Combustible enclosures for contractors' tools and storage are not permitted.
- H. All work performed by Tenant shall be performed so as to cause the least possible interference with other tenants and the operation of the Building. Tenant shall take all precautionary steps to protect its facilities and the facilities of others affected by Tenant's Work and police the same properly. Construction equipment and materials are to be located in confined areas

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

designated by Landlord, and truck traffic is to be routed to and from the Building as directed by Landlord in order not to burden the construction or operation of the Building.

- I. Tenant shall be solely responsible to determine all dimensions of the Premises and the Building which affect any work to be performed by the Tenant.
- J. Landlord, its agent(s), its contractor(s) or an authorized utility company shall have the right to locate or relocate, both vertically and horizontally, structural elements, utility lines, air ducts, flues, refrigerant lines, drains, sprinkler mains and valves, and such other facilities, including access panels for same, within the Premises, as deemed necessary by such agent, contractor, or utility company by design and/or Code requirements. Landlord's right to locate such facilities within the Premises shall include facilities required by other tenants.
- K. Tenant shall require any person performing any of Tenant's Work to guarantee the same to be free from any and all defects in workmanship and materials for one (1) year from the Substantial Completion Date, except that if such work consists of Punch List items, then one (1) year from Final Completion of such work. Tenant shall also require any such person, upon five (5) days' written notice from Landlord or Tenant, to replace or repair without additional charge any and all work done or furnished by or through such person which shall become defective within one (1) year after Substantial or Final Completion, whichever applies. If any person fails to perform such replacement or repair after notification, Landlord shall have the right to perform such work as may be required by Landlord at Tenant's sole cost and expense.
- L. When any Tenant connection to Landlord's utilities requires access to or impacts upon any other tenant premises, Tenant shall be responsible for coordinating such work with said other tenant, restoring said tenant's premises to their original condition and compensating said tenant for any costs incurred by it as a result of the performance of Tenant's Work.
- M. Tenant's Work shall be coordinated with that of Landlord, Landlord's General Contractor and other tenants in the building to such extent that Tenant's Work will not interfere with or delay completion of other construction work in the Building. If there is a conflict between Landlord's general contractor and Tenant's contractor, Landlord's general contractor will be provided with reasonable priority.

**4.9 - Emergencies**

If there is an emergency (such as fire, accident, injury, bomb threat or disturbance) Landlord shall be contacted at 773-553-3070 or by Tenant going to the Clark Street information desk and providing the following information:

Building Location  
Floor Location  
Type of Incident  
Name of Caller  
Phone Number

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*4.10 - Structural Floor Loading Restrictions During Construction*

- A. Carts shall be four wheeled, rubber tired.
- B. The maximum allowable weight of cart plus materials shall be 1500 lbs.
- C. Partially loaded carts (up to half-full, 750 lbs.) will be allowed on steel plates on the lobby floor only in the area where the rubble is being loaded into the cart
- D. Storage will not be allowed in areas where the concrete fill has already been removed.

*4.11 - Rubbish Removal During Construction*

During the performance of Tenant's Work and Tenant's fixturing and merchandise stocking, Landlord will provide trash removal service through the dock at Tenant's expense. Tenant shall be responsible for breaking down boxes and placing trash in designated containers. Tenant shall accumulate its trash in said containers and Tenant shall not permit trash to accumulate within the Premises or Common Areas.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

**SECTION 5**

*Tenant Submission and Approval Procedures*

All drawings, specifications, and other material to be furnished by Tenant shall be delivered to the Landlord in care of:

Director of Real Estate  
Real Estate Department, Chicago Public Schools  
125 S. Clark Street, 16th Floor  
Chicago, Illinois 60603

*5.1 - Special Items Requiring Landlord's Approval*

- A. It is the Tenant's responsibility to bring the following items specifically to the express attention of the Landlord (using either a cover letter, highlighting or cloud outline) and shall be subject to the approval of the Landlord:
1. Floor live loads in excess of 100 lbs. per square foot.
  2. Any load suspended from the underside of floor structure above.
  3. Floor penetrations of any size.
  4. Any drilling, welding, cutting, coring or other attachment to the base building structural system or perimeter walls.
  5. Any proposed Tenant modifications, alterations, improvements or additions to the Building and associated utilities and mechanical systems to accommodate Tenant's work.
  6. Locations and routing of Tenant utilities and ductwork through adjacent tenant spaces or common areas.
  7. Any Tenant generated sound or odor that may impact areas outside of the Premises.
  8. Electrical service in excess of that provided to tenants of similar size and business interest.
  9. Condenser water service in excess of that provided to tenants of similar size and business interest.
- B. The items listed in Section 5.1.A will be separately reviewed by Landlord and in each instance must be expressly approved. Landlord's general approval of drawings does not imply express approval of any of the items set forth in Section 5.1.A.
- C. If, on its drawings, Tenant fails to expressly identify, in the manner previously described, any of the above items, Landlord reserves the right to stop work until express approval is granted.

# 125 SOUTH CLARK STREET TENANT CONSTRUCTION CRITERIA MANUAL RETAIL ARCADE, GROUND FLOOR

## 5.2 - Tenant Improvement Plan Submittal

- A. Tenant shall submit to Landlord one (1) set of reproducible sepias and four (4) sets of blue-line prints of Tenant Space Plans indicating the intended design of the space. Such submittal shall include, but not be limited to, the following:
  - a. Floor Plans
  - b. Reflected Ceiling Plan
  - c. Material Sample Board
  - d. Additional information necessary to describe the intended design and character of the Premises
  
- B. Within 30 days after initial submission of Space Plans, Tenant shall submit to Landlord one (1) set of reproducible sepias and four (4) sets of blue-line prints and specifications of Tenant's Message intended to be inserted within, the Interior Sign Panel and Tenant's Display windows (Tenant's Sign Drawings).
  
- C. Within 30 days after, and following Landlord's approval of Tenant's Space Plans, Tenant shall submit to Landlord one (1) set of reproducible sepias and four (4) sets of blue-line prints of Tenant's working drawings ("Working Plans"). Tenant's Working Plans shall be prepared in strict compliance with this Tenant Criteria Manual and the Tenant's Lease, and shall reflect all Landlord comments to the Space Plans. The Working Plans shall include, but not be limited to, the following:

	MINIMUM SCALE
Floor Plan and Fixture Layout	1/8" = 1'0"
General Sections	1/8" = 1'0"
Reflected Ceiling Plan	1/8" = 1'0"
Plans, Elevations and Sections of Storefront indicating signage location, material and location.	1/2" = 1'0"
Interior Elevations	1/4" = 1'0"
Partition Sections	1/2" = 1'0"
Door Schedule, Details and Hardware Schedule	1-1/2" = 1'0"
Architectural Specifications	
Material Sample Boards for all Interior Finishes	
Signage Samples and Shop Drawings	1" = 1'0"
Heating, Ventilation, and Air Conditioning Plans, Load Calculations and Specifications	1/8" = 1'0"
Electrical Plans, Load Calculations and Specifications	1/8" = 1'0"
Sprinkler Plans, Shop Drawings Hydraulic Calculations and Fire Detection Plans and Specifications	1/8" = 1'0"
Plumbing Plans and Specifications	1/8" = 1'0"
Structural Plans and Specifications	1/8" = 1'0"



125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

*5.3 - Landlord Review and Approval*

- A. Within the following guidelines, Landlord shall notify Tenant of its approval or disapproval of the submission, and if disapproved, Landlord shall specify the reasons for such disapproval:
  - i. Space Plans within 15 business days.
  - ii. Sign Drawings within 10 business days.
  - iii. Working Plans within 20 business days.
- B. If Landlord disapproves any of the submittals required, the Tenant shall revise and resubmit the drawings within seven (7) days after the Landlord notifies Tenant of disapproval thereof. Tenant's resubmission shall clearly delineate all changes from the immediately prior submission. If Tenant fails to delineate any change, such modification shall be deemed disapproved.
- C. Neither review nor approval by Landlord of the Space Plans or the Working Plans shall constitute a representation or warranty by Landlord that any of such plans either (i) are complete or suitable for their intended purpose or (ii) comply with applicable laws, ordinances, codes, rules, and regulations, it being expressly agreed by Tenant that Landlord assumes no responsibility or liability whatsoever to Tenant or to any other person or entity for such completeness, suitability, or compliance.
  - i. Landlord's approval of Tenant's plans does not relieve Tenant of its obligation to complete Tenant's Work in accordance with the terms of the Lease nor does it relieve Tenant of the necessity of complying with the laws, rules, regulations and requirements of local governing authorities, all of which is and shall be the sole responsibility of Tenant.
  - ii. Tenant shall be solely responsible for determining whether or not any Tenant Work can be accommodated within the structure and space available.

*5.4 - Procedures for Installation of Tenant's Work*

- A. Prerequisites to Construction Commencement
  - 1. Tenant shall submit to Landlord, in writing, at least ten (10) business days prior to the commencement of construction, the following information and items:
    - a) All required City building and other permits in connection with the construction and completion of Tenant's Work.
    - b) A construction schedule setting forth, in detail, the construction sequence of the various trades, furnishing and move-in activities, which shall set forth, among other things, the estimated date of completion of Tenant's Work and Tenant's estimated move-in and opening dates.
    - c) Evidence that the appropriate public utility companies have been notified, as necessary, to provide service.

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

d) Tenant's general contractor's sworn statement (in form satisfactory to Landlord) identifying by trade the names, addresses and office and emergency telephone numbers of each subcontractor and supplier. Tenant's general contractor and its subcontractors shall hereinafter be collectively referred to as "Tenant's Contractors." Landlord specifically reserves the right to approve Tenant's Contractors.

2. In addition to the foregoing, Tenant shall not permit Tenant's Contractors to commence any work until Landlord has received evidence of the following insurance covering Tenant's Contractors' performance of the work:

Tenant's Contractor, at its own expense, shall procure and maintain insurance covering the Tenant's Work under this Agreement whether performed by Tenant's Contractor or by its subcontractors. All insurers shall be licensed by the State of Illinois and rated A,X or better by A. M. Best or a comparable rating service. Tenant's Contractor shall submit to the Property Manager an insurance certificate which indicates the coverages stated below and which provides that thirty (30) days prior written notice of material change, cancellation, or non-renewal of any such insurance be given to the Property Manager. Tenant's Contractor's failure to carry or document such required insurance shall constitute a default under this Agreement. Any failure of the Property Manager to demand or receive proof of insurance coverage shall not constitute a waiver of Tenant's Contractor's obligation to obtain the required insurance. Minimum insurance requirements are as follows:

a) Workers' Compensation and Employer's Liability Insurance affording workers' compensation benefits for all employees as required by law and employer's liability insurance with limits of \$1,000,000 for accident or disease. Contractor shall have its workers' compensation/employer's liability insurance endorsed to provide that the U.S. Equities Asset Management, LLC, the Board of Education of the City of Chicago and the Public Building Commission of Chicago (the "Commission") are designated as "ALTERNATE EMPLOYERS." Contractor shall require any subcontractor to designate Contractor, the Property Manager, the Board and the Commission as "ALTERNATE EMPLOYERS" and shall maintain a file of insurance certificates and copies of endorsements for all subcontractors evidencing compliance with these requirements.

b) Commercial General Liability Insurance with a combined single limit of \$1,000,000 per occurrence for personal injury and property damage inclusive of independent contractors, contractual liability for this Agreement, and products/completed operations coverage maintained for not less than two (2) years following termination of Tenant's work. Contractor shall have its commercial general liability insurance endorsed to name the U.S. Equities Asset Management, LLC, the Board of Education of the City of Chicago, a body politic and corporate and its members, agents, officers, contractors, and employees, the Public Building Commission of Chicago and its commissioners, Board members, officers, officials, contractors and employees, and any other entity as may be designated by the Property Manager or the Board of Education, as "ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS - (FORM B)" [ISO 20 10 1185] on a primary basis,

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

without recourse or right of contribution, for any liability arising out of the Services provided hereunder.

c) Commercial Automobile Liability Insurance with a combined single limit of not less than \$1,000,000 per accident for bodily injury and property damage arising from owned, non-owned and hired automobiles. Contractor's policy shall be endorsed to name the U.S. Equities Asset Management, LLC, the Board of Education of the City of Chicago, a body politic and corporate and its members, agents, officers, contractors, and employees, the Public Building Commission of Chicago and its commissioners, Board members, officers, officials, contractors and employees, and any other entity as may be designated by the Property Manager or the Board of Education, as "ADDITIONAL INSURED."

d) Valuable Papers and Records Insurance insuring the replacement cost of records, computer media, plans, drawings, specifications, and all other types of records from "all risks" of physical loss or damage.

3. Tenant must install treatment acceptable to Landlord to screen the Premises and all work areas from public view prior to commencement of the Tenant's Work.

B. Commencement of Construction

Tenant shall commence Tenant's Work as directed by Landlord only after Working Drawings have been approved and Tenant has complied with all requirements of Section 5.4.A herein. Thereafter, Tenant shall diligently proceed with Tenant's Work and carry same work to completion.

*5.5 - Approval for Tenant Opening*

A. Acceptance of Work: Upon Tenant's notification to Landlord that the Premises are substantially complete, fully fixtured and stocked, Landlord will, within five (5) business days, inspect the Premises and furnish to Tenant a list of all items of Tenant's Work which remain unfinished and/or which are in need of correction or repair and all other matters which require correction in order to permit Tenant to open for business ("Punch List").

B. If Landlord acknowledges, in its sole discretion, that the Premises are substantially completed, Tenant shall be permitted to open for business. Such acknowledgement shall not relieve Tenant of its obligation to promptly complete all Punch List items.

C. Upon Landlord determination that the Premises may open for business, Tenant shall remove any and all screening that may have been installed, using its best efforts to protect any material provided by Landlord, and shall return such material to Landlord. Thereafter Tenant shall provide final cleaning to prepare the Premises for business.

D. Completion Deliveries

a. Within five (5) business days after the Substantial Completion Date, Tenant shall deliver to Landlord the following:

125 SOUTH CLARK STREET  
TENANT CONSTRUCTION CRITERIA MANUAL  
RETAIL ARCADE, GROUND FLOOR

1. An Architect's Certificate certifying that the Tenant's Work is in place and has been performed in accordance with the Working Plans.
2. A detailed breakdown of the final and total receipted invoices showing payment thereof.
3. Original waivers of lien and contractor's affidavits in such form as may be required by Landlord, from all parties performing labor or supplying materials in connection with Tenant's Work and sworn statements and long form affidavits and waivers from Tenant's architect, engineer and contractors and any other party with whom Tenant contracted directly for labor or materials furnished Tenant in or for the Premises.
4. Copies of all warranties for workmanship, materials and equipment received by Tenant from manufacturers and/or installers in connection with Tenant's Work.
5. "As-Built" drawings of all improvements, certified by the appropriate architect or engineer, and information regarding any special requirements for cleaning or maintaining the improvements completed on behalf of the Tenant.
6. Certificate of Occupancy along with any other evidence that the Premises have been inspected and found acceptable by the necessary building department authorities.
7. Information with regard to any special security systems installed by Tenant.
8. Certified Air Balance Report.
9. An Estoppel Certificate.
10. Such other supporting documentation as Landlord may require.