

SHOPPING CENTER LEASE

BETWEEN

**BOARD OF EDUCATION OF THE CITY OF CHICAGO
("LANDLORD")**

AND

**KEE NAM CHANG d/b/a SUE'S HALLMARK
("TENANT")**

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BASIC SHOPPING CENTER LEASE TERMS

Date of Lease: August 23, 2001

Landlord: Board of Education of the City of Chicago,
a body politic and corporate
125 South Clark Street
Chicago, Illinois 60603

Tenant: Kee Nam Chang
d/b/a Sue's Hallmark
125 South Clark Street
Chicago, Illinois 60603

Premises: Retail Space, Suite A-10
125 South Clark Street
Chicago, Illinois 60603

Lease Term: November 1, 2001 ("Lease Commencement Date") to October 31, 2011 ("Lease Termination Date")

Base Rent: \$45.00 per useable square foot with a 2.5% increase per year after the first year, payable as follows:

Security Deposit: Two months Base Rent

Tenant's Proportion: .005483%

Additional Rent: Tenant's proportionate share of real estate taxes and common area expenses.

THIS SHOPPING CENTER LEASE IS MADE AND ENTERED INTO by and between the Board of Education of the City of Chicago, a body politic and corporate (Landlord) and Kee Nam Chang d/b/a Sue's Hallmark (Tenant).

ARTICLE 1 - GRANT AND TERM

SECTION 1.01 BUILDING. Landlord is the owner of a leasehold interest in a parcel of real estate commonly known as 125 South Clark Street, Chicago, Illinois 60603 and all improvements constructed thereon (the "Building").

SECTION 1.02 PREMISES. In consideration of the Rent, terms, covenants, conditions and agreements to be performed and observed by Tenant, as hereinafter set forth, Landlord leases to Tenant, and Tenant rents from Landlord the Premises described as Space A-10, currently consisting of 2785 usable square feet of retail space. (Site Plan attached as Exhibit A)

SECTION 1.03 USE OF COMMON AREAS. Use by Tenant of the Premises shall include use, in common with all other tenants, their employees, agents, and customers, of lobbies, arcades, loading facilities, sidewalks, and other common areas and facilities in the Building designated by Landlord, including the use of the Marquette Building Lobby for ingress and egress, subject to the provisions of Section 5.01 and the regulations imposed by the owners of the Marquette Building. Landlord shall maintain the common areas in accordance with applicable laws and regulations.

SECTION 1.04 LEASE TERM. Except as otherwise provided in this Lease, the Lease Term shall be for the period described above.

ARTICLE II - RENT

SECTION 2.01 BASE RENT. Tenant shall pay to Landlord, at the address set forth in the Basic Lease Terms, the annual Base Rent in twelve (12) equal monthly installments in the amount set forth in the Basic Lease Terms, payable in advance on the first day of each month, without any set-offs or deductions and without any prior demand being required therefore. The Base Rent, Additional Rent set forth below, and all other charges required to be paid by Tenant under this Lease, are referred to in this Lease as "**Rent**".

SECTION 2.02 RENT COMMENCEMENT. The "**Rent Commencement Date**" and Tenant's obligations to pay Rent under this Lease shall occur on the earlier of (1) the date Tenant opens the Premises for business to the public; or (2) sixty (60) days after the last to occur of: (i) full execution and delivery of this Lease by Landlord and Tenant; (ii) Landlord's substantial completion of Landlord's Work (if any) in the Premises and delivery of the Premises to Tenant (delivery of the Premises to be effective five (5) days after Tenant's receipt of Landlord's notice of delivery); (iii) Landlord's approval of Tenant's plans and specifications; and (iv) receipt by Tenant of all building permits and other governmental approvals necessary to start construction of Tenant's Work; provided, however, that Tenant has applied for such permits within ten (10) days after receipt of a fully executed copy of this Lease and Landlord's approval of Tenant's plans.

SECTION 2.03 TERMINATION OPTION. Tenant shall have a one time option (herein referred to as the "**Tenant Termination Option**") to terminate this Lease effective as of the end of the sixtieth (60th) month after the Lease Commencement Date (the foregoing being herein referred to as the "**Early Termination Date**") by notifying Landlord of its election, in a written notice, given not later than twelve (12) months prior to the Early Termination Date. If Tenant does not timely give its notice exercising such right by such date, all further rights of Tenant with respect to the Tenant Termination Option shall terminate. Additionally, the Tenant Termination Option is subject to the following terms, conditions and limitations:

(i) Simultaneously with Tenant's notification that it will exercise the Tenant Termination Option, Tenant shall deliver to Landlord a termination fee in the amount of \$35,000.00;

(ii) Tenant shall have the right to exercise the Tenant Termination Option only if no Default exists at the time of such exercise. Additionally, if a Default shall occur at any time after the election by Tenant of the Tenant Termination Option and prior to the Early Termination Date, and such Default is not cured during the applicable grace period, if any, the exercise by Tenant of the Tenant Termination Option shall be deemed null and void and of no further force and effect, Tenant shall have no further rights and options under this Section 2.03 as to the Tenant Termination Option and Landlord shall have all rights and remedies on account of the occurrence of such Default provided herein;

(iii) Tenant shall have vacated the Premises in the condition required herein; and

(iv) Notwithstanding anything herein to the contrary, in the event of any assignment, sublet or transfer by Tenant of this Lease or any interest under it, Tenant shall have no rights under this Section 2.03.

SECTION 2.04 REAL ESTATE TAXES AND OPERATING EXPENSES. Tenant shall pay to Landlord, as additional rent, ("Additional Rent") an amount equal to its pro-rata share ("Pro-Rata Share") of the Building's real estate taxes ("Impositions") and operating expenses ("Expenses") for the month, based upon the ratio of the usable square feet of the Premises, to the total square feet of all usable square feet in the Building. Impositions and Expenses due and payable in each calendar year shall be attributable to that calendar year and shall be allocated equally among the months in that calendar year.

(A). The term "Expenses" when used herein shall mean all costs and expenses of every kind and nature paid or incurred by Landlord during the Lease Term (including appropriate reserves) in operating, owning, managing, equipping, policing and protecting (if and to the extent provided by Landlord), insuring, servicing, lighting, repairing, replacing and maintaining the Building, the Common Areas, and all components thereof. Such costs and expenses shall include, but not be limited to: all costs incurred in maintaining, repairing (both ordinary and extraordinary) and replacing all improvements as shall be required in Landlord's judgment; all costs and expenses of security and fire protection, including, at the option of Landlord, servicing Tenant fire extinguishers (if and to the extent such service is provided by Landlord); all costs and expenses of cleaning and removing of rubbish, dirt, debris, snow and ice; all costs and expenses for landscaping; water and sewerage charges; premiums for fire and extended coverage; malicious mischief and vandalism, sprinkler leakage, rent loss and such other forms of casualty insurance and public liability insurance, workmen's compensation and employer's liability, and any other casualty or risk insurance procured by Landlord, in such form, amounts and companies as Landlord shall elect to carry; wages, unemployment taxes, social security taxes, special assessments, transportation or environmental protection tax or levy or similar tax or levy, personal property taxes attributed to the operation of the Building; fees for audits, required licenses and permits; all costs and expenses for supplies; all costs and expenses incurred by Landlord in supplying and maintaining all public restrooms or restrooms shared by one or more tenants; all costs and expenses incurred by Landlord in the testing of sprinkler systems; all charges for utility services, including all costs and expenses of maintaining lighting fixtures (including the cost of light bulbs and electric current); maintenance of all services not maintained by the serving utility company; all costs, expenses, surcharges or other impositions or assessments incurred by Landlord in connection with environmental protection legislation or regulation or assessed against or imposed on the Building or any part thereof; operating and maintaining Building signs; interest, and all other costs resulting from improvements or additions imposed or required by regulatory agencies; reasonable depreciation of equipment, machinery and facilities, rents paid for the leasing of equipment and finance charges paid for the purchase of equipment, machinery and facilities, used in the operation of the Building and Common Areas; management fees and other sums received by Landlord; and such other costs as Landlord may reasonably determine are required for the proper maintenance of the Building, but there shall be excluded costs of equipment properly chargeable to capital, interest and principal payments on mortgages, ground rental payments and real estate brokerage and leasing commissions and expenses related to leasing portions of the Building, and any cost or expense relating to a service provided to any tenant and not provided to Tenant. If the Building is not fully occupied during all or a portion of any year, then Landlord may elect to make an appropriate adjustment of the Expenses for such year employing sound accounting and management principles, to determine the amount of Expenses that would have been paid or incurred by the Landlord had the Building been fully occupied and

the amount so determined shall be the amount of Expenses attributable to such year.

(B). The term "Impositions" when used herein shall mean all real estate taxes, leasehold real estate taxes, assessments, permit and license fees and taxes, water rates and charges, sewer rents, vault rents or charges, and other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including, but not limited to, assessments for public improvements which are assessed for any period included in the Lease Term, irrespective of when such matters become due and payable, in respect to the Building or any part thereof, the use or occupation thereof, or upon the owner or occupants in respect thereof or upon any owner of the Building, by reason of ownership thereof during the Lease Term. The Impositions may be: existing; substituted for or added to an existing Imposition or a new Imposition; measured by the value or square footage of real property or some other method; or imposed as a charge for governmental services such as, but not limited to, fire or police protection, street or sidewalk maintenance or refuse removal. Impositions shall include any costs incurred by Landlord, including fees of attorneys, accountants and appraisers incurred in contesting any real property taxes and in negotiating any reduction thereof with any public authority. Impositions shall not in any event include Landlord's federal or state income, franchise, inheritance or estate taxes. Impositions for the first and last Lease Years shall be prorated as of the beginning and end of the Lease Term.

(C) Commencing on the Rent Commencement Date, the annual charges for Expenses and Impositions shall be paid in monthly installments on the first day of each calendar month in advance in an amount estimated by Landlord from time to time during the Lease Term (the Landlord agreeing that the initial amount thereof shall not exceed \$7.62). After the end of the fiscal year that Landlord uses for such purpose, Landlord shall furnish Tenant a statement in reasonable detail of the actual Expenses and Impositions paid or incurred by Landlord during such period, and thereupon there shall be an adjustment between Landlord and Tenant with payment to or repayment by Landlord, as the case may require, to the end that Landlord shall receive the amount of Tenant's Proportion of said Expenses and Impositions for such period.

(D) Tenant's Proportion is based on the ratio of the number of useable square feet of the Premises, to the total number of useable square feet of the Building, all as reasonably determined by Landlord.

SECTION 2.05 Intentionally Omitted

SECTION 2.06 Charges. Tenant shall pay, as Additional Rent, all other charges required to be paid by Tenant under this Lease, whether or not they are specifically designated as Additional Rent.

SECTION 2.07 LATE FEES; DEFAULT RATE. All Rent is due on the first day of the month. If Tenant fails to pay any Rent when due, Tenant shall pay Landlord, upon demand, a late fee for administrative expenses according to the following schedule:

- (A) no fee for the first five (5) days; and
- (B) then a lump sum fee equal to five percent (5%) of the amount due.

If Tenant fails to pay any Rent within thirty (30) days after the date the same is due, the unpaid amount shall, at Landlord's option and without waiving any other right of Landlord, bear interest from the due date to the date of payment at the lesser of twelve percent (12%) per annum or the highest interest allowable by law in Illinois ("Default Rate").

ARTICLE III - ALTERATIONS AND ADDITIONS

SECTION 3.01 TENANT'S WORK. Tenant accepts the premises in an "As Is Condition". Landlord will provide building standard electrical services and HVAC to the Premises. Tenant shall be totally responsible for building out the Premises and making improvements therein to make it ready for its intended use by Tenant.

SECTION 3.01.1 All Tenant Work ("Tenant Work") shall be performed by Tenant at Tenant's sole cost and expense and shall be limited to the work set forth on Exhibit B. Tenant's Work shall be in accordance with all governmental regulations and shall be completed in a good and workmanlike manner. Tenant shall properly pay all contractors and materialmen for Tenant Work and shall not permit any lien to be attached to the Building or Premises. Should any lien attach, Tenant shall bond against or discharge this same within thirty (30) days and Tenant shall indemnify and hold Landlord harmless from and against all loss, cost, damage, liability, or expense (including court costs and attorney fees) resulting from the lien. During the prosecution of Tenant's Work, Tenant shall coordinate all such work with Landlord and Landlord's contractor. Landlord shall have no liability whatsoever for loss or damage to Tenant's Work or to fixtures, equipment or other property of Tenant or Tenant's contractors.

A. The Tenant is hereby granted a license to access the Premises, 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 hereinafter defined). However, the Tenant shall not commence actual construction within the Premises 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 (as required elsewhere in this Lease) and appropriate building permits and construction contracts. The rights of access granted in this Section 301.1 shall not be deemed to permit Tenant to operate its business until the Lease Commencement Date.

B. The Tenant shall, at Tenant's sole cost and expense (subject to the allowance hereinafter granted), cause to be prepared and submitted to the Landlord, at such time as Tenant desires (but in no event later than September 1, 2001), 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 written approval, disclosing all construction to be performed to build out the entire 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. In the event 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.

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 the Premises in compliance with all applicable governmental laws, rules, statutes, ordinances and regulations, subject to Landlord's reasonable approval as to the qualifications of any such contractor. Prior to commencing any work on or to the Premises, 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 ("City"), the State of Illinois and the United States of America. Tenant shall permit Landlord to observe all construction operations within the Premises performed by Tenant's Contractor. Tenant shall, within thirty (30) days of invoice thereof, pay to the Landlord all costs and expenses incurred by the Landlord in reviewing and observing the construction operation, review of Tenant's Plans and any material or hoisting charges (collectively referred to herein as "Reimbursable Expenses"). 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 the Premises or any guarantee that the work completed within the Premises 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 the Premises.

D. The cost of all work necessary to construct the Tenant's Work (including, but not limited to, all labor, material, permits) and to pay architectural fees, permit fees, and engineering fees shall, subject to the credit granted herein, be the responsibility of the Tenant. The Landlord does hereby grant to the Tenant a credit (hereinafter referred to as the "Construction Credit") up to TEN AND NO/100 (\$10.00) DOLLARS per useable square foot of the Premises to be used solely for the Tenant's Work and the items described in the foregoing sentence. The Construction Credit shall be paid in not more than three (3) installments by the Landlord to the Tenant as the Work progresses within thirty (30) days of Tenant's presentation of reasonable documentation evidencing (i) the amounts of payments previously made by Tenant, 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 (including Reimbursable Expenses) 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 Credit draw requests made by Tenant. Tenant shall present the final request for payment of the Construction Credit, including all requisite waivers of lien and all other requisite documentation to Landlord not later than sixty (60) days after Tenant takes occupancy of the Premises to conduct its business. Construction Credit draw amounts shall never exceed, in the aggregate, the lesser of: (i) the remaining unpaid amount of the Construction Credit, minus any then unpaid Reimbursable Expenses, or (ii) that amount equal to ninety (90%) percent of the cost of all Work completed in accordance with the Tenant's Plans and paid for by Tenant, as evidenced by the documentation furnished with such request (including lien waivers). Any unused portion of the Construction Credit shall be retained by the Landlord. In the event that the costs of construction of the Tenant's Work, as reasonably estimated by Landlord, exceeds the Construction Credit, the Tenant shall, prior to the commencement of any construction work, deposit with Landlord an amount equal to such excess. Said amount shall be the first funds disbursed by Landlord 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; (ii) 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 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 Lease Commencement Date) withhold disbursement of any further payment of the Construction Credit 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. Tenant shall not seek the approval of the City until it has obtained the Landlord's written approval

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 the Premises upon 24 hours' written notice to Tenant, and thereupon, Tenant and Tenant's Contractor causing such disharmony or interference shall immediately withdraw from the Premises 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 be performed with a minimum of interference with other tenants and occupants of the Building. Tenant will 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 the Premises 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 Landlord 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 the Premises and 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 sole cost and 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 or not 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 all of 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 Section 7.05 of 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 board members, officers, employees, and agents, Landlord's contractors, Landlord's architect, and such additional persons as Landlord may designate. Such endorsements shall also

provide that all additional insured parties shall be given fifteen (15) 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. The additional insureds shall be the City of Chicago and Landlord's property manager and such other parties as Landlord shall hereafter designate by written notice to Tenant.

To the fullest extent permitted by law, Tenant shall indemnify and hold harmless the Landlord, its agents and employees, from and against all claims, damages, liabilities, losses and expenses of whatever nature, including but not limited to court costs and reasonable attorneys' fees, the cost of any repairs to the Premises or 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 3.01.1 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 (including HVAC) to the Premises 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 the Premises.

SECTION 3.02 LANDLORD WORK. Landlord will deliver the Premises in a condition ready for the commencement of Tenant's Work ("Landlord Work"). Landlord's Work shall consist of installing a revolving door on the Adams Street exterior wall to provide Tenant direct access to the Premises and the construction of all demising walls as shown on Exhibit A.

SECTION 3.03 ALTERATIONS. Tenant may install interior fixtures and decorations as its business requires, but Tenant shall make no (i) structural change, (ii) permanent or substantial alterations or fixtures, (iii) changes to the windows or exterior of the Building or (iv) change to the heating, ventilating and air conditioning systems, without prior written consent of Landlord. Tenant's alterations shall be in accordance with all governmental regulations, and shall be done in a good and workmanlike manner. Tenant shall obtain any approvals, permits and licenses required by the City. Tenant shall indemnify and hold Landlord harmless from and against all loss, cost, damage, liability, or expense (including court costs and attorney fees) that may arise in the event that any such fixtures are subject to security interests. All permanent alterations and fixtures made or installed by Tenant shall become the sole property of Landlord at the termination of this Lease.

SECTION 3.04 NO CONSTRUCTIVE EVICTION. Alterations or improvements to the Building that minimally adversely impact Tenant's operations, the common areas, or the surrounding areas (including

sidewalks, streets, and highways) by Landlord or others shall not subject Landlord to any liability to Tenant, nor shall Tenant be entitled to any diminution of Rent nor shall any alteration or improvements be deemed constructive or actual eviction. If Tenant is not able to operate its business in the Premises for a consecutive ten (10) day period following giving Landlord written notice of such inability to operate, provided that such inability to operate is caused solely by physical conditions in the common area under the Landlord's control, then Base Rent shall abate until such conditions are cured.

ARTICLE IV - MAINTENANCE OF PREMISES

SECTION 4.01 MAINTENANCE BY TENANT. Tenant shall, at its own cost and expense, maintain, repair, and replace, as necessary, all parts of the interior of the Premises and the fixtures and equipment therein (except repairs necessitated by the willful or gross negligence of Landlord, its agents or employees), including the windows, window frames, doors, frames, entrances, store front signs, show cases, floor coverings, non-structural interior walls, columns, partitions, lighting, heating, ventilating and air conditioning, plumbing and sewerage facilities and equipment and the systems that exclusively serve the Premises whether or not located in the Premises. Any maintenance that permanently affects the exterior of the Building must be pre-approved, in writing, by Landlord.

SECTION 4.02 MAINTENANCE BY LANDLORD. Landlord shall make all repairs to structural portions of the Premises, and to the exterior of the Building, including but not limited to the roof, except repairs necessitated by willful or negligent acts or omissions of Tenant its agents, or employees. The repair and maintenance of all windows and window frames shall be the responsibility of the Tenant. If (a) Tenant refuses or neglects to make repairs or replacements as required by Section 4.01 or this Section 4.02; or (b) Landlord is required to make exterior or structural repairs by reason of Tenant's willful or negligent acts or omissions, Landlord may, but is not required to make such repairs or replacements, on behalf of and for the account of Tenant. If Landlord does make such repairs or replacements, Tenant shall pay for such work, as Additional Rent, promptly upon receipt of a bill therefor. Landlord's repair and maintenance obligations shall include the repair, maintenance and replacement of any utility systems and equipment serving the Premises located outside of the Premises.

SECTION 4.03 SURRENDER OF PREMISES. Upon the expiration or termination of the this Lease, Tenant shall: (a) surrender the Premises in the same condition as at the commencement of the term, reasonable wear and tear excepted, subject to the terms of Section 3.03 of the Lease; (b) surrender all keys to Landlord, and (c) inform Landlord of all combinations on locks and vaults in the Premises. Tenant's obligation to perform this covenant and the covenants in Section 3.03 shall survive the expiration or termination of this Lease. If Tenant fails to remove its property within fifteen (15) days after expiration or termination of this Lease, said property shall be deemed abandoned and Landlord may remove, store and care for Tenant's property at Tenant's expense, and after notice to Tenant, sell or otherwise dispose of it.

ARTICLE V - COMMON AREAS

SECTION 5.01 CONTROL OF COMMON AREAS BY LANDLORD. The common area consists of any entrances, exits, loading docks, pick-up stations, sidewalks, ramps, hallways, landscaped areas, exterior stairways, exterior windows, restrooms other than those located in the Premises, and other areas and improvements provided by Landlord for the common use of tenants of the Building and their agents, employees and customers. The common areas shall be subject to the exclusive control and management of Landlord. Landlord shall have the right to establish, modify, and enforce rules established

with respect to all the common areas ("Rules") and Tenant agrees to cooperate with Landlord in enforcing the Rules, provided that such modified or amended Rules shall be provided in writing to Tenant. Landlord shall have the right, at its sole discretion, to alter the common areas and to construct additions to the Building resulting in a diminution of common areas. Landlord shall have the right (i) to construct and operate lighting and signs on all common areas and improvements; (ii) to police the common areas and improvements; (iii) to change configurations of common facilities; (iv) to restrict parking by Tenant, its agents, and employees; and (v) to perform other acts in and to the common areas and improvements as Landlord shall deem to be advisable, provided that there is no material adverse affect with respect to the use of, the access to, or the visibility of, the Premises.

ARTICLE VI - CONDUCT OF BUSINESS

SECTION 6.01 USE OF PREMISES. Tenant shall use the Premises solely for the Use set forth below in accordance with the Rules.

SECTION 6.02 OPERATION OF BUSINESS. Tenant shall store in the Premises only merchandise Tenant intends to offer for sale at retail in the Premises. Tenant shall operate its business in the Premises under Tenant's Trade Name; and, continuously during the Lease Term, 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. Tenant shall, except when and to the extent that the Premises are untenable by reason of damage by fire or other casualty, use and continuously operate for retail sales purposes all of the 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 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 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 term of this Lease (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 Base 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 Base Rent will be deemed liquidated damages. Tenant shall light its display windows and signs, if any, during any hours when the Retail Portion or the Building is open for business.

SECTION 6.03 USE RESTRICTIONS. The Use Restriction does not apply to the following tenants: (a) any existing tenant that carries, in the aggregate, less than 20 lineal feet of Restricted Items (each spinner rack containing any Restricted Item shall be equal to six lineal feet); or (b) Hallmark Cards, Inc., or any of its subsidiaries or affiliates, or any licensee approved to sell Hallmark products by Hallmark Cards, Inc. or any of its subsidiaries or affiliates; and (c) the current tenant occupying Space A-7, US Photo Service, until after September 1, 2001.

A "Use Restriction Violation" occurs upon either or both of the following events: (1) any tenant or occupant

in the Building carries any Restricted Item, except for the tenants mentioned above; or (2) the Building contains a Temporary Store that sells any Restricted Item. "Restricted Items" mean and include any of the following products: Christmas ornaments, greeting cards, gift wrap and/or party supplies. "Temporary Store" means any store or business in the Building operated by a tenant, licensee or occupant under a lease, license, or agreement (oral or written) having a term of less than one year or any store or business which is not required by lease or license agreement to remain open to the public for business for 12 or more consecutive months.

On the condition that Tenant is not in Default under this Lease at the time of any Use Restriction Violation or during any time that Tenant is paying Substitute Rent as hereinafter defined, during any Use Restriction Violation, Base Rent shall abate, and Tenant shall pay, in lieu thereof, substitute rent (Substitute Rent) equal to the lesser of (i) 50% of Tenant's monthly Base Rent or (ii) 4% of Tenant's monthly Gross Sales. "Alternate Rent" shall be paid, together with Additional Rent, within 25 days after the end of the month in which the sales were generated. Substitute Rent shall commence upon Tenant's notification to Landlord of a violation of the Use Restriction and shall continue until the earlier of the date that (i) the violation of the Use Restriction no longer exists or (ii) Tenant terminates this Lease as permitted herein. In addition and on the condition that Tenant is not in Default under this Lease at the time of any Use Restriction Violation, upon the occurrence of a Use Restriction Violation, Tenant may (in addition to any other rights it may have) terminate this Lease upon delivery of 90 days' prior written notice to Landlord.

As used in this Lease, the term "Gross Sales" means the aggregate selling prices of all merchandise sold or delivered at or from any part of the Premises, and the charges for all services sold or performed at or from any part of the Premises. Gross Sales includes sales and charges for cash or credit. Credit sales shall be included in Gross Sales regardless of collections. Gross Sales excludes (i) refunds made by Tenant to its customers for merchandise returned to Tenant; (ii) exchanges of merchandise between stores of Tenant where such exchanges are made solely for the convenient operation of Tenant's business; and (iii) the amount of any city, county or state sales tax on sales paid to a taxing authority by Tenant (but not by any vendor of Tenant). A sale shall be deemed to be made in the Premises: (i) if the merchandise or services are ordered from the Premises and is filled at the Premises or elsewhere; or (ii) if the merchandise or services are ordered elsewhere, but the order is filled at or from the Premises or the merchandise is delivered from the Premises.

During any period of time that Tenant is paying Substitute Rent, (i) Tenant shall submit to Landlord a monthly report not later than the fifteenth day of each calendar month during the Lease Term; (ii) the monthly report shall set forth the amount of Gross Sales of the preceding calendar month and shall be certified as complete and correct by Tenant's principal financial officer; (ii) within thirty (30) days after the expiration of each Calendar Year, Tenant shall submit to Landlord a statement, showing the amount of Gross Sales for these periods and an itemization of all claimed exclusions therefrom; (iii) Tenant shall require any licensees and subtenants to furnish similar reports; and each annual report shall be certified as complete and correct by a Certified Public Accountant.

Tenant shall maintain (and cause any licensee and subtenant to maintain) full and accurate books of account and records from which Gross Sales can be determined and which shall be conveniently segregated from other business matters. These books of account and records shall be kept in the Premises, or in the city where Tenant's main office is located. The records shall be so kept and maintained (properly totaled and added) for at least thirty-six (36) months after the end of the period in question. The foregoing books and records so required to be kept and maintained shall include all federal, state and local tax returns; records of daily bank deposits of the entire receipts from transactions at or from the Premises; sales slips; daily dated cash

register tapes; sales books; duplicate bank deposit slips; and bank statements.

All Gross Sales shall be registered at the time each sale is made in cash registers containing locked-in cumulative tapes with cumulation capacity of at least \$99,999.00. Tenant shall notify Landlord of the name and serial numbers of all cash registers used at the Premises and of any changes or additions within five days after the use thereof has commenced.

Until the end of the thirty-six month period, Landlord shall have the right to inspect and audit all the books and records and all other papers and files of Tenant and any licensee or subtenant relating to Gross Sales. Any such inspection or audit shall be conducted during regular business hours. Tenant and each licensee or subtenant shall produce the appropriate books and records on request of Landlord.

If any audit shows that the amount of Gross Sales on any statement was understated by more than one percent of Gross Sales and/or an amount sufficient to reduce Percentage Rent by \$1,000.00 for any Calendar Year, Tenant shall pay to the Landlord the cost of its audit and investigation. If any audit shows that the amount of Gross Sales was understated, then promptly after the audit Tenant shall pay to Landlord any amount of Substitute Rent that Tenant should have paid but did not pay to Landlord. If Landlord shall contend that an error may exist with respect to any of Tenant's books, records, papers or files, and shall notify Tenant thereof before the end of the thirty-six month period, said period shall be extended until Landlord's contention has been finally determined.

Landlord shall hold all sales figures and related information obtained from Tenant's records in confidence except: (i) as may be necessary for the enforcement of Landlord's rights under this Lease; (ii) in connection with prospective financing or prospective sale of the Premises; (iii) with respect to tax proceedings; and (iv) pursuant to any legal requirements.

SECTION 6.04 RADIUS RESTRICTION. No radius or any other restriction which prohibits, limits or penalizes the operation of other businesses by the Tenant or Hallmark Cards, Incorporated, or either of their subsidiaries, affiliates, successors, heirs, or assigns is enforceable against Tenant pursuant to the terms of this Lease.

SECTION 6.05 SUBLEASE OR ASSIGNMENT. On the condition that: Tenant is not in default hereunder at the time Tenant elects to sublease or assign or on the effective date of such assignment or sublet, Tenant, or its permitted assigns, may assign this Lease or sublet the Premises without Landlord's consent (except as provided below and on the condition that none of the provisions of Article XIV of this Lease are violated by such assignment or sublet) to Hallmark's Cards, Incorporated, or a subsidiary thereof or to a person or entity approved as a Hallmark Licensee by Hallmark Cards, Incorporated without any fee or proceeds due Landlord and in such event, Tenant shall be relieved of any further liability under the Lease. Any option(s) to extend the Lease Term shall remain in full force and effect as to any such permitted assignee or subtenant. Notwithstanding the foregoing, not less than sixty (60) days prior to any such assignment or sublet, Tenant shall notify Landlord of the name, address, financial information, and such other information as Landlord may reasonably request in order that Landlord may determine the financial credit and character of the proposed assignee or subtenant and whether such assignment or sublet violates then provisions of Article XIV of this Lease. The Tenant shall not have the right to so assign or sublease if Landlord, in its reasonable judgement: determines that the proposed assignee or subtenant (a) lacks financial credit; or (b) is of inappropriate character; or (c) violates the provisions of Article XIV. In addition, any assignment or sublease hereunder may be conditioned upon the Landlord's receipt of a guarantee from

a new guarantor acceptable to Landlord.

SECTION 6.06 USE CLAUSE. The business conducted on the Premises shall be that of a licensed Hallmark card shop, which features and promotes primarily Hallmark brand products, and which does business under a trade name that includes the "Hallmark" name and which may sell at retail some or all of the following products: greeting cards, stationery, party supplies, gift wrap, candles, Christmas ornaments, albums, candy, T-shirts, operate a package service or postal substation providing services, including but not limited to, package mail service and the sale of postal money orders and stamps, offer party planning services, trend items, puzzles, "Crayola" products, crafts, writing instruments, engraving, gift books, photograph frames, flowers, and flower services, gifts, any product or service sold or marketed by Hallmark Cards, Inc. and such items normally sold in social expression shops (collectively the "Use"). Tenant may install a computer(s), printer(s), monitor(s) and/or other peripheral equipment used for the preparation of Tenant's Hallmark Connections products and/or other computerized social expression products."

SECTION 6.07 SIGNS. Providing that they comply with all applicable statutes and ordinances, Tenant may, at Tenant's expense, erect professionally prepared promotional signs with Landlord's prior written consent, which consent shall not be unreasonably withheld. Upon expiration or termination of this Lease, Tenant shall remove Tenant's sign and shall promptly return to their former condition the surfaces to which the sign was affixed, at Tenant's expense. Tenant agrees to conform to Landlord's sign policy.

SECTION 6.08 UTILITIES.

6.08.1 Tenant shall pay all charges: for heat, water, gas, electric, trash removal telephone and any other utility used in the Premises. Utilities for the Premises may not be separately metered and may be included in the overall utility bill for the Building. If the Premises are not separately metered, Landlord shall determine the portion of the utility expense allocable to the Premises based on the ratio of the useable square footage of the Premises to the total square footage of the Building or on such other basis as Landlord reasonably determines to reflect the actual cost of utilities for the Premises, provided that any other method shall not require Tenant to pay for the utilities provided to any other tenant's space.

6.08.2 In no event shall Landlord be liable for any interruption or failure in the supply of any utilities, unless Landlord's willful act or gross negligence causes the interruption. Landlord's inability to obtain utility service from any third party shall not be deemed caused by Landlord's willful act or gross negligence.

SECTION 6.09 TAXES ON LEASEHOLD. Tenant shall pay all taxes assessed against Tenant's leasehold interest, improvements, alterations, additions, trade fixtures, merchandise, and personal property of any kind, owned or placed in the Premises by Tenant.

SECTION 6.10 RIGHT OF ENTRY.

6.10.1 Landlord shall have the right to enter the Premises at all reasonable times, examine and show prospective purchasers or tenants and to make such repairs, alterations, improvements, or additions as Landlord may deem desirable, without the same constituting an eviction of Tenant in whole or in part, and Rent shall not abate while the work is in progress except to the extent said work makes it unable for Tenant to operate its business, in which case Tenant shall be entitled to an abatement of Rent in accordance with Section 3.04 of this Lease. Landlord shall use reasonable efforts to perform such work in a manner that

minimally adversely impacts Tenant's operations. Nothing herein contained shall be construed to impose upon Landlord any obligation for maintenance or repair except as otherwise specifically provided.

6.10.2 If Tenant is not present to admit entry into the Premises, Landlord may, in case of emergency, enter by master key, or may forcibly enter, without rendering Landlord liable therefor except for Landlord's gross negligence or intentional acts or omissions.

6.10.3 Except in an emergency, Landlord shall give Tenant at least 24 hours' notice of Landlord's intention to enter the Premises under this Section 6.10.

ARTICLE VII - INSURANCE AND INDEMNITIES

SECTION 7.01 LIABILITY INSURANCE BY TENANT. During the entire term and any extension of this Lease, Tenant shall keep in full force a policy of public liability and property damage insurance with respect to the Premises and all business operated in the Premises with limits of public liability not less than \$1,000,000 per person for death and/or bodily injury including personal injury, the greater of \$1,000,000 per accident and/or occurrence, and limits of property damage liability not less than \$1,000,000 per accident and/or occurrence. In addition, Tenant shall maintain: (a) business interruption insurance covering a one (1) year period; (b) 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 Premises on a full replacement cost basis (no deduction for depreciation); (c) workers' compensation insurance as required by law; and (d) plate glass. The policy shall name Landlord (and its mortgagee, if any) as an additional insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord (and its mortgagee, if any) thirty (30) day's notice. All of said insurance shall be in form, and carried with responsible companies, each satisfactory to Landlord. The policies or duly executed certificates for the same (which shall be binding on the insurer and 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 of Tenant's Work and shall provide also provide thirty (30) days notice to the Landlord prior to cancellation, material change, or non-renewal. 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 in force insurance 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.

SECTION 7.02 INSURANCE BY LANDLORD. Landlord shall carry:

- (i) Public liability insurance on the common area; and
- (ii) insurance for fire, extended coverage, vandalism and malicious mischief and other endorsements deemed advisable by Landlord insuring the Building, including the Premises and all appurtenances thereto (excluding improvements installed by Tenant, Tenant's merchandise, trade fixtures,

furnishings, equipment, personal property, and plate glass) for the full insurable value thereof, with such deductibles as Landlord deems advisable.

Tenant agrees to pay any increases in premiums for the fire insurance if the increase results from any activity of or merchandise sold by Tenant. Tenant shall pay to Landlord, as Additional Rent, an amount equal to a proportion of Landlord's insurance premiums, based upon the ratio of useable square feet of the Premises to the total useable square feet of all the usable square feet in the Building, payable in equal installments on the first day of every calendar month during the Lease Term, as Tenant's share of the cost of the premiums for such insurance. Landlord may use estimated insurance premiums until the actual insurance premiums are known; and Landlord may revise the insurance premiums charged to Tenant as the premiums change during the year.

SECTION 7.03 INDEMNIFICATION. Except to the extent of the gross negligence or wilful misconduct of the Landlord, Tenant agrees to protect, indemnify hold harmless and defend Landlord, its management agent, and any mortgagee,, from and against any and all loss, cost, damage, liability or expense as incurred (including but not limited to attorneys' fees and legal costs) arising out of or related to: (a) any claim, suit or judgment brought by or in favor of any person or persons; (b) for damage, loss or expense due to, but not limited to, bodily injury, including death or property damage sustained by such person or persons; (c) for damage sustained by such person or persons which arise out of, is occasioned by, or is in any way attributable to the use or occupancy of the Premises or any portion of the Building or adjoining property by Tenant; and (d) for the acts or omissions of Tenant or its agents, employees, contractors, clients, invitees or subtenants. Such loss or damage shall included but not be limited to, any injury or damage to, or death of, Landlord's employees or agents or damages to the Premises or any portion of the Building.

SECTION 7.04 LOSS AND DAMAGE. Tenant shall be solely responsible for carrying personal property insurance sufficient to cover loss of all personal property on the Premises. Landlord shall not be liable for any damage to property of Tenant or of others allowed on the Premises nor for loss of any property by theft or otherwise, unless resulting from Landlord's willful misconduct or gross negligence. Landlord shall not be responsible or liable to Tenant or those claiming by, through, or under Tenant for any loss or damage to either person or property of Tenant that maybe occasioned by or through acts or omissions of tenants occupying adjacent premises. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, ice, explosion, falling plaster, steam, gas, electricity, water, rain, snow, or leaks from any part of the Premises, or from the pipes, appliances, or plumbing works, or from any other place, or by dampness, or by other cause of any nature. Landlord shall not be liable for any such damage caused by other tenants or persons in the Premises, occupants of adjacent property or of the Building, or the public, or caused by construction of any private, public, or quasi-public work. All property of Tenant shall be kept on the Premises at the risk of Tenant only, and Tenant shall hold Landlord harmless from and against any claims arising out of damage to same, including subrogation claims by Tenant's insurance carrier.

SECTION 7.05 WAIVER OF SUBROGATION. Landlord and Tenant do hereby waive any and all right of recovery, claim, action, or cause of action against the other, their respective agents and employees, for any loss or damage that may occur to the Premises or the Building or any additions or improvements thereto, or any contents therein, by reason of fire, the elements, or any other cause which could be insured against under the terms of a standard fire vandalism malicious mischief and extended coverage insurance policy or policies, building contents, and business interruption insurance policies, or for which Landlord or Tenant may be reimbursed as a result of insurance coverage affecting any loss suffered by either party hereto, regardless of cause of origin, including the negligence of Landlord or Tenant, or their respective

agents and employees. All insurance policies carried by either party covering the Premises and/or the Building, including, but not limited to, contents, fire, and other casualty insurance shall expressly waive any right on the part of the insurer against the other party for damage to or destruction of the Premises and/or the Building resulting from the acts or omissions of the other party.

ARTICLE VIII - DESTRUCTION OR CONDEMNATION

SECTION 8.01 DESTRUCTION OF PREMISES. If the Premises are destroyed or injured by any cause and such destruction or injury can reasonably be repaired within ninety (90) days after the happening of such destruction or injury, then Tenant shall not be entitled to surrender possession of the Premises, nor shall Tenant's liability for payment under this Lease cease but, in the event of such destruction or injury, Landlord shall complete such repairs within ninety (90) days after the occurrence of such destruction or injury. If Landlord fails to complete repairs within the ninety (90) days provided herein, Tenant at its election may terminate this Lease and quit the Premises upon written notice to Landlord.

If the destruction or injury of the Premises cannot reasonably be repaired within ninety (90) days after the occurrence thereof, Landlord shall notify Tenant within thirty (30) days after the happening of such destruction or injury whether or not Landlord will repair or rebuild. If Landlord elects not to repair or rebuild, this Lease shall be terminated. If Landlord elects to repair or rebuild, Landlord shall specify the time within which repairs or construction will be completed, and Tenant shall have the option, within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease and further liability hereunder, or to extend the Lease Term hereof by a period of time equivalent to the period from the happening of such destruction or injury until the Premises are restored their former condition. If Tenant elects to extend the Lease Term, Landlord shall restore the Premises to their former condition within the time specified in the notice. If Landlord fails to complete restoration of the Premises within the specified time, then Tenant, at its election, may terminate this Lease and quit the Premises upon written notice to Landlord. Unless this Lease is terminated by Landlord or Tenant hereunder, Tenant shall repair and refixture the interior of the Premises in a manner and to at least a condition existing prior to its destruction.

If this Lease is terminated for any reason pursuant to this Article, Landlord shall promptly refund to Tenant any Rent paid in advance and any unearned charges.

SECTION 8.02 PARTIAL DESTRUCTION OF BUILDING. If twenty-five percent (25%) or more of the useable area of the Building is damaged or destroyed by fire or other casualty, even if the Premises are undamaged, Landlord may terminate this Lease by giving Tenant thirty (30) days' prior written notice of Landlord's election to terminate this Lease and Rent shall be adjusted as of the date of termination.

SECTION 8.03 CONDEMNATION OF PREMISES. If, the Premises are acquired or condemned by any governmental authority, in whole or in part, such that the Premises are unsuitable for the business of Tenant, in Landlord's reasonable business judgment, then the term of this Lease shall terminate as of the date of title vesting, and Tenant shall have no claim against Landlord, or the condemning authority for the value of any unexpired term of this Lease, and Rent shall be adjusted to the date of termination. Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemner, but not from Landlord, compensation for loss of Tenant's trade fixtures and relocation expenses, if such claim can be made separate and apart from any award to Landlord and without prejudice to Landlord's award. If partial condemnation does not render the Premises unsuitable for the business of Tenant, Landlord shall promptly restore the Premises to a condition comparable to its condition at the time of the condemnation,

less the portion lost by condemnation, and this Lease shall continue in full force without any reduction of Rent. If twenty-five percent (25%) or more of the useable area of the Building is condemned, even if the Premises are not affected, Landlord may terminate this Lease by giving Tenant thirty (30) days prior written notice of Landlord's election to terminate and Rent shall be adjusted to the date of termination..

ARTICLE IX - DEFAULT

SECTION 9.01 RIGHT TO REENTER. If (a) Tenant fails to pay Rent, Additional Rent, or any charge when due, or (b) Tenant fails to perform any other term, condition, or covenant of this Lease, or (c) Tenant or its agent fails to provide or falsifies any report furnished Landlord under this Lease, or (d) Tenant fails to open for business or fails to conduct business for five (5) consecutive days (subject to force majeure as provided below); or (e) Tenant abandons the Premises; or (f) Tenant suffers this Lease to be taken under writ of execution; then Tenant shall be in default ("Default") under this Lease and Landlord shall have all rights and remedies provided by law and, in addition, shall have the right to reenter the Premises (i) after ten (10) days' written notice to Tenant and Tenant's failure to cure the Default, if the Default involves failure to pay money due, or (ii) after thirty (30) days' written notice to Tenant and Tenant's failure to cure the Default, if the Default does not involve the failure to pay money due. Under clause (ii), Tenant shall have such additional time to cure a non-payment default as may be reasonably necessary, so long as Tenant commences such cure within thirty (30) days and thereafter proceeds with reasonable diligence to completion of such cure. In no event shall the time for completion of the cure exceed sixty (60) days. When Landlord has the right to reenter, it may remove all persons and property from the Premises, and such property may be stored elsewhere at the sole cost of Tenant all without notice or resort to legal process and without trespass or liability for any loss or damage occasioned thereby.

To the full extent permissible under the Bankruptcy Reform Act of 1978, or any successor thereto, if (a) Tenant or any guarantor shall file a voluntary petition in bankruptcy, or become insolvent or take the benefit of any insolvency act or be dissolved or adjudicated a bankruptcy or (b) a receiver shall be appointed for its business or its assets and the appointment of such receiver is not vacated within sixty (60) days after such appointment or (c) Tenant shall make an assignment for the benefit of its creditors; then Landlord shall have all the same rights as provided in this section for the nonpayment of Rent.

SECTION 9.02 LANDLORD'S RIGHT TO TERMINATE UPON TENANT DEFAULT. In the event of any Default by Tenant as provided above, following any applicable cure period, Landlord shall have the right to terminate this Lease and recover possession of the Premises by giving written notice to Tenant of Landlord's election to terminate this Lease, in which event Landlord shall be entitled to receive from Tenant:

- (A) Any unpaid Rent which had been earned at the time of such termination; plus
- (B) Any other amount necessary to compensate Landlord for all damages proximately caused by Tenant's failure to perform its obligation under this Lease
- (C) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

SECTION 9.03 LANDLORD'S RIGHT TO CONTINUE LEASE UPON TENANT DEFAULT. In the event of any Default by Tenant, following any applicable cure period, if Landlord does not elect to

terminate this Lease, Landlord shall have the right to terminate Tenant's right of possession of the Premises and reenter and repossess the Premises and remove all persons and property from the Premises without terminating this Lease, in which event Landlord may, but shall be under no obligation to, relet all or any part of the Premises for the account of Tenant at such rent and upon such terms as shall be satisfactory to Landlord and make such changes, additions, improvements, redecoration and repairs as Landlord deems advisable for the purpose of such relettings.

In the event of such repossession without termination of the Lease, Landlord shall be entitled to:

(A) All unpaid Rent which had been earned at the time of such repossession; plus

(B) All of Landlord's expenses in connection with the reletting of all or any part of the Premises, including, without limitation, all reasonable costs of repossession, brokerage commissions, attorney's fees, marketing expenses, and expenses for changes, additions, improvements redecoration and repairs; plus

(C) Each monthly deficiency over the balance of the Term equal to the amount by which Rent and other sums which would be payable for such month if such repossession had not occurred exceeds the payments (if any) received by Landlord for such month from the reletting of all or any part of the Premises; plus

(D) Any other amounts necessary to compensate Landlord for all damages proximately caused by Tenant's failure to perform its obligation under this Lease; plus

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

Each monthly deficiency under (C) shall be payable on the date on which the Rent for such month would have been payable to Landlord if possession had not been retaken and all other amounts shall be payable on demand. Tenant agrees that Landlord may file suit to recover any sums falling due under this Section from time to time, and no suit or recovery of any portion due Landlord under this Section shall be any defense to any subsequent action brought for any amount theretofore reduced to judgment in favor of Landlord.

SECTION 9.04 RIGHT OF LANDLORD TO PERFORM. Tenant shall perform all covenants and agreements to be performed by Tenant under this Lease at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money (other than Rent required to be paid by it hereunder) or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated to, make any payment or perform any such other act on Tenant's part to be made or performed without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord and all necessary incidental costs together with interest thereon at the Default Rate shall be payable to Landlord as Additional Rent on demand and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of default by Tenant in the payment of Rent.

SECTION 9.05 NON-WAIVER. Nothing in this Article shall be deemed to affect Landlord's rights to indemnification for liability or liabilities arising prior to the termination of this Lease for personal injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest

installment of such Rent due, nor shall any endorsement or statement on any check (or any letter accompanying any check or payment as Rent) be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

SECTION 9.06 CUMULATIVE REMEDIES. The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease, Landlord shall be entitled to a restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

SECTION 9.07 DEFAULT BY LANDLORD. Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by landlord under this Lease only if such failure shall continue for a period of thirty (30) days after Landlord receives written notice from Tenant specifying the default. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s). Notwithstanding the foregoing, Landlord shall have such additional time to cure as may be reasonably necessary, so long as Landlord commences such cure within thirty (30) days after such notice from Tenant and proceeds with reasonable diligence to the completion of such cure. If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may terminate this Lease.

SECTION 9.08 COST OF ENFORCEMENT. In addition to all other remedies of Landlord and Tenant contained in the Lease, Landlord and Tenant shall be entitled to recover, upon demand, all reasonable attorneys' fees and expenses incurred by Landlord and Tenant in connection with the enforcement of the terms, covenants and conditions of this Lease including, but not limited to, attorneys' fees and expenses incurred in any unlawful detainer or bankruptcy proceeding.

ARTICLE X - ASSIGNMENT AND SUBLETTING

SECTION 10.01 CONSENT REQUIRED. Except as outlined in 6.05 above, Tenant shall not (a) assign or in any way transfer this Lease, in whole or in part, nor (b) mortgage or hypothecate this Lease, nor (c) sublet all or any part of the Premises, nor (d) permit any concessionaire or licensee to operate from the Premises, nor (e) transfer or suffer the transfer of more than forty-nine percent (49%) of the ownership interest in Tenant (except the offering or transfer of publicly traded limited partnership interests or publicly traded shares of stock), without the prior written consent of Landlord which shall not be unreasonably withheld. Any attempt or purported conveyance without Landlord's prior written consent shall constitute a default under this Lease and shall be void and confer no rights upon any third person. The consent by Landlord to any conveyance shall not constitute a waiver of the necessity for consent to any subsequent conveyance. The Landlord shall have the right to withhold its consent to any proposed assignee or subtenant hereunder that Landlord, in its reasonable judgement, determines (a) lacks financial credit; or (b) is of inappropriate character; or (c) violates the provisions of Article XIV. In addition, Landlord's consent to any assignment maybe conditioned upon the Landlord's receipt of a guarantee from a new guarantor acceptable to Landlord.

ARTICLE XI - SECURITY DEPOSIT; SECURITY AGREEMENT

SECTION 11.01 AMOUNT OF DEPOSIT. Tenant shall deposit with Landlord as a security deposit (the "deposit") the sum of two (2) months Base Rent. The deposit shall be held by Landlord as security for the performance by Tenant of all the terms, covenants, and conditions of this Lease. Landlord may commingle the deposit with other funds of Landlord. No interest shall accrue on the deposit.

SECTION 11.02 USE AND RETURN OF DEPOSIT. In the event of an uncured Default by Tenant under this Lease, Landlord, at its option and without prejudicing any other rights, may appropriate and apply the entire, or any part of the deposit toward compensation of Landlord for loss or damage due to such breach by Tenant. If the entire deposit, or any portion thereof shall be appropriated and applied by Landlord for the payment of sums due to Landlord by Tenant then Tenant shall, upon written demand by Landlord, immediately remit to Landlord a sufficient amount of cash to restore the deposit to the original sum deposited, and Tenant's failure to do so within twelve (12) days after receipt of the demand shall constitute a Default under this Lease. Should Tenant comply with all terms, covenants, and conditions, and promptly pay all Rent and other sums due, the deposit shall be returned in full to Tenant within 30 days after the expiration or termination of this Lease.

ARTICLE XII - HAZARDOUS SUBSTANCES

SECTION 12.01 HAZARDOUS MATERIALS -TENANT.

(A) No Hazardous Material (as defined herein) shall be Handled (as also defined herein) upon, about, above or beneath the Premises or any portion of the Premises by or on behalf of Tenant, its subtenants or its assignees, or their respective contractors, clients, officers, directors, members, employees, agents, or invitees. Any such Hazardous Materials so Handled shall be known as "Tenant's Hazardous Materials". Notwithstanding the foregoing, normal quantities of those Hazardous Materials customarily used in the conduct of a general office, (e.g., copier fluids and cleaning supplies) may be used and stored at the Premises without Landlord's prior written consent, but only in compliance with all applicable Environmental Laws, as defined herein.

(B) Tenant shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision, or necessary for Landlord to make full economic use of the Premises, which requirements or necessity is caused by the Handling of Tenant's Hazardous Materials upon, about above or beneath the Premises or any portion of the Building and shall indemnify and hold Landlord harmless from and against all loss, cost, damage, liability, or expense (including court costs and attorney fees) resulting therefrom. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises, the preparation of any feasibility studies or reports and the performance of any cleanup, remediation, removal or restoration work. Tenant shall take all actions necessary to restore the Premises or the Building to the condition existing prior to the introduction of Tenants Hazardous Materials, notwithstanding any less stringent standards or remediation allowable under applicable Environmental Laws. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions required by this Section, which approval shall not be unreasonably withheld so long as such actions would not potentially have a material adverse effect on the Premises or the Building or any of its occupants.

(C) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings, orders, decrees, directives, policies and requirements by any

federal, state or local governmental authority regulating relating to, or imposing liability or standards of conduct concerning public health and safety or the environment.

(D) "Hazardous Materials" means: (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance", "hazardous waste", "infectious waste", "chemical mixture or substance", or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; (v) which is radioactive; or (b) any other pollutant or contaminant or hazardous, toxic, flammable or dangerous chemical waste, material or substance, as all such terms are used in their broadest sense, and defined, regulated or become regulated by Environmental Laws, or which cause a nuisance upon or waste to the Premises or the Building.

(E) "Handle," "Handled," or "Handling" shall mean any installation, movement, generation, storage, treatment, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement removal, transportation or any other activity of any type in connection with or involving Hazardous Materials.

SECTION 12.02 HAZARDOUS MATERIAL - LANDLORD.

(A) Landlord shall be solely responsible for any expenses associated with the existence of any Hazardous Materials within the vicinity of the Premises through no fault of Tenant or its agents, employees or contractors. Such costs shall include the cost to remove and/or dispose of such Hazardous Materials, any fines or penalties assessed for violations of any governmental code or regulation pertaining to such Hazardous Materials, any compensation awarded to third parties for property damage or personal injury related to the existence of such Hazardous Materials, and Tenant's reasonable expenses, including attorneys' fees, incurred as a result of any litigation related to the existence of such Hazardous Materials.

ARTICLE XIII - MISCELLANEOUS

SECTION 13.01 ATTORNMENT. If requested to do so, Tenant shall attorn to and recognize as Tenant's landlord under this Lease any superior Landlord, superior mortgagee or other purchaser or person taking title to the Premises by reason of the assignment of this Lease or the termination of any superior lease or the foreclosure of any superior mortgage or deed of trust, and Tenant shall, upon demand, execute any documents reasonably requested by any such person to evidence the attornment described in this Section.

SECTION 13.02 SUBORDINATION. Upon Landlord's request, Tenant shall execute all documents required to subordinate its right hereunder to the lien of any mortgage or the lien of any other method of financing, now or hereafter in force against the Building and to all advances made upon the security thereof, provided that every such mortgage or security interest shall contain provision that the mortgagee or holder of such security interest shall recognize the validity of this Lease and not disturb Tenant, so long as Tenant is not in Default, beyond any applicable cure period.

SECTION 13.03 GOVERNMENTAL REGULATIONS. Tenant shall, at its sole cost and expense, comply with all requirements of governmental authorities pertaining to Tenant's improvement or use of the Premises.

SECTION 13.04 ACCORD AND SATISFACTION. No payment received by Landlord of a lesser amount than the Rent or other charges shall be deemed to be other than on account of the earliest stipulated

Rent or other charges, nor shall any statement on a check or any letter accompanying a payment of Rent or other charges be deemed an accord and satisfaction. Landlord may accept payment without prejudice to Landlord's right to recover the balance of Rent or other charges or pursue any other remedy under this Lease or allowable at law or equity.

SECTION 13.05 ENTIRE AGREEMENT. This Lease, including the Basic Lease Terms and the Exhibits attached hereto and incorporated herein by reference set forth all covenants, promises, agreements, conditions, or understandings between Landlord and Tenant concerning the Premises. No subsequent change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties.

SECTION 13.06 NO PARTNERSHIP. Landlord is not in any way a partner, joint venturer, or member of a joint enterprise with Tenant.

SECTION 13.07 FORCE MAJEURE. If either party is delayed from the performance of any act required hereunder by reason of labor troubles, inability to procure materials, failure of power, restrictive governmental regulations, riots, war, or like reasons not the fault of the party delayed, then the period for performance of the act shall be extended for a period equivalent to the period of the delay. This Section shall not excuse Tenant from prompt payment of Rent, Additional Rent, or any other payments required by this Lease. This Section is subordinate to Article VIII concerning destruction and condemnation of the Premises.

SECTION 13.08 HOLDING OVER. Any holding over after the expiration of the term hereof, with or without the consent of landlord, shall be construed to be a tenancy from month to month at 150% of the Base Rent, the Additional Rent, and otherwise on the terms and conditions of this Lease.

SECTION 13.09 WAIVER. The waiver by Landlord of any breach of any term, covenant, or condition herein shall not be deemed a subsequent waiver of such term, covenant, or condition. The acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the Rent so accepted. No covenant, term, or condition of this Lease shall be waived by Landlord, unless the waiver is in writing by Landlord.

SECTION 13.10 NOTICES. Any notice or demand from Landlord to Tenant or from Tenant to Landlord shall be in writing and shall be mailed by registered or certified mail or personally delivered or delivered by expedited messenger service with evidence of receipt addressed, if to Tenant, to the address of Tenant set forth in the Basic Lease Terms, 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. Notices shall be deemed received when deposited in the U.S. Mail, postage prepaid and correctly addressed to the appropriate party; or the next day when given to an expedited messenger service; or when personally delivered.

SECTION 13.11 PARTIAL INVALIDITY. If any provision of this Lease or any specific application shall be invalid or unenforceable, the remainder of this Lease, or the application of the provision in other circumstances, shall not be affected and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 13.12 RECORDING. This Lease shall not be recorded.

SECTION 13.13 SUCCESSORS. This Lease shall be binding upon and inure to the benefit of the parties, their legal representative, successors, and assigns; subject to the provisions of Articles VI and X.

SECTION 13.14 GOVERNING LAW. This Lease shall be construed and the rights and obligations of Landlord and Tenant be determined according to the laws of the State of Illinois.

SECTION 13.15 SUBMISSION OF LEASE. Submission of this Lease to Tenant does not constitute an offer by Landlord to lease the Premises. This Lease shall become effective only upon execution and delivery thereof by Landlord and Tenant. The effective date of this Lease shall be the date of execution by the last of the parties to execute this Lease.

SECTION 13.16 COUNTERPARTS. This Lease and any amendments thereto may be executed by Landlord and Tenant in separate counterpart originals.

SECTION 13.17 QUIET ENJOYMENT. Landlord warrants that it has the right to lease the Premises hereby demised, and that so long as Tenant shall perform each and every term, condition and covenant to be performed and observed by Tenant hereunder, Tenant shall have peaceful and quiet use and possession of the Premises without hindrance on the part of Landlord, and the Landlord shall defend Tenant in such peaceful and quiet use and possession under Landlord.

SECTION 13.18 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, Inc., 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 13.19 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 requires. Persons or entities receiving such statement shall be entitled to rely upon it.

SECTION 13.20 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 13.21 SURVIVAL. If any term, covenant or condition of this Lease or 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 13.22 AUTHORITY. Tenant warrants and represents to Landlord 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 13.23 LENDER'S REQUIREMENTS. Should any mortgage, leasehold or otherwise, of the Landlord 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 may be so modified.

SECTION 13.24 ADJACENT EXCAVATION AND 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 license to enter upon the Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which the 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 13.25 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 Default Rate.

SECTION 13.26 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 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 in the event of default by Landlord hereunder; such exculpation of personal liability is absolute and without any exception whatsoever.

SECTION 13.27 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 13.28 CERTAIN RIGHTS RESERVED TO THE 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 13.29 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 13.30 LANDLORD'S TERMINATION RIGHTS. The Landlord shall have the right to terminate this Lease as of a date not less than ninety (90) days prior to a notice to the Tenant in any year if Landlord proposes or is required, for any reason, to 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 groundlessees, as the case may be, and is in addition to all other rights of the Landlord under this Lease.

ARTICLE XIV - GENERAL CONDITIONS

SECTION 14.01 INSPECTOR GENERAL. Each party to the agreement shall acknowledge 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 14.02 CONFLICTS. The agreement shall not be legally binding on the Board 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 members during the one year period following expiration or other termination of their term of office.

SECTION 14.03 INDEBTEDNESS. The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made apart of the agreement.

SECTION 14.04 ETHICS. The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

SECTION 14.05 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 14.06 CONDITION OF PREMISES. No agreements or representations have been made to Tenant regarding the condition of the Premises or the Building, its suitability for Tenant's intended use, or whether it is zoned properly for Tenant's intended use.

ARTICLE XV - OPTION TO RENEW

SECTION 15.01 RENEWAL OPTION.. Tenant shall have an option (hereinafter referred to

as the "Renewal Option") to extend the term of this Lease for a renewal term of five (5) years (hereinafter referred to as the "Renewal Term"), by giving Landlord notice thereof not more than nine (9) months but at least six (6) months prior to the expiration of the Term of this Lease (with time to be of the essence as to the timely exercise of such Renewal Option). If Tenant shall exercise the Renewal Option, then this Lease shall be extended for the Renewal Term upon all of the terms, covenants, and conditions contained in this Lease, except that, during the Renewal Term, the Base Rent shall be the market rental value (hereinafter referred to as the "Market Value Rent") of the Premises on the date that Tenant exercises the Renewal Option (hereinafter referred to as the "Exercise Date"), determined as provided in Section 15.02 below.

SECTION 15.02 ARBITRATION. The term "Market Value Rent" shall mean the annual base rent that a willing tenant would pay and a willing landlord would accept in an arms-length lease of the Premises as of the Exercise Date. If Landlord and Tenant shall fail to agree upon the Market Value Rent within sixty (60) days after the Exercise Date, the Landlord and Tenant each shall give notice (hereinafter referred to as the "Determination Notice") to the other setting forth their respective determinations of the Market Value Rent, and, subject to the provisions of Section 15.03 below, either party may apply to the American Arbitration Association or any successor thereto for the designation of an arbitrator satisfactory to both parties to render a final determination of the Market Value Rent. The arbitrator shall be a real estate appraiser or consultant who shall have at least ten (10) years continuous experience in the business of appraising or in commercial real estate leasing in Chicago, Illinois. The arbitrator shall conduct such hearings and investigations as the arbitrator shall deem appropriate and shall, within thirty (30) days after having been appointed, choose one of the determinations set forth in either Landlord's or Tenant's Determination Notice, and that choice by the arbitrator shall be binding upon Landlord and Tenant. Each party shall pay its own counsel fees and expenses, if any, in connection with any arbitration under this Section 15.02, and the parties shall share equally all other expenses and fees of any such arbitration. The determination rendered in accordance with the provisions of this Section 15.02 shall be final and binding in fixing the Market Value Rent. The arbitrator shall not have the power to add to, modify, or change any of the provisions of this Lease.

SECTION 15.03 ARBITRATION CANCELED. IF the determination of the Market Value Rent set forth in the Landlord's and Tenant's Determination Notices shall differ by less than ten percent (10%) per useable square foot per annum for each year during the Renewal Term, then the Market Value Rent shall not be determined by arbitration, but shall instead be set by taking the average of the determinations set forth in Landlord's and Tenant's Determination Notices. Only if the determinations set forth in Landlord's and Tenant's Determination Notices shall differ by more than ten percent (10%) per useable square foot per annum for any year during the Renewal Term shall the actual determination of Market Value Rent be made by an arbitrator as set forth in Section 15.02 above.

SECTION 15.04 LATE DETERMINATION. If for any reason the Market Value Rent shall not have been determined prior to the commencement of the Renewal Term, then, until the Market Value Rent and, accordingly, the Base Rent, shall not have been finally determined, the Base Rent

shall remain the same as payable during the last year of the initial term of this Lease. Upon final determination of the Market Value Rent, an appropriate adjustment to the Base Rent shall be made reflecting such final determination, and Landlord or Tenant, as the case may be, shall promptly refund or pay to the other any overpayment of deficiency, as the case may be, in the payment of Base Rent from the commencement of the Renewal Term to the date of such final determination.

IN WITNESS THEREOF, Landlord and Tenant have executed this Lease as of the date set forth above.

LANDLORD:
BOARD OF EDUCATION OF THE
CITY OF CHICAGO, a Body Politic
and Corporate

By: Tariq Butt
Tariq Butt, M.D., Member

Attest: Sharon M. DuBois
Secretary

TENANT:
KEE NAM CHANG d/b/a
SUE'S HALLMARK

By: Lee Nam Chang

Name: _____

Its: _____

Bd. Rpt. 01-1024 -001 --0

Approved as to Legal Form ha
Marilyn F. Johnson
Marilyn F. Johnson, General Counsel

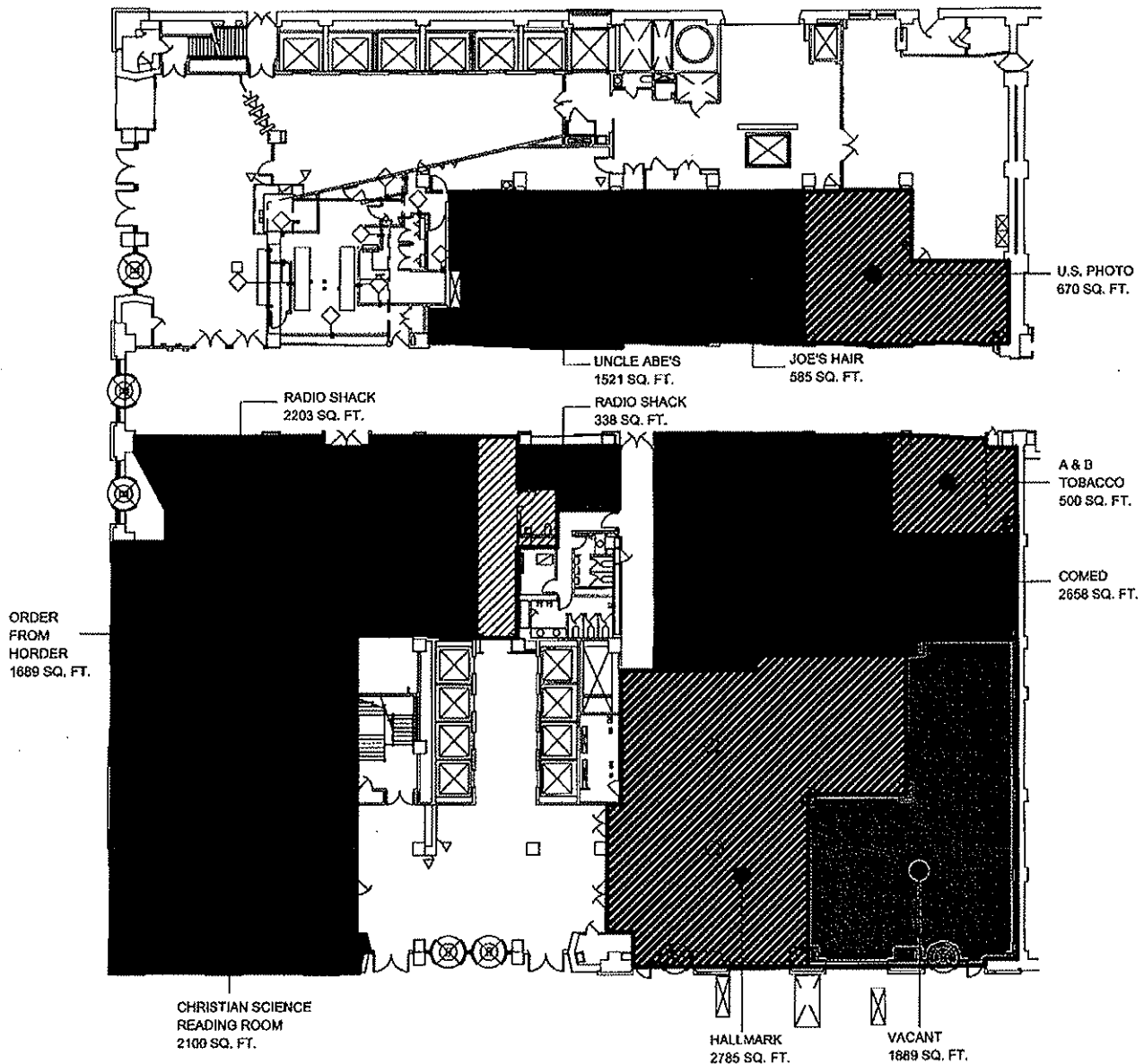
EXHIBIT A

PREMISES

See Attached

1st Floor Lease Status

CPS - 125 S. Clark
10/25/01







-  Under Negotiation
-  Vacant
-  Under Lease
-  Under Construction

EXHIBIT B
TENANT'S WORK

See Attached

~~REDACTED~~ DRAWINGS

~~REDACTED~~

[illegible]

WALL SECTIONS (A) (B)

COMMON AREA

SECRET

Architectural floor plan of the first floor of the New York City Police Department's 100th Precinct. The plan shows a large central area with various rooms, including a 'COMMON AREA' at the top, a 'RECEPTION' area, a 'TRAINING' area, and a 'RESTROOM' area. The plan is oriented with North at the top. The building is located at 100th Precinct, New York City. The plan includes dimensions, room numbers, and labels for various areas and rooms.

NO DIFF. OUT. STATION AND NO DIFF. INDOOR AT STAGE. SM. OTTIE. BATHROOM IN COMMON AREA. IN NEARBY OFFICE. APPOINT. TO COME. IN. IDEAL. AND. PERSONAL. CODES.

SAM SALAH - ARCHITECT
1080 CHERRYWOOD LANE
WEST CHICAGO, ILLINOIS 60185
PROFESSIONAL FAX (603) 875-5157

IN THE	NO ONE	3/17/2024	ANY SPECIAL STEP PLAN
PLACES ONE			
NEW CONSTRUCTION			W/W

Site Specific Design

SUES HALLMARK STORE

CHICAGO, IL

MP

CONSTITUTIONAL		SYSTEMIC MEDICINE	
GENERAL	1. Age	2. Sex	3. Race
1. Height	2. Weight	3. Blood Pressure	4. Heart Rate
5. Temperature	6. Pulse	7. Respiration	8. Blood Sugar
9. Urine	10. Stool	11. Skin	12. Eyes
13. Ears	14. Nose	15. Throat	16. Lungs
17. Liver	18. Spleen	19. Kidneys	20. Bladder
21. Prostate	22. Uterus	23. Vagina	24. Testes
25. Penis	26. Scrotum	27. Clitoris	28. Vagina
29. Cervix	30. Endometrium	31. Ovaries	32. Fallopian Tubes
33. Uterus	34. Vagina	35. Cervix	36. Endometrium
37. Ovaries	38. Fallopian Tubes	39. Uterus	40. Vagina
41. Cervix	42. Endometrium	43. Ovaries	44. Fallopian Tubes
45. Uterus	46. Vagina	47. Cervix	48. Endometrium
49. Ovaries	50. Fallopian Tubes	51. Uterus	52. Vagina
53. Cervix	54. Endometrium	55. Ovaries	56. Fallopian Tubes
57. Uterus	58. Vagina	59. Cervix	60. Endometrium
61. Ovaries	62. Fallopian Tubes	63. Uterus	64. Vagina
65. Cervix	66. Endometrium	67. Ovaries	68. Fallopian Tubes
69. Uterus	70. Vagina	71. Cervix	72. Endometrium
73. Ovaries	74. Fallopian Tubes	75. Uterus	76. Vagina
77. Cervix	78. Endometrium	79. Ovaries	80. Fallopian Tubes
81. Uterus	82. Vagina	83. Cervix	84. Endometrium
85. Ovaries	86. Fallopian Tubes	87. Uterus	88. Vagina
89. Cervix	90. Endometrium	91. Ovaries	92. Fallopian Tubes
93. Uterus	94. Vagina	95. Cervix	96. Endometrium
97. Ovaries	98. Fallopian Tubes	99. Uterus	100. Vagina

TESTS	50% 100% PASSING	50% 100% RETRYING	50% 100% PASSING
LOGIC FOOTING			
MATHS	29 IF		330 IF
ALGEB			60 IF
LOGIC	X	X	300 IF
ALGEBRA 50%	2800 50%	2200 50%	2200 50%
ALGEBRA	X	X	5/10

[illegible]

NEW/7240-SITERS
PROD CODE :
2N
DATE OF ORDER :
BASIC
COLOR CODE :
10280
TOTAL QTY :
STRIP

NEW CO-ORDINATOR
PROD CODE :
FINAL
DATE OF ORDER :
2673
COLOR CODE :
22826
TOTAL QTY :
COORDINATOR & STRIP
D00016657

[illegible]

[illegible]

102B

[illegible]PC
EXISTING CDM 9.4

