

Ameritech - Illinois  
Schedule A

# AGREEMENT OF PURCHASE AND SALE

1550 West 88<sup>th</sup> Street, Chicago, Illinois

By and Between

Illinois Bell Telephone Company

a/k/a Ameritech Illinois,

an Illinois corporation,

Seller

and

Economic Development Center,

an Illinois not-profit corporation,

Purchaser

DATED as of DECEMBER 1, 1999

**AGREEMENT OF PURCHASE AND SALE**  
1550 West 88<sup>th</sup> Street, Chicago, Illinois

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this \_\_\_ day of December, 1999 by and between Illinois Bell Telephone Company a/k/a Ameritech Illinois, an Illinois corporation ("Seller"), having an address of 425 W. Randolph, Floor 9SE, Chicago, Illinois 60606, Attention: General Manager -Real Estate Services; facsimile number (312) 669-2192, and Economic Development Center, an Illinois non-profit corporation ("Purchaser"), having an address of 1547 West 87<sup>th</sup> Street, Chicago, Illinois 60620; facsimile number (773) 445-4562.  
6043

(708) 895

RECITALS

Seller is the owner of a parcel of real estate in Cook County, State of Illinois, legally described on Exhibit A attached hereto (the "Land") and all buildings thereon (collectively, the "Real Property", which together with any and all appurtenances thereto is collectively referred to as the "Property").

Subject to and on the terms and provisions of and for the considerations set forth in this Agreement, Seller has agreed to sell, and Purchaser has agreed to buy, the Property.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms have the following meanings:

Cash Balance. As defined in Section 2.2(b)

Closing of the purchase and sale transaction contemplated herein

Closing Date. As agreed between Seller and Purchaser but no later than 180 days following the Commencement Date as defined in the Lease.

Security Deposit. As defined in Section 2.2(a).

Land. As defined in the Recitals.

Personal Property. Those items listed on Exhibit B, attached hereto.

Property. As defined in the Recitals.

Proration Date. As defined in Section 7.

**Surviving Obligations.** Those obligations designated herein as surviving Closing.  
**Title Commitment.** As defined in Section 3.

**Title Company.** Chicago Title Insurance Company,

2. **Sale: Purchase Price.**

2.1 **Purchase and Sale.** Subject to the terms and provisions hereof, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, the Property.

2.2 **Purchase Price.** The total purchase price (hereinafter called the "Purchase Price") to be paid by Purchaser to Seller for the Property shall be **\$1,250,000.00**. The Purchase Price shall be payable in the following manner:

(a) **Security Deuosit.** Purchaser shah, within two (2) business days after the full execution and delivery of this Agreement, deposit with an escrowee the amount of **\$125,000.00** which shall serve as a Security Deposit, as defined in the Lease Agreement of even date herewith, in the form of a cashier's or certified check or wire transfer of immediately available United States of America funds. The Security Deposit shall be held and disbursed by the escrowee pursuant to the Escrow Agreement in the form of Exhibit C attached hereto which the parties have executed simultaneously with this Agreement. If the sale hereunder is consummated in accordance with the terms hereof, the Security Deposit shall be applied to the Purchase Price to be paid by Purchaser at the Closing, less any deductions therefrom for rent and additional rent pursuant to the Lease Agreement. In the event of a default hereunder by Purchaser or Seller, the Security Deposit shall be applied as provided herein. In this Agreement, the terms "Earnest Money" and "Security Deposit" may be used interchangeably for all purposes.

(b) **Cash Balance.** Purchaser shall pay the balance of the Purchase Price, subject to the prorations described in Section 7 below (the "Cash Balance"), by delivery to Purchaser of a promissory note, pursuant to Section 5.3(a) below.

3. **Title.** Seller shall, at Seller's sole cost and expense, obtain and deliver to Purchaser for Purchaser's review a commitment for an owner's policy of title insurance (ALTA, 1992 form or any subsequent form then in use by the Title Company in replacement thereof) (the "Title Commitment") on the Real Property issued by the Title Company within thirty (30) days from the date hereof. All recorded encumbrances, including, without limitation, covenants, restrictions and easements, and other exceptions and exclusions shown in the Title Commitment and all matters caused by, through or under Purchaser shah constitute and shall be "Permitted Exceptions." At Closing, Seller will cause the Title Company to issue a title insurance policy (the "Title Policy") or updated Title Commitment, dated as of Closing, showing title to be in the name of Purchaser subject only to the Permitted Exceptions. The Permitted Exceptions at Closing shall not include any of the following contained in the Title Commitment: (i) claims for mechanics' liens not caused by, through or under Purchaser;

(ii) mortgages not caused by, through or under Purchaser; or (iii) real estate taxes then due and payable.

4. **Survey.** Seller shall obtain a boundary survey ("Survey") of the Property. **If the** survey shows material encroachments (i) from the improvements, if any, on the Property over adjacent **property or** (ii) from improvements on adjacent property onto the Property, Purchaser's sole remedy, subject to any rights Purchaser may have under Section 17.2, shall be to elect to (A) terminate this Agreement, in which event the Security Deposit shall be returned forthwith to Purchaser and thereupon neither party shall have any further rights, obligations or liabilities hereunder, except the Surviving Obligations, or (B) accept conveyance of title subject to the matters shown on the Survey and proceed with the Closing, in which event Purchaser shall accept Seller's Deed to the Property subject to such matters. If Purchaser shall fail to so make such election by notice served in writing upon the earlier of (i) five days after receipt of the Survey or (ii) five days prior to Closing, Purchaser shall be deemed to have elected the alternative in (B) above.

5. **Conditions Precedent.**

5.1 **Requisite Approval.** Seller's obligation to close hereunder is subject to Seller having obtained approval to consummate this transaction from the requisite parties, if necessary, including, without limitation, the Illinois Commerce Commission within six (6) months following the date hereof. In the event Seller shall **not** have satisfied this condition precedent prior to Closing, Seller may terminate this Agreement, in which event the Security Deposit shall be remitted to Purchaser, less any deductions for rent and additional rent, if any, under the Lease Agreement and thereafter (except for the Surviving Obligations), neither party shall have any rights, obligations or liabilities hereunder.

5.2 **Seller Termination for Convenience.** Seller shall be permitted to terminate this Agreement at any time on or before the Closing Date, absent the failure of the condition precedent described in Section 5.1. In such event, the Security Deposit shall be remitted to Purchaser, together with the cost of Purchaser's Work, as defined below, up to **\$250,000.00** and thereupon (except for the Surviving Obligations), neither party shall have any further rights, obligations or liabilities hereunder.

5.3 **Certain Pre-Closing Closing and Post-Closing Matters.**

(a) **Mortgage:** Simultaneously with the Closing hereof, Purchaser shall execute and deliver to Seller a promissory note for a term of nine (9) years requiring an annual payment of **\$125,000.00** at an interest rate determined by agreement of the parties, mortgage, assignment of leases and rents, a security agreement and other loan documents reasonably required by Seller (collectively, the "Mortgage") in a form reasonably satisfactory to Seller. Seller hereby agrees to subordinate the lien of mortgage to the lien of mortgage placed on the Premises by Purchaser's lender (the "Senior Mortgage") upon terms reasonably agreeable to Seller including, by way of example and not of limitation, the following:

(i) The term of the Senior Mortgage shall be no greater than thirty (30) years;

(ii) The Senior Mortgage shall bear interest at the then current market rate;

(iii) The Senior Mortgagee shall be required to provide written notice to the Seller of any default of the Purchaser under the Senior Mortgage and prior to the Senior Mortgagee foreclosing its lien (or exercising any other remedy under the Mortgage) Seller shall have the right, but not the obligation, to cure Purchaser's default within thirty (30) days following notification of default from the Senior Mortgagee (or such other reasonable time **if the** default is one that **cannot** be cured within such thirty (30) day period, provided that Seller has undertaken and pursued such cure, including proceeding to obtain necessary court authorization to commence such cure; and

(iv) Such other items as are customary for closing and recording the Mortgage.

(b) Purchaser's Post-Closing Work; Subject to Seller's approval, as described below, following the Closing hereof, Purchaser shall perform the repairs, modifications and alterations of **the Premises** (collectively, the "Work"), at its sole cost and expense.

Prior to the commencement of the Work, and to the extent that any Work exceeds an amount of **\$10,000.00**, Seller shall submit all drawings, plans and other renderings of the Work to be performed (the "Plans"), which Seller shall have fifteen (15) business days to approve or disapprove, in its reasonable discretion. In the event that Seller or its agents approve the Plans, then the Work shall be performed in a workmanlike manner consistent with the highest industry standards. If Seller or its agents disapprove of the Plans in whole or in part, Purchaser shall resubmit amended Plans within **five (5)** business days following notification of Seller's disapproval. Additional provisions with respect to construction escrow, lien waivers, draws and the like, shall be set forth more fully in the Mortgage described above.

(c) Lease. Seller, as landlord, and Purchaser, as tenant, have entered into that certain lease agreement (the "**Lease**") of even date herewith, a copy of which is attached hereto as Exhibit D, to provide Purchaser access and use of the Premises in order for Seller to obtain approval by the Illinois Commerce Commission for the transaction contemplated by this Agreement, as set forth more fully in Paragraph 6.3 of this Agreement. It is understood and agreed that the Lease shall terminate as of the Closing Date hereof, upon the terms and conditions set forth more fully in **the Lease**.

6. Closing: Conditions: Deliveries.

6.1 Place of Closing. The Closing shall be held on the Closing Date in the offices of the Title Company or at any other location mutually acceptable to the parties.

6.2 Deliveries. At Closing each party shall execute and deliver to the other and/or the Title Company the following documents:

(a) Seller shall deliver to Purchaser **and/or** the Title Company:

(i) a deed (the “Deed”) to the Property in recordable form, duly executed by Seller and acknowledged, conveying to Purchaser title to the Real Property, subject to the Permitted Exceptions;

(ii) if applicable, a bill of sale duly executed by Seller, conveying to Purchaser title to solely the personal property owned by Seller and located at the Real Property, as may be described in Exhibit B attached hereto.

(iii) a non-foreign transferor certification pursuant to Section 1445 of the Internal Revenue Code and any similar provisions of applicable state law.

(b) Purchaser shall deliver to Seller or the Title Company:

(i) the Cash Balance, by delivery of a promissory note, as provided in Section 2.2(b) hereof; and

(ii) if applicable, a certified resolution of Purchaser certifying that Purchaser has the legal power, right and authority to consummate the purchase of the Property.

(c) Seller and Purchaser shall jointly deliver to the Title Company:

(i) A closing statement; and

(ii) All transfer declarations or similar documentation required by law, if any.

7. Prorations. All items of income and expense shall be paid, prorated or adjusted as **of the** close of business on the day prior to the Closing Date (the “Proration Date”) in the **manner** hereinafter set forth:

7.1 Real Estate Taxes. Real estate taxes shall be prorated between Seller and Purchaser based upon the actual days of ownership of the parties for the year in which Closing occurs utilizing the most recent ascertainable tax bill(s). Seller reserves the rights to attempt to obtain a

refund for any taxes previously paid and Seller shall retain all rights with respect to any refund of taxes applicable to any period prior to the Closing Date.

1.2 All other items which are customarily prorated in transactions similar to the transaction contemplated hereby and which were not heretofore dealt with, will be prorated as of the Proration Date. All prorations shall be final and shall not be readjusted after Closing. Purchaser shall indemnify and hold Seller harmless from and against any and all liabilities, losses, damages, claims and costs (including reasonable attorney fees, court costs and litigation expenses) for which Purchaser received credits pursuant to this Section 7.2. The indemnity set forth in the immediately preceding sentence and the covenants contained in this Section 7.2 shall survive Closing.

8. Purchase As-Is. PURCHASER WARRANTS AND ACKNOWLEDGES TO AND AGREES WITH SELLER THAT PURCHASER IS PURCHASING THE PROPERTY IN ITS "AS-IS, WHERE IS" CONDITION "WITH ALL FAULTS" AND DEFECTS AS OF THE CLOSING DATE AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, AS TO ITS CONDITION (INCLUDING, WITHOUT LIMITATION, ITS PHYSICAL CONDITION), FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF SELLER. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, STRUCTURAL INTEGRITY, SOIL AND GEOLOGY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY; (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR FUTURE DEVELOPMENT OF THE PROPERTY, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (H) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY OR ANY OTHER ENVIRONMENTAL MATTER OR CONDITION OF THE PROPERTY; (I) THE YEAR 2000 COMPLIANCE OF ANY SYSTEM OR OTHER ELEMENT OF THE PROPERTY; OR (J) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. PURCHASER HEREBY RELEASES SELLER FROM ALL RESPONSIBILITY AND LIABILITY REGARDING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE CONDITION (INCLUDING, BUT NOT LIMITED TO, THE CONDITION OF THE SOIL, WATER, GROUND WATER, PRESENCE OF HAZARDOUS MATERIALS AND ALL OTHER PHYSICAL CHARACTERISTICS), VALUATION OR UTILITY OF THE PROPERTY. THIS SECTION 8, INCLUDING WITHOUT LIMITATION THE RELEASE SET FORTH ABOVE SHALL

SURVIVE THE CLOSING. PURCHASER SHALL INDEMNIFY AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, JUDGMENTS, LIABILITIES, LIENS, DAMAGES, PENALTIES, FINES, COSTS AND REASONABLE ATTORNEY'S FEES (INCLUDING WITHOUT LIMITATION DISBURSEMENTS AND COURT COSTS), FORESEEN OR UNFORESEEN, ASSERTED AGAINST, IMPOSED ON OR SUFFERED OR INCURRED CLAIMS AND DEMANDS MADE AGAINST OR INCURRED OR SUFFERED BY ONE OR MORE OF THE INDEMNIFIED PARTIES OR THE PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER ABOUT, OR FROM THE PROPERTY. THIS INDEMNITY SHALL BE DEEMED REMADE ON AND AS OF CLOSING AND SHALL BE A SURVIVING OBLIGATION. PURCHASER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT; EMPLOYEE, SERVANT OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT PURCHASER IS A SOPHISTICATED AND EXPERIENCED PURCHASER OF PROPERTIES SUCH AS THE PROPERTY AND HAS BEEN DULY REPRESENTED BY COUNSEL IN CONNECTION WITH THE NEGOTIATION OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS NOT RELIED, AND IS NOT RELYING UPON ANY INFORMATION, DOCUMENT, SALES BROCHURES OR OTHER LITERATURE, MAPS OR SKETCHES, PROJECTION, PRO FORMA, STATEMENT, REPRESENTATION, GUARANTEE OR WARRANTY (WHETHER EXPRESS OR IMPLIED, OR ORAL OR WRITTEN, MATERIAL OR IMMATERIAL) THAT MAY HAVE BEEN GIVEN BY OR MADE BY OR ON BEHALF OF THE SELLER. EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, SELLER HAS MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE ANY OF THE PROPERTY. FOR PURPOSES OF THIS SECTION & THE PROPERTY SHALL INCLUDE ANY PERSONAL PROPERTY BEING TRANSFERRED TO PURCHASER HEREUNDER.

Notwithstanding the foregoing, Purchaser shall not be liable for any environmental condition that existed on the Property prior to its taking possession pursuant to the Lease, all such conditions shall be the sole responsibility of the party causing the environmental condition. Purchaser shall be liable for the remediation of any and all environmental conditions occurring on or about the Property following its taking possession of the Property and for any pre-existing environmental condition that Purchaser, its employees, agents, tenants, licensees, successors and assigns, exacerbate.

The parties hereby acknowledge that they have received and reviewed a Phase I Environmental Assessment of the Property prior to executing this Agreement.

9. Purchaser's Representations, Warranties and Covenants. Purchaser hereby represents, warrants and covenants as follows:

9.1 Power and Authority. Purchaser has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Purchaser have the legal power, right and actual authority to bind Purchaser to the terms and conditions hereof and thereof.

9.2 Requisite Action. All requisite action (corporate, trust, partnership or otherwise) has been taken by Purchaser in connection with entering into this Agreement and the instruments referenced herein and the consummation **of the** transactions contemplated hereby. No consent **of any** partner, shareholder, member, creditor, investor, judicial or administrative body, authority or other party is required which has not been obtained to permit Purchaser to enter into this Agreement and consummate the transaction contemplated hereby.

9.3 Validity. This Agreement and all documents required hereby to be executed by Purchaser are and shall be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms.

9.4 Conflicts. Neither the execution and delivery of this Agreement and documents referenced herein, **nor the incurrence** of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor referenced herein conflict with or result in the material breach of any terms, conditions or provisions of or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, lease or other agreements or instruments to which Purchaser is a party.

10. Seller's Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants as follows:

10.1 Power and Authority. Seller has the **legal** power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

10.2 Requisite Action. All requisite action (corporate, trust, partnership or otherwise) has been **taken** by Seller in connection with entering into this Agreement and the instruments referenced herein and the consummation **of the** transactions contemplated hereby. No consent of any partner, shareholder, member, creditor, investor, judicial or administrative body, authority or other party is required which has not been obtained to permit Seller to enter into this Agreement and consummate the transaction contemplated hereby.

10.3 **Validity.** This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations **of and** enforceable against Seller in accordance with their terms.

10.4 **Conflicts.** Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrence **of the** obligations set forth herein, nor the consummation **of the** transactions herein contemplated, nor referenced herein conflict with or result in the material breach of any terms, conditions or provisions of or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, lease or other agreements or instruments to which Seller is a party.

11. **Closing Costs.** Seller shall pay the following expenses: (i) the costs to obtain a base ALTA owner's title policy; (ii) the costs to obtain the Survey; and (iii) Seller's legal fees and expenses; and (iv) all conveyance fees, documentary, stamp and transfer taxes.

Purchaser shall pay the following expenses: (a) the costs for any endorsements to the title policy and for extended **coverage**, if available; (b) all closing escrow fees, including "New York Style" closing fees; (c) the fee for the recording of the Deed; (d) all costs and expenses incurred in connection with the transfer **of any** transferable permits, warranties or licenses in connection with the ownership or operation of the Property; (e) all costs and expenses associated with Purchaser's financing, if any; and (f) Purchaser's legal fees and expenses.

The provisions **of this Section 11** shall survive Closing or any termination of this Agreement.

12. **Commissions.** Purchaser shall be solely responsible for the payment of the commission to Equis Corporation. Seller and Purchaser each warrant and represent to the other that (other than Equis Corporation) neither has had any dealings with any broker, agent, or tinter relating to the sale of the Property **or** the transactions contemplated hereby, and each agrees to indemnify and hold the other harmless against any claim for brokerage commissions, compensation or fees by any broker, agent, or tinter in connection the sale of the Property or the transactions contemplated hereby resulting **from** the acts of the indemnifying party. The provisions of this **Section 12** shall survive Closing or any termination of this Agreement.

13. **Closing.** It is contemplated that the transaction shall be closed by means of the concurrent delivery of the documents of title, transfer of interest, delivery of the title policy or marked-up title commitment described in **Section 3** and the payment of the Purchase Price by delivery of the Mortgage and note and release of the Security Deposit by the escrowee. Seller and Purchaser agree to use reasonable efforts to complete all requirements for Closing prior to the Closing Date. Seller and Purchaser also agree that disbursement **of the** Purchase Price, as adjusted by the prorations, shall not be conditioned upon the recording of the Deed, but rather, upon the agreement by the Title Company to issue the title policy. Seller and Purchaser shall each provide any undertaking to the Title Company reasonably necessary to accomplish the Closing.

14. **INTENTIONALLY OMITTED.**

15. **Notice.** All notices, demands, deliveries and communications (a "Notice") under this Agreement shall be delivered or sent by: (i) **first** class, registered or certified mail, postage prepaid, return receipt requested, (ii) nationally recognized overnight carrier, or (iii) facsimile with original Notice sent via overnight delivery addressed to the address of the party in question set forth in the first paragraph of this Agreement and copies to the parties designated below or to such other address as either party may designate by Notice pursuant to this Section 15. Notices shall be deemed given (x) three business days **after** being mailed as provided in clause (i) above, (y) one business day after delivery to the overnight carrier as provided in clause (ii) above, or (z) on the day of the transmission of the facsimile so long as it is received in its entirety by 5:00 p.m. (Chicago time) on such day and the **original of such Notice** is received the next business day via overnight mail as provided in clause (iii) above.

Notices to Seller copy to: Ameritech  
Director, Real Estate Services  
425 West Randolph Street, 9th Floor  
Chicago, IL 60606

With an additional copy to: Ameritech  
225 West Randolph Street, 27<sup>th</sup> Floor  
Chicago, IL 60606  
Attn: Legal Department  
Facsimile No.: (3 12) 609-6307

Notices to Purchaser copy to: Economic Development Center  
1547 West 87<sup>th</sup> Street  
Chicago, IL 60620  
Facsimile no.: \_\_\_\_\_

16. Fire or Other Casualty: Condemnation.

16.1 Casualties. If **the** Property or any part thereof is damaged by fire or other casualty prior to the Closing Date which would cost in excess of \$250,000.00 to repair (as determined by an insurance adjuster selected by the insurance carriers), Purchaser may terminate this Agreement by written notice to Seller given on or before the earlier of (i) twenty (20) days following such casualty or (ii) the Closing Date. In the event of such termination, this Agreement shall be of **no** further force and effect and, except for the Surviving Obligations, neither party shall thereafter have any further obligation under this Agreement, and Seller shall direct the Title Company to promptly return all Security Deposit to Purchaser. If Purchaser does not elect to terminate this Agreement or the cost of repair is determined by said adjuster to be less than **\$250,000.00**, then the Closing shall **take** place as herein provided without abatement of the Purchase Price, and Seller shall assign and transfer to Purchaser on the Closing Date, without warranty or recourse, all of Seller's right, title and interest to the balance of insurance proceeds paid or payable to Seller on account of such fire or casualty remaining after reimbursement to Seller for the total amount of all costs and expenses incurred by Seller in connection therewith including but not limited to making emergency repairs, securing the

Property and complying with applicable governmental requirements. Seller shall pay to Purchaser the amount of the deductible of any of Seller's applicable insurance policies.

16.2 Eminent Domain. If any material portion of the Property is taken in eminent domain proceedings prior to Closing, Purchaser may terminate this Agreement by notice to Seller given on or before the earlier of (i) twenty (20) days after such taking or (ii) the Closing Date, and, in the event of such termination, this Agreement shall be of no further force and effect and, except for the Surviving Obligations, neither party shall thereafter have any further obligation under this Agreement, and Seller shall direct the Title Company to promptly **return** all Security Deposit to Purchaser. If Purchaser does not so elect to terminate or if the taking is not material, then the Closing shall take place as herein provided without abatement of the Purchase Price, and Seller shall deliver or assign to Purchaser on the Closing Date, without warranty or recourse, all of Seller's right, title and interest in and to all condemnation awards paid or payable to Seller.

17. Assignment. Purchaser shall not assign this Agreement without Seller's prior written consent which consent may be withheld for any reason or no reason. Subject to the previous sentence, this Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective successors and assigns.

18. Remedies.

18.1 Purchaser Default. If the Closing shall not occur due to default by Purchaser, then, except for the Surviving Obligations, the sole remedy of Seller shall be to have remitted to it the Security Deposit.

18.2. Seller Default. If the Closing shall not occur due to default by Seller, then except for the Surviving Obligations, the sole remedy of Purchaser shall be to have returned to it the Security Deposit together with the cost of Purchaser's Work in an amount not to exceed \$250,000.00.

18.3 Damages. Seller and Purchaser agree that the payments provided for in this Section 18 (except for the Surviving Obligations) otherwise in this Agreement, in respect of the failure of performance of an obligation by either party hereto, are intended as liquidated damages, and not as a penalty, as a reasonable estimate of actual damages, in full satisfaction of the obligations of the party making or causing to be made the payment, it being agreed that actual damages are difficult or impossible to ascertain.

19. Seller's Reservation of Easement. Seller hereby reserves for its benefit and the benefit of its successors, assigns, **affiliates**, subsidiaries, licensees and agents (collectively, the "Easement Holder") a right-of-way and easement (the "Easement") horizontally under, through and above-ground from the boundaries of the Property to the Building and all other improvements thereon and horizontally and vertically within and through the Building and all other improvements thereon (including the shafts and risers of the Building) located on the Property (the "Easement Property") for the purposes set forth below.

19.1 **Purpose of Easement.** The Easement is for the installation, maintenance, use, operation, repair, removal, addition and replacement (whether the Easement Holder or by other parties designated by the Easement Holder) or wires, cables, terminals, conduits, pipes, telecommunication lines, electric power lines, fibre optic cables, manholes, underground vaults with the above-ground entrance hatches, pipes, switches and all other apparatus and equipment necessary or useful in connection with the provision of telecommunications services including, without limitation, voice, image and/or data transmission (collectively, the "Facilities") to the Building and the occupants thereof and any and all other improvements on the Property. The Facilities are intended to include individual tenant distribution wires and equipment. The Facilities are not intended to be included in the Property conveyed by the Deed. If the Easement Holder's Facilities serve other properties, the Easement Holder shall pay for any electricity used by its equipment.

19.2 **Non-Exclusive.** Subject to Paragraph 19.3 below, the Easement is non-exclusive and Purchaser may continue to use the Easement Property for any purpose which does not interfere with Easement Holder's rights hereunder.

19.3 **Access and Obstructions.** The Easement Holder shall at all times have a right of access to its Facilities and to that end, Purchaser shall keep the Easement Property free and clear from obstructions. Easement Holder shall have a right to secure any the Easement Property against entry.

19.4 **Restoration.** Easement Holder shall repair and restore any damage to the Easement Property resulting from or arising out of the exercise by Easement Holder of its rights hereunder.

19.5 **Indemnification.** Easement Holder shall indemnify, defend and hold harmless Purchaser, its successors and assigns, and their respective agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any persons and damage to or loss of property arising on the Property and arising from or arising out of the exercise by Easement Holder of its rights hereunder; except that to the extent that the easement is used by the Easement Holder to provide telecommunications or other services requested by Purchaser, the foregoing indemnification provision shall not apply, and any applicable tariffs (or other applicable laws or regulations) then in effect in the State of Illinois or the United States of America shall govern.

19.6 **Successors and Assigns.** All provisions hereof, including the benefits and burdens, shall run with the land and are binding upon and inure to the benefit of the heirs, successors, affiliates, subsidiaries, lessees, licensees, agents, and assigns of the parties hereto.

19.7 **Miscellaneous.** If any term herein or any application hereof shall be invalid, illegal or unenforceable to any extent, the remainder of hereof and any other application of such term shall not be affected thereby. Seller's Reservation of Easement shall be given a reasonable construction so that the intention of the parties to confer a commercially usable right of enjoyment on the Easement Holder is carried out. Either party may enforce this instrument by appropriate action and the prevailing party shall be entitled to recover as part of its costs a reasonable attorney's fee. Seller's

Reservation of Easement may be amended only by an instrument in writing, signed by the party against whom enforcement of such amendment is sought.

20. Miscellaneous.

20.1 Entire Ameenent. This Agreement, together with the exhibits attached hereto, constitute the entire agreement of the parties hereto regarding the purchase and sale of the Property, and all prior agreements, understandings, representations and statements, oral or written, are hereby merged herein. In the event of a conflict between the terms of this Agreement and any prior written agreements, the terms of this Agreement shall prevail. This Agreement may only be amended or modified by an instrument in writing, signed by the party intended to be bound thereby.

20.2 Time. All parties hereto agree that time is of the essence in this transaction. If the time for performance of any obligation hereunder shall fall on a Saturday, Sunday or holiday (national, in the State of Illinois or the state in which the Property is located) such that the obligation hereby can not be performed, the time for performance shall be extended to the next such succeeding day where performance is possible.

20.3 Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

20.4 Governing Law. **THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS.**

20.5 Publicity and Purchaser hereby covenant and agree that, at all times after the date of execution hereof and continuing after the Closing, unless consented to in writing by the other party, no press release or other public disclosure concerning the Purchase Price hereunder shall be made, and each party agrees to use best efforts to prevent disclosure of this transaction. The provisions of this Section 19.5 shall survive Closing or any termination of this Agreement. Notwithstanding the foregoing, the parties hereto shall be entitled to disclose this transaction to any party necessary to consummate this transaction including the parties' attorney, accountant, financial adviser, lender, regulatory body, governmental agency or court of law.

20.6 Section Headings. The Section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several Sections hereof.

20.7 Further Assurances. Purchaser and Seller agree to execute all documents and instruments reasonably required in order to consummate the purchase and sale herein contemplated.

20.8 Severability. If any portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

20.9 Independent Counsel. Purchaser and Seller each acknowledge that: (a) they have been represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of **negotiations** between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared by Seller's counsel as a matter of convenience shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller's counsel prepared this Agreement in its **final** form.

20.10 No Waiver. No covenant, term or condition of this Agreement other than as expressly set forth herein shall be deemed to have been waived by Seller or Purchaser unless such waiver is in writing and executed by Seller or Purchaser, as the case may be.

20.11 Discharge and Survival. The delivery of the Deed by Seller, and the acceptance thereof by Purchaser shall be deemed to be the full performance and discharge of every covenant and obligation on the part of Seller to be performed hereunder except the Surviving Obligations. No action shall be commenced after the Closing on any covenant or obligation except the Surviving Obligations.

21. Exculpation of Seller and Related Parties. Notwithstanding anything to the contrary contained in this Agreement or in any exhibits attached hereto or in any documents executed or to be executed in connection herewith (collectively, including this Agreement, said exhibits and all such documents, the "Purchase Documents"), it is expressly understood and agreed by and between the parties hereto that **after** Closing: (i) the recourse of Purchaser or its successors or assigns against Seller with respect to the alleged breach by or on the part of Seller of any representation, warranty, covenant, undertaking, indemnity or agreement contained in any of the Purchase Documents (collectively, "Seller's Undertakings") shall (x) be deemed waived unless Purchaser has delivered to Seller written notice that Purchaser is seeking recourse under Seller's Undertakings (the "Recourse Notice") **after** the Closing Date but prior to the date that is four (4) months after the Closing Date and Purchaser has filed suit with respect to same within two (2) months after the date of Purchaser's delivery to Seller of the Recourse Notice. In all cases Seller shall not be liable for claims aggregating less than \$25,000.00 and Seller shall not be liable for claims exceeding \$50,000.00; and (ii) no personal liability or personal responsibility of any sort with respect to any of Seller's Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against Seller, or against any of their respective shareholders, directors, officers, employees, agents, constituent partners, members, beneficiaries, trustees or representatives except as provided in (i) above with respect to Seller.



**LIST OF EXHIBITS AND SCHEDULES**

- Exhibit A - Legal Description
- Exhibit B - List of Personal Property
- Exhibit C - Form of **Earnest** Money Escrow Agreement
- Exhibit D - Lease Agreement

**EXHIBIT A**

**LEGAL DESCRIPTION**

LOTS 6 TO 14 (EXCEPT THAT PART SAID LOTS TAKEN FOR WIDENING ASHLAND AVENUE) IN BLOCK 4 ALSO LOTS 18 TO 24 (EXCEPT THAT PART SAID LOTS TAKEN FOR WIDENING ASHLAND AVENUE) AND (EXCEPT FROM SAID LOTS THE EAST 8 FEET THEREOF TAKEN FOR ALLEY) IN BLOCK 5 ALL IN E.L. BRAINARDS SUBDIVISION OF TELFORD BURNHAMS SUBDIVISION (EXCEPT BLOCKS 1 AND 8 THEREOF) OF THE WEST ½ OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Parking Lot**

LOTS 18 TO 24 (EXCEPT THAT PART SAID LOTS TAKEN FOR WIDENING ASHLAND AVENUE) AND (EXCEPT FROM SAID LOTS THE EAST 8 FEET THEREOF TAKEN FOR ALLEY) IN BLOCK 5 ALL IN E.L. BRAINARDS SUBDIVISION OF TELFORD BURNHAMS SUBDIVISION (EXCEPT BLOCKS 1 AND 8 THEREOF) OF THE WEST ½ OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**EXHIBIT B**

**LIST OF PERSONAL PROPERTY**

All personal property located on the Premises as of the Commencement Date or as otherwise agreed to by the parties hereto.

**EXHIBIT C**

Form of Earnest Money Escrow Agreement

**Chicago Title and Insurance Company**

171 North Clark Street  
Chicago, IL 60601

Phone: 312-223-2000  
Fax:

Escrow No.: \_\_\_\_\_  
Date: \_\_\_\_\_

Re: 1550 88<sup>th</sup> Street  
Chicago, Illinois

**JOINT ORDER ESCROW AGREEMENT**

The accompanying \_\_\_\_\_  
is deposited with Chicago Title Insurance Company as Escrowee to be delivered by it only upon the  
joint order of the undersigned or their respective legal representatives or assigns.

Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any of the parties hereto, or by any other person, or corporation, but the said Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case the said Escrowee obeys or complies with any such order, judgment or decrees of any court it shall not be liable to any of the parties hereto or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this escrow, to which said Escrowee is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, attorneys' and solicitors' fees, whether such attorneys or solicitors shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefore out of said deposit, and the undersigned jointly and severally agree to pay said Escrowee upon demand all such costs, fees and expenses so incurred.

In no case shall the above mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or in obedience of the process or order of court as aforesaid.

Deposits made pursuant to these instructions shall be invested in a non-equity interest bearing account, and the parties agree to execute any additional documentation required by the Escrowee. Escrowee will, upon request, furnish information concerning its procedures and fee schedules for investment.

Except as to deposits of funds for which Escrowee has received express written direction **concerning** investment or **other** handling, the parties hereto agree that the Escrowee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and further, that Escrowee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under the applicable laws **of the** State in which the funds are held and may use any part or all such funds for its own benefit without obligation to any party for interest derived thereby, if any; provided, however, nothing herein shall diminish Escrowee's obligation to apply the full amount of the deposits in accordance with the terms of this Agreement. In the event the Escrowee is requested to invest deposits hereunder, Escrowee is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investment for the purposes of these escrow instructions.

**SELLER:**

Illinois Bell Telephone Company  
a/k/a Ameritech Illinois,  
an Illinois corporation

Signed By: \_\_\_\_\_  
Name: David M. Harris  
Its: General Manager - Strategy & Planning  
Address - c/o Ameritech, 425 W. Randolph, Floor 9SE, Chicago, Illinois 60606

**PURCHASER:**

Economic Development Center  
an Illinois non-profit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Address - 1547 West 87<sup>th</sup> Street, Chicago, Illinois 60620

**ACCEPTED:**

Chicago Title Insurance Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Address - 171 North Clark Street, Chicago, IL 60601

LEASE

1550 West 88<sup>th</sup> Street, Chicago, Illinois

By and Between

Illinois Bell Telephone Company

a/k/a Ameritech Illinois,

an Illinois corporation,

Landlord

and

Economic Development Center,

an Illinois not-profit corporation,

Tenant

DATED as of DECEMBER 1, 1999

# LEASE AGREEMENT

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## LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement"), is made and entered into as of the 1<sup>st</sup> day of December, 1999, by and between Illinois Bell Telephone Company, an Illinois corporation d/b/a Ameritech Illinois ("LANDLORD"), and Economic Development Center, an Illinois non-profit corporation ("TENANT").

WITNESSETH:

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. **PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord, upon the following terms and conditions, the premises known as 1550 West 88th Street, Chicago, Illinois (the "Premises"), which includes the existing building (the "Building"), related land, and two (2) parking lots, one located to the north of the Building, and one located across 88th Street from the Building (jointly, the "Parking"). The Building, Premises and Parking are sometimes collectively referred to as the "Property."

2. **USE.** Tenant shall use the Building for general offices and for all other lawful purposes and the Parking for the parking of vehicles and for all other lawful purposes.

3. **TERM.** The term ("Term") of this Lease shall commence on the date hereof ("Commencement Date") and end on the date that occurs three (3) months thereafter ("Expiration Date"), unless sooner terminated or extended in accordance with this Agreement. At such time as this Lease is **executed** by Tenant and tendered to Landlord, Tenant shall deliver the Security Deposit as provided pursuant to Section 29. For all purposes of this Lease, "Term" shall include any period of extension thereof mutually agreed to by the Landlord and Tenant, their successors and assigns. Upon thirty (30) days prior notice to Landlord, Tenant has the option to renew this Lease for one (1) additional term of (3) months which shall commence upon the day **after** the Expiration Date and end on the date that occurs three (3) months thereafter. Notwithstanding the foregoing, or anything else to the contrary in this Lease, Landlord and Tenant acknowledge that upon the Closing of the Agreement of Purchase and Sale between Landlord and Tenant for the Premises of even date herewith which is pending approval of the Illinois Commerce Commission and which may occur at any time prior to the Expiration Date, this Lease shall terminate and Tenant's use and occupancy of the Premises and Property, shall thereafter be governed by the Agreement of Purchase and Sale. Any Rent, as defined below, paid by Tenant to Landlord, shall be credited against the purchase price in the manner set forth more fully in the Agreement of Purchase and Sale.

4. **RENT.**

(a) **Base Rent and Additional Rent.** Base Rent and Additional Rent, both as hereinafter defined (are sometimes hereinafter collectively referred to as "Rent"), shall be paid in lawful money of the United States of America at Ameritech, P.O. Box 95115, Chicago, Illinois

60694-5 115, or such other address as Landlord shall from time to time notify Tenant by notice given pursuant to the terms of the Lease, without any set-off, counterclaim, or deduction whatsoever,

(b) **Base Rent.** Tenant shall pay to Landlord the sum of **\$12,500.00**, as rent for the Term ("Base Rent"). Base Rent payments shall be made to Landlord in advance, on or before the first day of the Term, or any extension thereof. Tenant may direct that the Base Rent be paid out of Tenant's Security Deposit. In the event Tenant exercises its option to extend this Lease, Tenant shall pay to Landlord another installment of Base Rent, which Tenant may direct be paid out of Tenant's Security Deposit.

(c) **Additional Rent.** Tenant shall pay to Landlord additional rent ("Additional Rent") including but not limited to Taxes, as defined below, for the Premises within ten ( 10) days of receipt of an invoice or statement from Landlord. "Taxes" **shall** mean all federal, state, county, or **local** governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including without limitation, real estate taxes, general and special assessments, transit taxes, water and sewer rents, taxes based upon the receipt of rent including gross receipts or sales taxes applicable to the receipt of rent or service or value added taxes, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment used in connection with the Premises for the operation thereof, appurtenances, furniture and other personal property used in connection with the Premises, which are payable in any calendar year in which any portion of the Term occurs (without regard to any different fiscal year used by such government or municipal authority). Notwithstanding the foregoing, there shall be excluded **from** Taxes all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Premises). If the method of taxation of real estate prevailing at the time of execution hereof shall be, or has been altered, so as to cause the whole or any part of the taxes now, hereafter or heretofore levied, assessed or imposed on real estate to be levied, assessed or imposed on Landlord, wholly or partially, as a capital levy or otherwise, or on or measured by the rents received therefrom, then such new or altered taxes attributable to the Building shall be included within the term "Taxes," except that the same shall not include any enhancement of said tax attributable to other income of Landlord. Upon written consent of Landlord, which shall not be unreasonably withheld, Tenant may, at its sole cost and expense, seek to reduce or minimize Taxes.

If the Term commences other than on January 1, or ends other than on December 31, Tenant's obligations to pay estimated and actual amounts towards Taxes for the **first** or **final** calendar years shall be prorated to reflect the portion of such years included in the Term. Such proration shall be made by multiplying the total estimated or actual (as the case may be) Taxes for such calendar years, by a fraction, the numerator of which shall be the number of days of the Term within such calendar year, and the denominator of which shall be 365.

5. **MAINTENANCE AND REPAIRS BY LANDLORD.** Landlord shall not be responsible for any maintenance or repairs to the Premises whatsoever, including without limitation,

maintenance, repairs and replacement to or of the structural components **of the Building**, exterior of the Building and the foundation of the Building.

6. **INTENTIONALLY DELETED.**

7. **FORCE MAJEURE.** The Landlord does not warrant that the use of the Premises, or any **of the** services or utilities to be provided pursuant to this Lease, will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of God or the enemy, governmental action, repairs, maintenance, replacements, renewals, improvements, alterations, changes of service, strikes, lockouts, picketing or other labor controversies, whether legal or illegal, accidents, inability of Landlord to obtain services, **fuel** or supplies or any other cause or causes beyond the reasonable control of Landlord. Any such interruption of the use of the Premises or service or utilities shall never constitute an eviction **or** disturbance **of Tenant's** use and possession of the **Premises or any part** thereof, or render Landlord liable to Tenant for abatement of rent or damages, or relieve Tenant from performance **of Tenant's** obligations under this Lease. Landlord in no event shall be liable for damages by reason of loss of profits, business interruption or other consequential damages.

8. **MAINTENANCE BY TENANT.** Tenant shall be responsible for all maintenance repairs and replacements to the Premises and shall keep the Premises in good order and repair at **all** times during the Term including, without limitation, maintenance, repairs and replacement to or of structural components of the Building, exterior of the Building, the foundation of the Building and the mechanical, electrical and plumbing systems of the Building. Furthermore, Tenant shall be responsible for maintenance of any washroom located within the Building, day-to-day janitor service for cleaning the Building, including, without limitation, sweeping and washing of floors, carpet vacuuming, cleaning, and spot removal as required, dusting and emptying wastebaskets as required, and waxing floor surfaces and washing the interior side of windows. Tenant shall be responsible for replacement of bulbs and lamps used in the Building, interior painting, any necessary repairs to walls and wall coverings, replacement of carpeting, or any other leasehold improvements located within the Building during the Term of this Lease. If Tenant shall fail to make repairs or replacements required of it within ten (10) days following written notice to do so from Landlord, Landlord may, but shall not be required to, make any repairs or replacements required to be made by Tenant to the Premises, at Tenant's expense. If repairs to any glass or windows in the Building are necessitated by misuse or negligence of Tenant, its employees, agents or contractors, Tenant shall, at Tenant's expense immediately secure the Building from the elements, improper entry, and any danger arising on account of such breakage, and repair the same within twenty-four (24) hours of such breakage. Tenant shall ensure that the Building is properly winterized so that the pipes servicing the Building do not freeze.

9. **CONDITION OF PREMISES.** Tenant shall take the Premises in "As Is, Where Is" condition with all faults and damages and, if necessary, bring the Premises into compliance with the requirements of the American With Disabilities Act of 1990 (42 U.S.C. 912101). Tenant acknowledges that Landlord has made no promise to alter, remodel, decorate, clean, improve or repair the Premises and has made no **further** representation respecting the condition of the Premises,

unless the same is contained in or made a part of this Lease. Tenant acknowledges it has inspected the Premises and has knowledge of **faults** and damages.

**10. ALTERATIONS.** Tenant may make repairs, replacements and alterations to the Premises (the "Work"), without Landlord's consent (except for structural repairs, replacements and alterations, which shall require Landlord's prior consent), provided such repairs, replacements and alterations are in compliance with all laws, serve to improve the value of the Premises, are made in compliance with the terms of this Paragraph 10 and do not exceed the amounts set forth below (each amount, a "**Bucket**Limitation"). In addition, prior to the commencement of any Work by the Tenant, Tenant shall submit to Landlord all plans, drawings and other renderings of the Work (collectively, the "Plans"), for Landlord's review and approval, which shall not be unreasonably withheld.

- (a) Plumbing (repairs, replacements and alterations): up to \$50,000.00.
- (b) Electrical (repairs, replacements and alterations): up to \$50,000.00.
- (c) Mechanical (repairs, replacements and alterations - including boiler, HVAC, etc.): up to \$50,000.00.
- (d) Miscellaneous (repairs, replacements and alterations to any other part of the Premises, including, without limitation, elevators, carpeting, painting and structure): up to \$100,000.00.

Tenant shall not perform or cause to be performed any work affecting the structure of the Premises without Landlord's approval in Landlord's reasonable discretion.

Tenant shall provide to Landlord the names and addresses of any contractors and subcontractors that shall perform such work for Landlord's approval in Landlord's reasonable discretion, if such approval is required hereunder. Tenant shall provide to Landlord copies of all contracts, copies of all necessary permits and certificates of insurance binding the insurer from all contractors performing labor or furnishing materials, insuring against any and all claims, costs, damages, liabilities and expenses which may arise in connection with the alterations or additions in an amount satisfactory to Landlord and naming Landlord as an additional insured party.

All Work shall be performed in a good and workmanlike manner and all materials used shall be of a quality comparable to or better than those in the Building, and shall be in accordance with any insurance requirements of Landlord and with all statutes, regulations, and municipal ordinances. Landlord shall under no circumstances have any obligation to repair, maintain or replace any portion of the Work.

Tenant shall keep the Premises free from any mechanic's, materialman's or similar liens or other such encumbrances in connection with any Work on or with respect to the Premises, and shall indemnify and hold Landlord harmless from and against any claims, liabilities, judgments, or **costs**

(including attorneys' fees) arising out of the same or in connection therewith. Tenant shall give Landlord notice at least thirty (30) days prior to the commencement of any Work on the Premises (or such additional time as may be necessary under applicable statutes, regulations, or municipal ordinances), to afford Landlord the opportunity of posting and recording appropriate notices **of non-responsibility**. Tenant shall remove any lien or encumbrance by bond or otherwise within thirty (30) days **after** written notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the **validity** thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. If allowed by statute or at law, any claim for lien or encumbrance upon the Premises arising from or in connection with any Work on or with respect to the Premises not performed by or at the request of Landlord shall be null and void or, at Landlord's option, shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Premises. In the event Landlord is unable to close under the Agreement of Purchase and Sale because it does not receive approval from the Illinois Commerce Commission for the sale contemplated thereunder, Landlord agrees it shall reimburse Tenant hereunder for the costs incurred by Tenant hereunder for the Work, however, such reimbursement shall not exceed the Bucket Limitations for each type of Work.

11. **SURRENDER**. Upon the expiration or earlier termination of the Term or extensions thereof, Tenant shall quit and surrender the Premises in as good order and condition as when Tenant originally took possession, ordinary wear and tear excepted following the last required repair or replacement, and if Tenant shall fail to do so, Landlord shall have the right to restore the Premises to its original condition, and Tenant shall pay Landlord the cost thereof upon demand. Prior to the expiration or early termination of the Lease, Tenant shall remove **all** of its business equipment and personal property from the Building. At the end of the Term, all permanent alterations, additions and fixtures, located in or upon the Premises, whether placed there by Tenant or by Landlord, shall become Landlord's property and remain in the Premises without compensation, or allowance or credit to Tenant, unless Landlord requires their removal by Tenant. If, upon Landlord's request, Tenant does not remove the aforesaid items, or any personal property or equipment, Landlord may remove the same, which may be handled or stored by Landlord at Tenant's expense, with Landlord in no event responsible for the value, preservation or safekeeping thereof. Unless prohibited by applicable law, Landlord shall have a lien against such property for the costs incurred in removing and storing the same. AU property not removed from the Premises or retaken **from** storage by Tenant within thirty (30) days **after** expiration or earlier termination of this Lease, **shall** at Landlord's option be conclusively treated as having been conveyed by Tenant to Landlord as if by bill of sale, without further consideration **from** Landlord. Tenant shall pay for the repair of any damage to the Building in connection with the removal of any of its items from the Building by Tenant, or by Landlord after Tenant having failed to do so.

12. **ACCESS TO PREMISES BY LANDLORD**. Landlord reserves the right to enter upon the Premises to inspect the same upon notice to Tenant and, if possible, accompanied by Tenant.

If Landlord shall require entry to the Building at a time when Tenant is not present to facilitate the same, Landlord or Landlord's agents may enter the Building with a pass key or forcibly, without rendering Landlord or its agents, liable to Tenant, so long as during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property. Notwithstanding the foregoing, in the event of an emergency, Landlord shall not be required to provide notice to Tenant. Nothing herein contained shall be deemed or construed to impose upon Landlord any obligations, responsibility or liability whatsoever for the care, supervision or repair of the Building or the Premises.

13. **INTENTIONALLY DELETED.**

14. **DAMAGE BY FIRE OR OTHER CASUALTY.** If the Building and/or parking is, damaged by fire or other casualty, Tenant shall promptly repair or rebuild the same to a condition equal or greater to the condition of the Building and/or Parking at the time of such fire or casualty, at its sole cost and expense subject to such reasonable requirements imposed by Landlord. However, if the damage or destruction will take longer to repair than the remainder of the Term, then, by mutual agreement of the parties, this Lease may terminate and all insurance proceeds payable due to such damage or destruction shall be paid to Landlord.

15. **CONDEMNATION.** If the whole or any material part of the Premises shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Building, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation (any of which is a "Taking"), Landlord shall have the option to terminate this Lease upon seven (7) days notice, provided such notice is given no later than thirty (30) days after the date of Taking. Tenant shall have reciprocal termination rights if the whole or any material part of the Building is permanently taken, or if access to the Building is permanently materially impaired. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Term, and for moving expenses (so long as any such claim does not diminish the award available to Landlord or any mortgagee with respect to the Building, and such claim is payable separately to Tenant). All Rent shall be apportioned as of the date of such termination, or the date of such Taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated.

16. **WAIVER OF CLAIMS AND SUBROGATION.** To the extent permitted by law, Tenant hereby releases Landlord from any and all liability or responsibility to Tenant or anyone claiming through or under it by way of subrogation or otherwise for any loss or damage to the Premises, or to the contents of or personal property located in the Building caused by fire, theft, water or any other casualty, unless said loss or damage may have been the result of the gross negligence or intentional misconduct of Landlord, its agents or employees. Tenant agrees to obtain

whatever personal property or contents insurance is **sufficient** or appropriate to protect its **property** against **all** of the foregoing losses or damage, including but not limited to tire insurance, with extended coverage, vandalism and malicious mischief, theft and mysterious **disappearance** endorsements and water and sprinkler damage and insurance. Tenant shall deposit with **Landlord** the appropriate policy or certificate binding the insurer and evidencing the existence of such insurance. Tenant agrees to have any and all such insurance coverage or any and all material damage insurance which may be carried endorsed with the following subrogation clause: "This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described herein."

The foregoing release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate insurance coverage.

**17. INDEMNIFICATION.** Except for occurrences due to Landlord's negligence, Tenant agrees to indemnify, defend and save harmless Landlord, its officers, directors, agents, and employees from and against any and all claims, demands, damages, losses, liens and expenses (including, without limitation reasonable attorneys' fees), of any sort, whether for injuries to or death of any persons, for damage to property, including the property or services of Landlord, that may, or allegedly may, arise out of, result from or occur, in connection with the performance of this Lease, the Tenant's Work; the conduct or management **of the** business conducted by Tenant in the Premises, Tenant's occupancy of the Building, or **from** any breach or default on the part of Tenant in the performance of any covenant or agreement to be performed by Tenant pursuant to the terms of this Lease, or from any **action or inaction of Tenant**, its agents, contractors, servants, employees, subtenants, concessionaires or licensees in or about the Premises. The indemnities hereby furnished will indemnify, provide a defense for, and pay any judgment rendered against Landlord, as a result of any occurrence resulting from the joint negligence of Landlord and Tenant. In the event the foregoing indemnities are void or in any respect restricted by law, then the terms **of this** section, to the extent permitted by law, shall remain in full force and effect and Tenant shall nevertheless indemnify, defend, and save the named indemnities harmless to the maximum extent permitted by law. If Tenant fails to defend as required by the terms of this paragraph, Landlord may provide its own defense and Tenant shall pay upon demand all of Landlord's costs, charges and expenses, including attorneys' fees, and interest. The covenants of this Section shall survive the termination of this Lease and shall be enforceable and continue in full force and effect for the benefit of Landlord and its subsequent transferee, successors and assigns, The parties expressly acknowledge and agree that the indemnification obligations contained herein shall only be for occurrences that accrue during the Term hereof.

Tenant shall be solely liable for any and all injuries, losses, expenses, damages (compensatory, punitive or otherwise), fines, and counsel fees resulting from its operations conducted on the Premises, including injury to Landlord, its employees and any other persons or third parties, and any and all damage to or destruction of other persons' or third parties' real or personal property, and Tenant further agrees to defend, indemnify and hold Landlord harmless from or against liability arising from or out **of any** and all such claims for injuries, losses, expenses, penalties, fines or damages. This

indemnification shall include Tenant's obligation to defend, indemnify and hold Landlord **harmless** for any actions related to Hazardous Substances as provided in Section 29.

18. **ASSIGNMENT AND SUBLETTING.** Tenant shall not, without the prior written consent of Landlord, which consent shall be at the sole and unrestricted discretion of Landlord:

- (a) assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to or otherwise transfer this Lease or any interest hereunder;
- (b) permit any assignment of this Lease by operation of law; or
- (c) permit any assignment by acquisition, change in ownership, or by merger.

The foregoing sometimes are hereinafter individually or collectively sometimes referred to as a "Transfer", and any party to whom any Transfer is made is sometimes hereinafter referred to as a "Transferee")

Any Transfer made without complying with this Section shall, at Landlord's option, be null, void and of no effect, and or shall constitute a default under this Lease. At the time Tenant notifies Landlord of its request for consent to a Transfer, Tenant shall deliver **\$500** to Landlord toward the cost to Landlord for its review and processing expenses, and in addition thereto Tenant shall pay Landlord's reasonable attorney fees incurred in regard to such transfer. Said sums shall be due whether or not Landlord shall consent to the Transfer. If Tenant requests Landlord's consent to a Transfer, Landlord shall have the right to terminate this Lease, effective as of the date set forth in Tenant's notice as the effective date of the Transfer. Upon any permitted assignment, Tenant shall remain liable for the payment of rent and all other obligations of Tenant in the absence of a release by Landlord.

If any assignment results in rental income or other lease receipts in an amount greater than provided for in this Lease, then such excess receipts shall belong to Landlord and shall be paid to Landlord **immediately upon** receipt by Tenant, as Additional Rent herein reserved.

Notwithstanding the foregoing, Tenant may sublet all or any portion of the Premises, subject to the terms of this Lease, to any party of good moral character and reputation, provided Tenant provides Landlord with written notice of such sublet no later than ten (10) days prior to the commencement of such sublet. Furthermore, Tenant **shall** remain liable for the payment of all rent and performance of all other obligations of Tenant hereunder and all sub-tenants of Tenant shall be deemed agents of Tenant for the purposes of this Lease.

Notwithstanding the foregoing, and without limitation **of Landlord's** right to withhold consent to any of the foregoing, Landlord shall not be obligated to consent to any assignment, subletting or transfer to a competitor of Landlord, or of Ameritech Corporation or of any parent, subsidiary or other affiliate of Landlord.

19. RIGHTS RESERVED TO LANDLORD. Landlord reserves certain rights with regard to the Premises (which rights may be exercised without subjecting Landlord to claims for constructive eviction, abatement of Rent, damages or other claims of any kind), including more particularly, but without limitation, the following:

(a) to take any and all measures, including inspections, repairs, alterations, decorations, additions and improvements to the Building as may be necessary or desirable in Landlord's sole discretion: (i) for the safety, protection or preservation of the Premises or Landlord's interests **therein**; (ii) to conduct surveys of air, soil and water quality and to obtain and review any appropriate documents or records of Tenant applicable to the actual or apparent presence of potentially hazardous substances or materials on or about the Premises; and (iii) to submit findings of hazardous or toxic contaminants to governmental agencies charged with monitoring environmental health and safety.

(b) to limit or prevent access to the Premises, Building **and/or** Parking, shut down elevator service, activate elevator emergency controls, or otherwise take such action or preventative measures deemed necessary by Landlord for the protection of the Building and other property located thereon or therein, **in case** of fire, invasion, insurrection, riot, civil disorder, public excitement or other dangerous condition, or threat thereof.

20. RULES AND REGULATIONS. Landlord has adopted the following rules and regulations:

(a) Tenant shall not make or permit any noise or odor that is objectionable to others to emanate from the Building, and shall not create or maintain a nuisance thereon, and shall not do any act tending to injure the reputation of the Building or the Premises.

(b) Tenant shall not waste or permit the waste of water; nor shall Tenant tie or wedge or otherwise fasten any water faucet open.

(c) Tenant shall be responsible **for the locking of doors in and** to the Building, and any damage resulting from Tenant's failure to keep the Building locked, shall be paid for by Tenant.

(d) Tenant shall not overload any floor.

(e) Unless Landlord gives advance written consent in each and every instance, Tenant shall not:

(i) use the Building for housing accommodations or lodging or sleeping purposes, except for a day care facility, if otherwise permitted by law;

(ii) use or permit to be brought into the Building any flammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or any explosive or other articles **hazardous** to persons or property other than for normal business operations and in compliance with law; or

(iii) cause or permit to be manufactured, processed, altered, handled, placed, treated, held, located, stored or disposed of or otherwise transferred or introduced to the Premises any solid or liquid substance, material or waste which is classified as toxic or hazardous for purposes of any federal, state or local laws, orders or judicial decrees. Tenant shall notify **Landlord** of all activities and uses occurring on the **Premises during the Term**, which are not in compliance with applicable jurisdictional authorities' regulations relating to hazardous materials, including without limitation the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any toxic, hazardous or intrinsically dangerous waste, material or substance, regardless of whether or not caused by, or **within** the control of Tenant;

(f) Tenant shall cause its employees, contractors, subcontractors, assignees, invitees, licensees and agents to observe and comply with Landlord's Rules and Regulations.

(g) Landlord shall not be liable for damages caused with regard to the admission to or exclusion from the Building of any person.

(h) Landlord reserves the right to rescind, add to and amend any rules and regulations, to add new rules and regulations, and to waive any rules or regulations with respect to any tenant or tenants.

Nothing in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce provisions **of this** Section or any rules and regulations hereafter adopted, or terms, covenants or conditions of any other lease against any other tenant, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

**21. HOLDING OVER.** If Tenant retains possession of the Premises or any part thereof **after** the termination of the Term by lapse of time or otherwise, in addition to its rights and remedies provided by law, Landlord may by written notice to Tenant treat such holding over as constituting a renewal of this Lease, and so bind Tenant on a month-to-month basis, on the same terms and conditions as expressed herein, excepting that monthly Base Rent shall automatically be increased to one hundred percent (100%) of one-third the Base Rent in effect for the Term immediately preceding the commencement of the holding over. The provisions of this Section do not exclude Landlord's rights of re-entry or any other right or remedy provided in this Agreement or allowed by law.

**22. DEFAULT: LANDLORD'S RIGHT AND REMEDIES.**

(a) (i) If default shall be made in the payment of the Rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under the terms of the Lease or any other agreement between Landlord and Tenant, and if such payment shall remain unpaid ten

(10) days after the due date, or if (ii) default shall be made in the observance or performance of any **of the** other covenants or conditions in this Lease which is required **of Tenant**, and if such default **shall** continue for thii (30) days after written notice to Tenant (unless Tenant has timely commenced within such period and diligently proceeds to cure such default, in which case Tenant **shall** be given up to an additional thirty (30) days to cure the same); or (iii) if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant, or (iv) if the interest of Tenant in this Lease shall be levied or under execution or other legal process, or (v) if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or (vi) **if any** involuntary petition in bankruptcy shah be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the tiling thereof, or (vii) if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed within sixty (60) days from the filing thereof, or (viii) if Tenant shall make an assignment for the benefit of creditors, or (ix) Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature, or(x) Tenant defaults under the terms of the Agreement of Purchase and Sale or if (xi) Tenant defaults under Sections 18 or 46 (in which case, no notice or cure period shall be applicable); then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease ("Breach"), and thereupon at its option may, with or without notice or demand of any kind to Tenant or any other person, have any one or more of the remedies hereinafter provided, in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

(1) Landlord may terminate this Lease and the Term created hereby, in which event Landlord may forthwith repossess the Premises with or without process of law, and be entitled to recover forthwith as damages a sum of money equal to the Rent scheduled to be paid by Landlord for the balance of the Term, plus any other sum of money and damages owed by Tenant to Landlord under this Lease;

(2) If Landlord exercises the remedies provided for in subparagraph (1) of this paragraph (a), Tenant shall surrender possession of the Premises and vacate the Building immediately and deliver possession thereof to Landlord, and Landlord, with or without process of law, may then, or at any time thereafter, re-enter and take complete and peaceful possession of the Premises.

(3) In the event of a breach by Tenant of any of the terms of this Lease, in addition to **all** other remedies available to Landlord, Tenant shall be specifically liable to cure and correct any noncompliance with the terms hereof, comply with all applicable governmental codes, ordinances, rulings, orders or the like made by any civil, judicial, or regulatory authority, including the performance of any remedial activity (including but not limited to relating to hazardous work materials), and shall pay to Landlord as Additional Rent an amount **equal** to any increase in insurance premium or premiums caused by such breach. Any violation **of this** Section may be restrained by Landlord through injunctive relief, subject to any defense of Tenant which may be imposed by law. The Tenant shall be liable to Landlord for **all** damages resulting from violation of any of the provisions in this Section.

(b) All property removed from the Premises, including the Building and Parking by Landlord pursuant to any provisions of this Lease or law, may be handled, removed or stored by Landlord at the cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all removal and storage charges incurred by Landlord on account of such property for so long as the same shall be in Landlord's possession or under Landlord's control.

(c) In the event that Tenant shall be adjudged bankrupt, or a trustee in bankruptcy shall be appointed for Tenant, and Landlord is precluded from terminating this Lease due to the Federal Bankruptcy Statute, then Landlord and Tenant agree, to the extent **permitted** by law, that the trustee in bankruptcy shall determine, within the lesser of the time frames provided under the applicable bankruptcy law or one hundred and twenty (120) days thereafter, whether to assume or reject this Lease.

(d) INTENTIONALLY DELETED

23. **ESTOPPEL CERTIFICATE.** Within ten (10) days after written request from Landlord, Tenant shall from time to time, execute, acknowledge and deliver a statement:

(i) Setting forth the Term of the Lease and stating whether the Lease is in full force and effect, and if not, specifically why not;

(ii) Whether the Lease has been modified since originally executed, and if so, specifically in what way;

(iii) The date (if any) to which the Rent has been paid in advance;

(iv) The amount of any Security Deposit and whether there have been any deductions therefrom which Tenant has not restored;

(v) Acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed; and

(vi) Certifying such other matters as Landlord or Landlord's current or prospective mortgage lenders, insurance carriers, auditors, and prospective purchasers shall reasonably request. Any such statement may be relied upon by any such parties. If Tenant shall fail to execute and return such statement within the time required herein, Tenant shall by such failure have agreed with the matters set forth therein.

24. **SUBORDINATION.** This lease is subordinate to any ground lease, any underlying lease, and any mortgage now or hereafter encumbering the same or fee title.

25. **NOTICES.** Any notice to be given by either party to the other pursuant to the provisions of this Lease shall be in writing and shall be given by certified or registered mail, return receipt required, postage prepaid, or by messenger or overnight nationally recognized commercial delivery service, addressed to the party for whom it is intended at the address stated above or at such other address as it may have designated in writing, pursuant to the provisions of this paragraph. Notice shall be deemed received three (3) business days after mailing, unless sent by messenger or overnight delivery, in which case notice shall be deemed received when delivered or refused.

Landlord: AMERITECH  
General Manager - Real Estate Services  
425 West Randolph Street, 9th Floor  
Chicago, IL 60606

with a copy to: EQUIS CORPORATION  
P.O. Box 641338  
Chicago, IL 60664-1338

and to: AMERITECH  
225 West Randolph Street, 27<sup>th</sup> Floor  
Chicago, IL 60606 ...  
Attn: Legal Department

Tenant: Economic Development Center  
1547 W. 87<sup>th</sup> Street  
Chicago, IL 60620

26. **INSURANCE.**

(a) **Commercial General Liability Coverage / Other Insurance.** Prior to, but effective upon, delivery of the Premises or earlier entry by Tenant, Tenant shall obtain, and thereafter during the Term, maintain and pay the premiums for commercial general liability insurance (including liability under the safe place statute) insuring Tenant in at least the following amounts: two million dollars (\$2,000,000.00) for injuries to any one person, two million dollars (\$2,000,000.00) for any one accident and two million dollars (\$2,000,000.00) for property damage ("Property Damage"). The term "Property Damage", shall include without limitation, any and all environmental contamination and any obligation of environmental remediation imposed by any governmental entity or demanded by a third party, but only for environmental contamination caused by Tenant, its agents, invitees, licensees and contractors.

(b) **Property.** Tenant shall at all times during the Term, at its sole cost and expense, keep the Building, Parking and all fixtures and interior improvements insured against loss or damage by fire or other casualty under an "all risk" commercial insurance policy, in an amount equal to the full replacement cost thereof.

(c) **Insurance Policies.** All insurance policies shall name Landlord as an additional insured or loss payee, as the case may be. The foregoing coverage shall be increased during the Term if, in Landlord's opinion, they are no longer adequate in their coverage or amount due to **inflation**, Tenant's activities, substantial increases in recovered liability claims, increased claims consciousness by the public or any combination thereof, by written notice given to Tenant. Tenant shall deposit with Landlord the appropriate policy or certificate evidencing the existence of insurance. All insurance shall contain an endorsement providing that the insurance may not be canceled or materially altered without thirty (30) days prior written notice to Landlord from the insurance company sent by certified mail **return** receipt requested. Landlord may in its sole discretion accept blanket, umbrella or other coverage equivalent to the foregoing. The limits of Tenant's insurance coverage or any evidence of such coverage shall in no manner limit or otherwise alter Tenant's responsibilities or obligations under this Lease.

27. **REGULATIONS AND LAWS.** Tenant shall consistently and fully observe and comply with any and all federal, state, county, municipal and other laws, statutes, ordinances and regulations, applicable to the Premises, relating to its use and occupancy or to the making of repairs, or of changes, alterations or improvements, ordinary or extraordinary, including without limitation any applicable regulations pertaining to environmental health and safety, or imposing standards of conduct or liability for the management of hazardous materials now or hereafter in force. Tenant also covenants to comply with any and all such requirements applicable to the expense, procurement and maintenance of each and every permit, license, certificate or other authorization (and any renewals, extensions or continuances of the same) required in connection with the lawful and proper use of the Premises for Tenant's business. Tenant further agrees to notify Landlord of any and all actions, applications, statements, listings, filings, **affidavits**, pleadings, citations or depositions involving Tenant, its agents or assigns which may be submitted to or issued by any civil or governmental agencies responsible for management of toxic or hazardous substances or materials. Tenant shall pay all costs, expenses, claims, fines, penalties and damages imposed because of the failure of Tenant to comply with this Section and agrees to indemnify and hold Landlord harmless from all liability with reference thereto.

28. **HAZARDOUS SUBSTANCES.**

(a) "Hazardous Substances" shall mean any chemical, substance, material waste or component thereof which is now or hereafter listed, defined, designated or regulated as a hazardous or toxic chemical, substance or material or waste or component thereof or other similar term by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet ("MSDS").

(b) Tenant shall not store, use, transport, maintain, generate or engage in the production or manufacture of, dispose, handle, recycle, release or discharge Hazardous Substances

in the Premises, or permit Tenant's employees, agents, contractors and other occupants of the Premises to engage in such activities within, upon or about the Premises.

**(c)** Tenant shall promptly notify Landlord of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Substance on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party against Tenant or the Building relating to any loss or injury resulting from any Hazardous Substance, (iii) any release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Substance on or from the Premises, and (iv) any matters where Tenant is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Substance in the Premises. Landlord shall have the right (but not the obligation) to join and participate as a party in any legal proceedings or actions affecting the Premises initiated in connection with any environmental, health or safety Law. At such times as Landlord may reasonably request, Tenant shall provide Landlord with a written list identifying any Hazardous Substance then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any MSDS issued by the manufacturer therefor, written information concerning the removal, transportation and disposal of the same, and such other information as Landlord may reasonably require or as may be required by Law.

If any Hazardous Substance is released, discharged or disposed of by Tenant or any other occupant of the Premises, or their employees, agents, contractors or invitees, on or about other portions of the Premises in violation of the foregoing provisions, Tenant shall immediately, properly and in compliance with applicable Laws, clean up and remove such Hazardous Substance from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at Tenant's expense. Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies of which Landlord shall be immediately notified), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If Tenant shall fail to comply with the provisions of this Section within five (5) days after written notice by Landlord, or such shorter time as may be required by Law or in order to minimize any hazard to Persons or property, Landlord may (but shall not be obligated to) arrange for such compliance directly, or as Tenant's agent through contractors or other parties selected by Landlord, at Tenant's expense (without limiting Landlord's other remedies under this Lease or applicable Law).

**(d)** Tenant agrees to indemnify, defend and save harmless Landlord, its officers, directors, agents and employees from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings, and costs and expenses (including, without limitation, reasonable attorneys' fees), arising directly or indirectly from or out of, or in any way connected with the storage, use, handling, recycling, production or manufacture of any Hazardous Substances by Tenant or any of its employees, agents, or invitees in or about the Premises during the Term of this Lease, including but not limited to (i) any loss of value of the Premises as a result of the existence of such Hazardous Substance; (ii) claims of third parties (including governmental agencies)

for damages, penalties, response costs, injunctive or other relief; and (iii) costs of **removal and restoration**, including the reasonable fees of attorneys and experts and costs of **reporting the** existence of any Hazardous Substances described herein to any governmental agency.

29. **SECURITY DEPOSIT.** Upon Tenant's execution and submission of this Lease, Tenant shall deposit with Landlord a security deposit in the amount of One Hundred Twenty-Five **Thousand and 00/100 Dollars (\$125,000.00) as security for Tenant's faithful performance of Tenant's** obligations under this Lease (the "Security Deposit"). This Security Deposit maybe used, at Tenant's option, toward Tenant's obligations for Base Rent during the Term. Furthermore, if Tenant fails to pay Base Rent or other rent or charges due hereunder, or otherwise defaults under this Lease (as provided in Section 22, or any other section of this Lease), Landlord may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, cost, expense, loss or damage (including attorneys' fees) which Landlord may suffer or incur by reason thereof. The use or application **of the** Security Deposit or any portion thereof shall not prevent Landlord **from** exercising any **other right or** remedy provided hereunder or under any Law and shall not be construed as liquidated damages. If Landlord uses or applies all or any portion of said Security Deposit for anything other than **Base Rent**, Tenant shall within ten (10) days after written request thereof deposit moneys with Landlord **sufficient** to restore said Security Deposit to the full amount (less any Base Rent paid as permitted herein) required by this Lease. Landlord shall not be required to keep all or any part of the Security Deposit separate from its general accounts. Landlord shall, at the expiration or earlier termination of the term hereof, return to Tenant within ten (10) business days, that portion of the Security Deposit not used or applied by Landlord. Unless otherwise expressly agreed in writing by Landlord or required by law, no part of the Security Deposit shall be considered to be held in trust, to bear interest or other increment for its use, or to be prepayment for any moneys to be paid by Tenant under this Lease.

30. **INTENTIONALLY DELETED.**

31. **INTENTIONALLY DELETED.**

32. **REINSTATEMENT AND WAIVER.** No receipt of money by Landlord from Tenant after: (i) the termination of this Lease; (ii) the service of any notice after the commencement of any suit; or (iii) initial judgment for possession of the Building, shall reinstate, continue or extend the **Term** or affect any such notice demand or suit. No waiver of any default of Tenant hereunder shag be implied **from** any omission by Landlord to take any action on account of such default. A written waiver by Landlord of a particular instance of default shall not relieve Tenant nor be a waiver of any instance of default other than the one expressly waived, and then only to the extent and length of time expressly set forth in such waiver.

33. **LANDLORD'S RIGHT TO PERFORM TENANT'S DUTIES.** In addition to any other rights granted to Landlord under this Lease, if Tenant fails to timely perform any of its duties under this Lease within the grace period provided in the Lease **therefor** (if any, but specifically excluding same in case of emergency). Landlord shall have the right (but not the obligation) upon

ten (10) days prior notice to Tenant, to **perform** such duty on behalf of, and at the expense of, Tenant without further prior notice to Tenant. All expenses incurred by Landlord in performing such duty shall be Additional Rent and shall be due and payable immediately upon demand by Landlord.

34. **TITLE.** Landlord's title is and shall always be paramount to the title of Tenant, and nothing herein contained shall empower Tenant to do any act which shall or may encumber Landlord's title.

35. **QUIET ENJOYMENT.** Landlord covenants that so long as Tenant shall duly perform and observe all of the obligations herein assumed by it, Tenant shall at all times during the term of this Lease, and any extensions, peaceably and quietly have, hold, and enjoy the Building free **from** hindrance by Landlord or any party claiming by, through, or under Landlord, subject to any limitations on such rights contained in this Lease.

36. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between Landlord and Tenant concerning the Premises and there are no other agreements, either oral or **written**. No amendment to this Lease shall be binding unless in writing, signed by Landlord and Tenant.

37. **BINDING EFFECT.** Each provision of this Lease shall extend **to and**, bind and inure to the benefit of Landlord **and Tenant**, and their respective heirs, legal representatives, successors and assigns; except that if Tenant has made a Transfer requiring the consent of Landlord which has not been given, then, although the Transferee shall be bound by the terms of the Lease, nothing herein shall be interpreted to transfer the **benefits** of this Lease to such party, nor shall Landlord's rights provided in this Lease relative to such an improper transfer be in any manner diminished or adversely affected by this Section.

38. **TIME OF THE ESSENCE.** Time is of the essence of **this** Lease and of all provisions hereof.

39. **INTEREST.** Unless otherwise provided in this Lease, all monies due and payable to Landlord under this Lease shall be paid within **thirty** (30) days from the date Landlord renders a statement to Tenant. All Rent and other monies past due shall bear interest from the date due until the date paid, at the rate of the lesser of twelve percent (12%) per annum and the maximum rate permitted by law; and Tenant shall pay Landlord an administrative fee of 5% of the amount of any payment of money not made when due.

40. **CAPTIONS.** The captions in this Lease are inserted only for convenience and reference, and in no way define, limit, expand, or construe the scope or intent of the various provisions, terms or conditions hereof.

41. **GOVERNING LAW.** The lease shall be governed and construed in accordance with the laws of the state in which the Building is located.

42. **SEVERABILITY OF PROVISIONS.** If any term, covenant or condition of this Lease or the application thereof to any person or party 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, parties or circumstances other than those held invalid or unenforceable, shall not be affected and each term, covenant or condition of this Lease shall be valid and enforceable to the maximum extent permitted by law.

43. **LITIGATION COSTS.** In the event of litigation between Landlord and Tenant, the unsuccessful party shall pay to the successful party its costs and expenses therefore, including reasonable attorneys fees.

44. **LEASE CONSTRUCTION.** The lease shall not be construed more strictly against one party merely because that party or its counsel prepared the Lease document.

45. **LIABILITY.** Any obligation or liability of Landlord shall be limited to, and satisfied only from, Landlord's interest in the Premises.

46. **TENANT'S WARRANTY TO NOT COMPETE.** Tenant represents and warrants that it (and any permitted assignee hereunder) is not, and will not be during the term of this Lease; affiliated with or owned by, in whole or in part, a competitor of Landlord or of Ameritech Corporation or of any parent, subsidiary; or other affiliate of Landlord or Ameritech Corporation, nor is Tenant, nor will Tenant be in a business that is directly, or indirectly, in competition with Landlord or Ameritech Corporation or of any parent, subsidiary, or other affiliate of either.

47. **RECORDING.** The Tenant may not record this Lease or a Memorandum of Lease.

48. **BROKERS.** Tenant shall be responsible for payment of real estate brokerage commissions to Equis Corporation in accordance with a separate agreement between Tenant and such broker. Landlord and Tenant each hereby represents to the other it has have not dealt with any other real estate broker in connection with this Lease. Each of the parties hereto shall indemnify and hold the other harmless from any and all losses, liabilities, costs or expenses (including reasonable attorneys' fees) incurred as a result of an alleged breach of the foregoing representation.

49. **SUBMISSION.** Submission of this Lease by Landlord or Landlord's agent, or their respective agents or representatives, to Tenant for examination and/or execution shall not in any manner bind Landlord, and Landlord shall have no obligations under this Lease unless and until this Lease is fully executed and delivered by both Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease to Landlord or Landlord's agent, or their respective agents or representatives, shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions herein contained, which offer may not be revoked for fourteen (14) days after such delivery.

50. **YEAR 2000 COMPLIANCE.** Notwithstanding any other provision of this Lease, Landlord neither warrants nor represents that systems or services serving the Premises are or will be Year 2000 Compliant. Tenant acknowledges that Landlord is not a guarantor that services provided to the Premises by any third party, including without limitation gas, heating, electrical, water, alarm or any other utility services or fire or police protection, are or will be Year 2000 Compliant. To the extent allowed by law, Landlord shall have no liability for the failure of any such system or service to be Year 2000 Compliant or the consequences resulting from such failure, regardless of whether Landlord or a third party provides such systems or services.

“Year 2000 Compliant” means having the capability to correctly or properly process calendar dates on and after September 9, 1999. Correct or proper Year 2000 processing means that the systems or services will continue to operate correctly on **and** after September 9, 1999, and will not cause an abnormally ending dating scenario within the application or result in incorrect values generated involving such dates.

51. **RESERVATION OF EASEMENT.** Landlord hereby reserves unto itself, its successors and assigns, an easement over, under, above and across the Property for the purpose of providing telecommunication services to the Building in a manner set forth more fully in the Easement Agreement executed by the parties hereto and of even date herewith.

**IN WITNESS WHEREOF**, the parties have executed this Lease on the day and year indicated above.

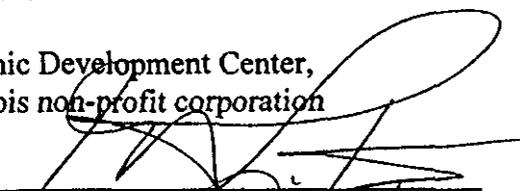
**Landlord:**

Illinois Bell Telephone Company, an Illinois corporation  
d/b/a Ameritech Illinois

BY :   
David M. Harris  
Its: General Manager • Strategy & Planning

TENANT:

Economic Development Center,  
an Illinois non-profit corporation

By:   
Name: George A. Linton  
Its: V.P.

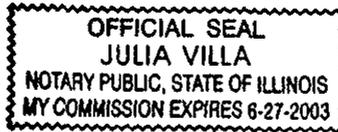
LANDLORD ACKNOWLEDGMENT

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

Personally came before me this &day of December, 1999, the above named uid M. Harris as the GM. Strategy & Planning of Ameritech and acknowledged that. (he) or she executed the foregoing instrument on behalf of said Corporation and by its authority, for the purposes set forth therein.

Notary Public

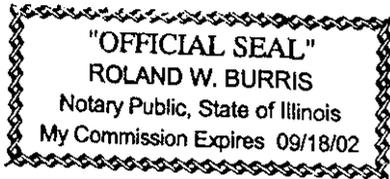
Julia Villa



TENANT ACKNOWLEDGMENT

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

Personally came before me this 3<sup>rd</sup> day of DECEMBER, 1999, the above named GENE A. LINTON as the VICE President of ECON. DEV. CENTER and acknowledged that he or she executed the foregoing instrument on behalf of said corporation and by its authority, for the purposes set forth therein.



Roland W Burris  
Notary Public