

LEASE AGREEMENT

Date of Lease: February 1, 2016

Term of Lease: February 1, 2016 through October 31, 2018

Monthly Rent

1 st Year-\$2740.00 + \$85.00 CAM + \$298.00 Utilities-Total = <u>\$3123.00</u>	2/1/16-10/31/16
2 nd Year-\$2822.00 + \$85.00 CAM + \$298.00 Utilities-Total = <u>\$3205.00</u>	11/1/16-10/31/17
3 rd Year-\$2907.00 + \$85.00 CAM + \$298.00 Utilities-Total = <u>\$3290.00</u>	11/1/17-10/31/18

Location of Premises

410 Ashland Avenue, Suite 300
Chicago Heights, IL 60411

Purpose

Mary A. Jensen (d/b/a/ Bestitched Embroidery)

Option to Extend Term

Option to extend for 2 years with base rental increases of 3% per year:

*Monthly Rent \$2994.00 11/1/18-10/31/19

*Monthly Rent \$3084.00 11/1/19-10/31/20

*Utilities and CAM can increase based on actual costs pursuant to paragraphs 4 and 23

LESSEES:

NAME: Mary A. Jensen (d/b/a Bestitched Embroidery)

ADDRESS: 3 Stuart Court, Chicago Heights, IL 60311

LESSOR: SPEED SEJA #802

ADDRESS: 1125 Division Street, Chicago Heights, IL 60411

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor solely for the above purposes the premises designated above (the "Premises"), together with the appurtenances thereto, for the above Term.

LEASE COVENANTS AND AGREEMENTS

1. **Rent** – Lessee shall pay Lessor or Lessor's agent as rent (defined as unit cost, CAM and utilities) for the Premises, the sum stated above, monthly in advance, until termination of this lease, at Lessor's address stated above or such other address as Lessor may designate in writing.
2. **Security Deposit** – Lessee shall pay a security deposit in the amount of \$2,788.00 in addition to the first month's rent prior to taking possession.
3. **Late Charge** – A late charge of \$200.00 will apply to any monthly rental payment received after the *fifth day* of each month.
4. **Utilities** – Lessee shall pay an amount proportionate to their square footage of the total premises, which is approximately 5% for electric, gas, and water on the leased premises. Utilities shall be adjusted each year of the lease based upon the actual amount of the utility bills.
5. **Option to Extend Lease** – Provided that Lessee is not in default under any of the terms and conditions of this Lease, Lessee shall have the option of renewing this Lease for an additional term of two (2) years with an increase of 5% per year after the expiration of the original term upon the same terms and conditions provided that the Lessor receives notice by registered or certified mail of Lessee's exercise of such option at least Ninety (90) days prior to the expiration of this Lease, time being of the essence.
6. **Halls** – Lessor will cause the halls, corridors and other parts of the Building adjacent to the Premises to be lighted, cleaned and generally cared for, accidents and unavoidable delays excepted.
7. **Rules and Regulations** – These rules and regulations constitute a part of this Lease. Lessee shall observe and comply with them, and also with such further reasonable rules and regulations as may later be required by Lessor for the necessary, proper and orderly care of the Building in which Premises are located.
 - 7.1 **Door** – Common area doors shall remain unlocked between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday and between the hours of 8:00 a.m. and 1:00 p.m. on Saturday. The common area doors shall remain locked at all other times. Lessor shall have access to the Building at all times.
 - 7.2 **Locks** – No additional locks shall be placed upon any doors of said Premises without the written consent of the Lessor first and endorsed upon this lease; and the Lessee will not permit any duplicate keys to be made (all necessary keys to be furnished by the Lessor) and upon the termination of this Lease, Lessee will surrender all keys of Premises and Building.
 - 7.3 The rent of an office will include occupancy of office, water to Lessor's standard fixtures, heat during reasonable working hours; but Lessor shall not be liable for any damage from the stoppage of water, heat or utilities.
 - 7.4 **Communication Wiring** – If Lessee desires telegraphic or telephonic connections, the Lessor will direct the electricians as to where and how the wires

are to be introduced, and without such written directions endorsed on this lease no boring or cutting for wires will be permitted.

- 7.5 **Awnings** – If Lessee desires venetian or other awnings or shades over and outside of the windows, to be erected at the Lessee's expense, they must be of such shape, color, and material as may be prescribed by the Lessor in writing on this lease.
- 7.6 **Hallways** – No packages, merchandise or other effects shall be allowed to remain in the halls at any time.
- 7.7 **Safety and Order** – The Lessor reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be needful for the safety, care and cleanliness of the Premises and for the preservation of good order therein.
- 7.8 **Loading of Goods** – All loading and unloading of goods shall be done only at such times, in the area and through the entrances designated for such purpose by Lessor.
- 7.9 **Deliveries** – The delivery or shipping of merchandise, supplies, and fixtures to and from the leased premises shall be subject to such rules and regulations as in the judgment of Lessor are necessary for the proper operation of the Leased Premises.
- 7.10 **Refuse** – All garbage and refuse shall be kept in the kind of container specified by Lessor, and shall be placed outside of the premises prepared for collection in the manner and at the times and placed specified by Lessor. Lessor shall provide or designate a service for picking up refuse and garbage.
- 7.11 **Telecommunication Devices** – No radio, television or other similar device shall be installed without first obtaining in each instance Lessor's consent in writing. NO aerial shall be erected on the roof or exterior walls of the Premises, or on the grounds, without in each instance, the written consent of Lessor. Any aerial so installed without such written consent shall be subject to removal without notice at any time.
- 7.12 **Noise** – No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Premises without the prior written consent of Lessor.
- 7.13 **Liability for Heat Maintenance** – If the leased Premises are equipped with heating facilities separated from those in the remainder of the building, Lessee shall keep the leased Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.
- 7.14 **Outside Areas Adjoining Premises** – The outside areas immediately adjoining the premises shall be kept clean. Lessor shall remove snow and maintain safe parkways. Lessee shall not place or permit any obstructions or merchandise in such area.

- 7.15 **Designated Parking Areas** – Lessee and Lessee's employees shall park their cars only in those portions of the parking area designated for that purpose by Lessor. Lessee shall furnish Lessor with State automobile license numbers assigned to Lessee's car or cars and cars of Lessee's employees within five (5) days after taking possession of the Premises and shall thereafter notify Lessor of any changes within five (5) days after such changes occur. In the event that Lessee or its employees fail to park their cars in designated parking area as aforesaid, then Lessor at its option shall charge Lessee Ten Dollars (\$10.00) per day per car parked in any area other than those designated as and for liquidated damages.
- 7.16 **Use of Plumbing Facilities** – The plumbing facilities shall not be used for any other purpose than that for which they are constructed and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Lessee, who shall, or whose employees, agents or invitees shall have caused it.
- 7.17 **Pest Control** – Lessor shall provide pest control management. Lessee's cost will be proportionate to the size of the rental space.
- 7.18 **Burning Refuse** – Lessee shall not burn any trash or garbage of any kind in or about the leased Premises.

8. **Assignment; Subletting** – Lessee shall neither sublet the Premises or any part thereof nor assign this Lease nor permit by any act or default any transfer of Lessee's interest by operation of law, nor offer the Premises or any part thereof for lease or sublease, nor permit the use thereof for any purpose other than as above-mentioned, without in each case the written consent of Lessor.

9. **Surrender of Premises** – Lessee shall quit and surrender the Premises at the end of the term in as good condition as the reasonable use thereof will permit, with all keys thereto, and shall not make any alterations in the Premises without the written consent of Lessor; and alterations which may be made by either party hereto upon the Premises, except movable furniture and fixtures put in at the expense of Lessee, shall be the property of Lessor, and shall remain upon and be surrendered with the Premises as a part thereof at the termination of this lease.

10. **No Water or Misuse** – Lessee shall restore the Premises to Lessor, with glass of like kind and quality in the several doors and windows thereof, entire and unbroken, as is now therein, and will not allow any waste of the water or misuse or neglect the water or light fixtures on the Premises, and will pay all damages to the Premises as well as all other damage to other tenants of the Building, caused by such waste or misuse.

11. **Termination, Abandonment, Re-Entry, Reletting** – At the termination of this lease, by lapse of time or otherwise, Lessee agrees to yield up immediate and peaceable possession to the Lessor, and failing so to do, to pay as liquidated damages, for the whole time such possession is withheld, the sum of \$100.00 per day, and it shall be lawful for the Lessor or his legal representative at any time thereafter, without notice, to re-enter the Premises or any part thereof, either with or (to the extent permitted by law) without process of law, and to expel, remove and put out the Lessee or any person or persons occupying the same, using such force as may be

necessary so to do, and to repossess and enjoy the Premises again as before this lease, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants, or in case the Premises shall be abandoned, deserted, or vacated, and remain occupied five days consecutively, the Lessee hereby authorizes and requests the Lessor as Lessee's agent to re-enter the Premises and remove all articles found therein, place them in some regular warehouse or other suitable storage place, at the cost of expense of Lessee, and proceed to re-rent the Premises received after paying the expenses of such removal toward the rent accruing under this lease. This request shall not in any way be construed as requiring any compliance therewith on the part of the Lessor, except as required by Illinois statute. If the manner above provided, and the same shall remain unpaid five days after the day whereon the same should be paid, the Lessor by the Lessee hereby expressly waives all right or rights to any notice or demand under any statute of the state relative to forcible entry or detainer or landlord and tenant, and agrees that the Lessor, his agents or assigns may begin suit for possession or rent without notice or demand.

12. **Default by Tenant** – In the event Tenant defaults on any provision of this Agreement, Tenant shall be obligated to pay all costs incurred by Landlord, including but not limited to all attorney fees and expenses in the enforcement of any provisions of this lease.

13. **Removed Property** – In the event of re-entry and removal of the articles found on the Premises as hereinbefore provided, the Lessee hereby authorizes and requests the Lessor to sell the same at public or private sale with or without notice, and the proceeds thereof, after paying the expenses of removal, storage, and sale to apply towards the rent reserved herein, rendering the overplus, if any, to Lessee upon demand.

14. **Lessor not Liable** – Except as provided by Illinois statute, the Lessor shall not be liable for any loss of property or defects in the Building or in the Premises, or any accidental damages to the person or property of the Lessee in or about the Building or the Premises, from water, rain or snow which may leak into, issue or flow from any part of the Building or Premises, or from the pipes or plumbing works of the same. The Lessee hereby covenants and agrees to make no claim for any such loss or damage at any time.

15. **Confession of Judgment** – If default be made in the payment of rent, or any installment thereof, as herein provided, Lessee shall hereby confess judgment in favor of Lessor against Lessee for the amount of rent which may be then due hereunder, together with costs of suit and reasonable sum for Plaintiff's attorney's fees in or about the entry of such judgment, and to waive and release all errors and right of appeal from any such judgment, and to consent to an immediate execution thereon.

16. **Plurals; Successors** – The words "Lessor" and "Lessee" wherever used in his lease shall be construed to mean Lessors and Lessees in all cases where there is more than one Lessor Lessee, and to apply to individuals, male or female, or to firms or corporations, as the same may be described as Lessor or Lessee herein, and the necessary grammatical changes shall be assumed in each case as though fully expressed. All covenants, promises, representations and agreements herein contained shall be binding upon, apply and insure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

17. **Insurance** – Lessees shall save Lessor and Lessor's beneficiaries and agents harmless and indemnified from all liability, injury, loss, costs, damage and/or expense (including reasonable attorney's fees) in respect to any injury to, death of, any person, and/or damage to, or loss or destruction of, any property while on the Leased Premises or any part of the Building or parking lot occasioned by any act or omission of Lessee, or maintain in responsible companies approved by Lessor, public liability insurance, insuring Lessor, Lessor's beneficiaries and claims, demands or actions for injury to or death of any one person in an amount of not less than \$2,000.00 and for damage to property in an amount of not less than \$1,000,000.00 made by or on behalf of any persons, firm or corporation arising from, related to, or connected with the conduct of or operation of Lessee's business in the Lease Premises. Lessor shall have the right to direct Lessee to increase said amounts whenever it considers them inadequate, and in addition and in like amounts, covering Lessee's contractual liability under the aforesaid hold harmless clause; to carry like coverage against loss or damage by boiler or compressor or internal explosion of boilers or compressors, if there is a boiler or compressor in the Leased Premises; to maintain sprinkler leakage coverage and plate glass insurance covering all exterior plate glass in the Leased Premises and Fire Insurance with usual extended coverage of Lessee's merchandise, trade fixtures, furnishings, wall coverings, floor coverings and equipment and all items of personal property of Lessee located on or within the lease Premises. All of said insurance shall be in form and in responsible companies satisfactory to Lessor and shall provide that it will not be subject to cancellation, termination or change except after at least thirty (30) days prior written notice to Lessor. The policies or duly executed certificates for same (which shall evidence the insurer's waiver of subrogation) together with satisfactory evidence of the payment of premium thereon, shall be deposited with Lessor on or before the date of delivery of Leased Premises to Lessee and upon renewals of such policies, not less than thirty (30) days prior to the expiration of the term of such coverage; and that if Lessee fails to comply with such requirements, Lessor may obtain such insurance and keep the same in effect and Lessee shall pay Lessor the premium cost thereof upon demand. Lessee shall promptly furnish the Lessor a certificate evidencing its compliance with the insurance coverage requirements of this lease. Each certificate of insurance shall stipulate therein that the insurance evidenced thereby shall not be materially reduced, canceled, or allowed to expire unless thirty (30) days prior written notice shall have been given by the insurer to the Lessor.

18. **Maintenance of Premises** – Lessee shall keep and maintain every part of the premises in good order, condition, and repair (including any necessary replacements). Such maintenance shall include, without limitation, the exterior and interior portions of Primary Lessee Unit of all doors, door checks, security gates, windows, glass, utility facilities and plumbing.

19. **Alterations; Improvements** – The Lessee shall not make any alterations or changes in the premises without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld by the Lessor. Any improvements, alterations or changes so made shall be made by Lessee at its own expense in a good and workmanlike manner, and Lessee agrees that it will save, hold and keep Lessor and the Premises free and clear of and from any and all claims, penalties, liabilities, judgments, costs and expenses, including reasonable attorney's fees, arising from said work. Prior to the commencement of construction, Lessee agrees that it shall furnish Lessor with plans and specifications for any structure of construction, Lessee agrees that it shall furnish Lessor with plans and specifications for any structural changes Lessee intends to make the improvements for approval, which approval shall not be unreasonably withheld. Lessee's selection of interior and or exterior window treatments shall be subject to Lessor's written approval.

20. **Indemnification** – The Lessee will keep Lessor harmless and indemnified at all times against any loss, damage cost or expense by reason of the failure so to do in any respect or by reason of an accident, loss or damage resulting to persons or property from any use which may be made of the premises or of any improvements at any time situated thereon or by reason of or growing out of any act or omission upon the premises or in any building at any time situated thereon; and Lessee agrees that it will save, hold and keep Lessor and the premises free and clear of and from any and all claims, demands, penalties, liabilities, judgments, costs and expense, including reasonable attorney's fees, arising out of any damage which may be sustained by adjoining property or adjoining owners or other persons or property in connection with any remodeling, altering, or repairing of any building or buildings on the premises or the erection of any new building or buildings thereon.

21. **Amendments; Modifications** – Any amendments or modifications to this lease shall become effective; only, if all parties hereto consent to said changes in writing.

22. **Common Area Maintenance** – Lessee shall pay Lessor \$_____ per month in additional Rent for Common Area Maintenance (CAM). Amount shall be reviewed and adjusted yearly if needed with a limit amount of 10% increase.

WITNESS the hands and seals of the parties hereto, as of the Date of Lease stated above:

LESSEE: Mary A. Jensen (d/b/a Bestitched Embroidery)

LESSOR: SPEED SEJA #802

its: _____
(Seal)