

Commercial Lease

* * * * *

CONSISTING OF A PART OF:
1819 South West Avenue, Freeport, Illinois
Parcel ID: 18-19-06-300-004

1. Parties.

A) Lessor: All American Cleaning and Restoration, Inc., an Illinois Corporation
c/o Barry Lasco, President
1819 South West Avenue
Freeport, IL 61032

hereinafter referred to as "Lessor"

B) Lessee: City of Freeport, an Illinois Home Rule Municipality
c/o Lowell Crow, City Manager
340 West Stephenson Street
Freeport, IL 61032

hereinafter referred to as "Lessee"

2. Property Description.

In consideration of the mutual covenants contained herein, Lessor leases to Lessee a portion of the premises located at 1819 South West Avenue, Freeport, Illinois, consisting of the easterly _____ feet of said parcel, generally configured as shown in the sketch attached hereto as Exhibit "A". The parties agree that as used herein, the term "Premises" or "Leased Premises" shall refer to that portion of the property shown in Exhibit "A", and not to the entire parcel which is designated as tax parcel 18-19-06-300-004, and consists of 2.53 acres, more or less and is referred to hereinafter, where necessary, as the "Primary Parcel".

In addition to the rights conveyed by this Lease to the Premises, Lessor shall grant to Lessee, at all times during any term hereof, the right to cross over any paved portion of Lessor's property to access the Premises. Lessor further agrees that no improvements, obstructions or impediments shall be placed upon any part of the Primary Parcel which would effectively block vehicular access to the Premises.

3. Term of Lease.

The initial term of this lease shall be ten (10) years, commencing on July 1, 2018 at 12:01am CST, and ending on June 30, 2028 at 11:59pm, CST. This Lease may be terminated prior to the expiration of the initial term by Lessee upon thirty (30) days' notice to Lessor in the manner herein provided. This Lease shall not be terminable by the Lessor during the initial term hereof, except upon material default in the terms hereof by Lessee.

THIS LEASE SHALL AUTOMATICALLY RENEW FOR ADDITIONAL ONE (1) YEAR TERMS PURSUANT TO THE TERMS AND CONDITIONS SET OUT IN THE FOLLOWING PARAGRAPH.

After the expiration of the initial term described above, this Lease shall automatically renew for consecutive one (1) year terms commencing July 1, 2029. In the event either party desires to terminate the Lease or change any of the terms, including the rent, the party desiring to terminate the Lease or make said changes shall give written notice to the other party on or before May 1 of any lease year. If no such written notice is given by either party prior to such date, this Lease shall automatically renew for an additional one (1) year according to the terms and conditions in effect for the lease year immediately preceding the lease year for which the renewal is to be effective.

4. Rent.

Lessee shall pay rent in the amount of US\$1,000.00 per annum, payable on or before the first day of each lease year, commencing July 1, 2018. All payments shall be made to Lessor at the address hereinabove set forth or at such other and further place or places as Lessor shall advise Lessee.

5. Waste or Nuisance; Unlawful Purpose.

Lessee shall not allow any waste or nuisance on the Premises, nor use or allow the Premises to be used for any unlawful purpose.

6. Utilities.

Lessee shall arrange and pay for all utilities furnished to the Premises for the term of this Lease, including electricity, gas, water, sewer, telephone services, and any and all others required by Lessee, if any.

7. Alterations, Additions and Improvements.

No alterations, additions or repairs to the Premises shall be made by Lessee without Lessor's express written consent, which consent shall not be unreasonable withheld.

8. Repairs and Maintenance.

Lessee shall be responsible for conducting any maintenance it deems necessary on the Premises, at Lessee's sole expense.

9. Delivery, Acceptance and Surrender of Premises.

Lessor makes no representations as to the condition of the Premises. Lessee acknowledges that this lease is entered into as part of a conveyance of title of the Primary Parcel to Lessor, and that Lessee has been in title to the Premises up to and including the date of commencement of this Lease. Lessee agrees that no representations, statements, or warranties, express or implied, have been made by or on behalf of Lessor in respect thereto except as contained in the provisions of this Lease, and Lessor shall in no event be liable for any latent defects.

10. Non-liability of Lessor for Damages.

Lessor shall not be liable for losses or damage claims for injury to persons or property from any cause relating to the occupancy of the Premises by Lessee during the term of this Lease or any extension thereof. Lessee shall indemnify Lessor from all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature.

11. Insurance.

Lessee shall procure and maintain in force at its expense, during the term of this Lease and any extension thereof, general liability insurance with insurers and through brokers approved by Lessor. Lessor shall be named as additional insured. Such coverage shall be adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the Leased Premises, in a minimum amount of ONE MILLION DOLLARS (US\$1,000,000.00) per occurrence for personal injury and TWO MILLION DOLLARS (US\$2,000,000.00) combined single limits. Lessor shall be provided with a certificate of insurance evidencing the existence of such coverage.

12. Real Estate Taxes.

Lessor will pay all real estate taxes as they come due. In the event Lessor fails to pay any installment of taxes when due, Lessee may pay such sums, at Lessee's sole option. If Lessee makes such payment, the entire amount of such payment shall be treated as advance rent, and may be offset against future rents due until repaid.

13. Quiet Enjoyment.

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the demised Premises free from any eviction or interference by Lessor if Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee.

14. Easements, Agreements, or Encumbrances.

The parties shall be bound by all existing easements, agreements, and encumbrances of record relating to the demised Premises, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.

15. Default.

The following shall be deemed material defaults under the terms hereof:

- A. Any failure by Lessee to pay the rent or make any other payment required to be made, where such failure continues for thirty (30) days after the same has come due.
- B. Any failure by either party to remedy any default in the terms hereof, if such default continues for more than thirty (30) days after written notice of such default, providing reasonable detail of the nature and extent of such claimed default, has been provided by the non-defaulting party.

16. Waivers.

The failure of Lessor to insist on a strict performance of any of the terms and conditions herein shall be deemed a waiver of the rights or remedies that Lessor may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

17. Notice.

Unless otherwise notified in writing to the contrary, any notice required or permitted by the terms hereof shall be in writing and shall be deemed to have been effectively delivered for all purposes when personally delivered or upon deposit in the United States Mail, postage prepaid, directed to the party at the address set forth in paragraph 1 hereof, or such other address as the party may specify, in writing, for purposes of notice hereunder.

18. Compliance with Applicable Environmental Laws.

Lessee shall not cause any Hazardous Materials to be stored, used, or disposed of upon the Premises without first receiving Lessor's written consent, which consent shall not be unreasonably withheld. If Lessor consents to any such Hazardous Materials Activities, Lessee shall conduct them in strict compliance (at Lessee's expense) with all applicable Regulations, as hereinafter defined, and using all necessary and appropriate precautions. Lessee shall indemnify and hold harmless Lessor from and against all claims, liabilities, demands, causes of action, and judgments (including court costs and reasonable attorneys' fees) arising in favor of any third party, including any governmental agencies, based on Lessee's Hazardous Materials Activities. Prior to using, storing or maintaining any Hazardous Materials on or about the Premises, Lessee shall provide Lessor with a list of the types and quantities thereof and shall update such list as necessary for continued accuracy. Lessee shall also provide Lessee with a copy of any Hazardous Materials inventory statement required by any applicable Regulation, as defined below, and any update filed in accordance with any applicable Regulation. If Lessee's Activities violate or create a risk of violation of any Regulation, Lessee shall cease such activities immediately upon notice from Lessor and verification of such violation or risk of

violation. Lessee shall immediately notify Lessor of any spill or unauthorized discharge of Hazardous Materials or of any condition constituting an "imminent hazard" under any applicable law, ordinance, rule or Regulation.

For purposes hereof, Hazardous Materials shall be substances defined as "Hazardous Substances," "Toxic Substances," or "Hazardous Waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980; Resource Conservation and Recovery Act of 1976 ("RCRA"); Hazardous Materials Transportation Act; and all other Federal, State and Local laws and ordinances which the Premises and the activities thereon may be subject to; and any regulations adopted and publications promulgated pursuant thereto (collectively "Regulations").

19. Termination.

At the end of the term of this Lease or an extension period hereof or upon its termination at any earlier date by virtue of any of the provisions hereof without notice, Lessee covenants to peaceably surrender and deliver up possession of the Leased Premises in the condition that he is required to keep and maintain the same under the terms hereof, except for reasonable wear and tear and damage.

20. Removal of Trade Fixtures.

Upon the termination of this Lease, Lessee shall have the right to remove from the Premises all trade fixtures which he may have installed in the building at its expense. Lessee shall be liable for any damage to the Premises caused by the removal of said fixtures.

21. Binding Effect/Covenant Running with the Land.

This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties. This Lease shall run with the land, and be binding upon successors in title, according to the terms hereof. Lessee may, but need not, record the Lease, or a Memorandum hereof, with the Recorder of Deeds of Stephenson County, Illinois, at Lessee's expense. If any such recordation is made, a copy of any document so recorded shall be provided to Lessee promptly after it is made.

22. Applicable Law.

This Lease shall be governed by and construed in accordance with the laws of the State of Illinois.

23. Time of the Essence.

Time is of the essence in all provisions of this Lease.

24. Subordination.

Lessee agrees to subordinate this Lease to any mortgage placed upon the Leased Premises, subject, however, to the mortgagee's agreement to recognize the Lessee and this Lease in the event it takes possession of the Leased Premises, forecloses the mortgage, takes a deed in lieu of foreclosure, or otherwise exercises any rights provided for by the mortgage or by law.

25. Grammatical Usage.

Wherever necessary or proper herein, the singular imports the plural or vice versa, and masculine, feminine or neuter expressions are interchangeable.

26. Approval of Lease. The parties acknowledge that the terms hereof are subject to approval by the City council for the City of Freeport, Illinois. The parties stipulate that the performance of either party hereunder is expressly conditioned upon the receipt of such approval within ninety (90) days of the execution of the Contract for Sale and Purchase of Real Estate to which this Lease is made an Exhibit. In the event that this Lease is not so approved, the terms hereof shall be void, with no further obligation owed by either party, and any sums paid by Lessee promptly refunded.

IN WITNESS WHEREOF, the parties have executed this Lease at Freeport, Illinois, this _____ day of June, 2018.

LESSOR:

ALL AMERICAN CLEANING AND RESTORATION, INC., an Illinois Corporation

By: _____
Barry Lasco, President

LESSEE:

CITY OF FREEPORT, An Illinois Home Rule Municipality,

By: _____
Lowell Crow, City Manager

This Instrument Prepared By:
SHOCKEY & COX, LLC
Steven A. Cox
208 West Stephenson Street
Freeport, IL 61032
Phone: 815/235-2507
Fax: 815/235-4597
E-mail: steve@shockeyandcox.com