

Executive Summary (if not budgeted please explain):

Mother and son Terri and Nicholas Simic have applied for an A-6 Liquor License in order to sell alcohol at their soon to be open business, Gordy's Quick Mart, 101 E. Main Street. This location was formerly occupied by Starbucks. Terri advised the store would be a convenient store and deli. The business plan calls for the sale of packaged liquor with no consumption on site. The main focus of the location would be convenient items and a deli. The deli would serve cold sandwiches along with hot items such as hot dogs and Italian beef sandwiches. They would like to provide delivery of their deli sandwiches to the St. Charles area.

Terri advised they would like to have outdoor seating like Starbucks had when they occupied the location.

Pursuant to this item being presented at the Government Operations Committee meeting on Monday, June 18, 2018 to seek approval; it will be brought before the Liquor Control Commission at a meeting scheduled at 4:30 p.m., the same day, to process and move it forward to this Committee. This item will then continue on to the City Council meeting scheduled on July 2, 2018 for final approval.

Attachments (please list):

Memo, Application, BASSET Information, Site Plan, Lease, Business Plan, COI

Recommendation/Suggested Action (briefly explain):

Recommendation to approve a Proposal for a Class A6 Liquor License for Gordy's Quick Mart, located at 101 E. Main St., St. Charles.

Police Department

Memo



Date: 6/11/2018

To: The Honorable Ray Rogina, Mayor-Liquor Commissioner

From: James Keegan, Chief of Police

Re: Background Investigation-Gordy's Food Mart/101 E. Main Street (Class A-6)

The purpose of this memorandum is to document and forward to your attention the results of the background investigation conducted by members of the St. Charles Police Department concerning the above mentioned establishment.

As you are aware, City Council recently modified our city code allowing alcohol sales inside gas station and mini-marts as follows:

Class A-6 licenses shall authorize the retail sale of alcoholic liquors in original packages only, and not for consumption on the premises, in convenience stores or gas stations containing convenience stores where the retail sale of packaged alcoholic liquor is secondary to the sale of gasoline products and/or miscellaneous convenience store items and the square footage devoted to the retail sale of alcoholic liquor is ten percent (10%) or less of the gross square footage.

Sales can only occur between 7:00am and 10:00pm daily.

The site location/floor plans and the corresponding application materials were reviewed by my staff. We also reviewed their business plan, Dram Shop insurance and application materials. We found nothing of a derogatory nature that would preclude either the site location or the applicant from moving forward with alcohol sales, subject to City Council approval.

Please note, a site inspection was NOT conducted due to on-going construction. Approval of a liquor license will be contingent on a final inspection and occupancy permit being issued by the City.

Thank you in advance for your consideration in this matter.

Police Department

Memo



Date: 05/21/18

To: Chief Keegan

From: Commander Pierce

Re: Liquor License Background, Gordy's Food Mart 101 E. Main St.

The purpose of this memo is to outline steps taken during the background investigation for a liquor license application. This investigation was done based on the application submitted for a Class A-6 license for Gordy's Food Mart 101 E. Main Street.

Applicants:

Simic, Terri A.

Simic, Nicholas G.





Application:

The application lists two managers, Terri and Nicholas Simic. At the time of the application Terri and Nicholas submitted valid BASSET certification. Terri's expires on 10/04/2020 and Nicholas's on 12/18/20. There is a signed lease attached. A certificate of insurance from Afina Insurance Advisors in Oak Brook Terrace is attached with an effective date of 02/05/18. A floor plan is also attached.

Records Checks:

Terri and Nicholas were fingerprinted.

Terri's response: The response from the FBI and Illinois Bureau of Identification shows no arrests.

Nicholas's response: The response from the FBI and Illinois Bureau of Identification shows no arrests.

A check of St. Charles records showed police contact for Terri and Nicolas however the contacts would not have a negative effect on this process.



During the interview Terri advised the family currently lives in Wood Dale, Illinois. Prior to this the family has lived in S. Elgin, Bartlett, Glendale Heights, and Niles.

A check of the Illinois Liquor Control Commission showed no current license and no record of license revocation for Gordy's or the Simic name.

A check of TLO and I-Clear (law enforcement databases) showed the information concerning Terri and Nicholas's identity to be accurate and no areas of concern were noted.

Checking with Wood Dale PD they had no contacts of concern with any of the two.

A check with Bartlett PD showed no contacts of concern.

A check with Glendale Heights showed no contacts of concern.

A check with Niles showed no contacts of concern.

Both stated they are U.S. citizens.

SITE VISIT:

A site visit has yet to be completed. I have an appointment to meet with Nicholas on 06/12/18 to complete this.

INTERVIEW WITH APPLICANT:

I met with Terri and Nicholas at the police department. Terri and Nicholas are related and are mother and son. The two advised they will be running the store together under the name; Gordy's Quick Mart of St. Charles, LLC. The liquor application indicates the liquor inventory will be approximately \$70,000.00 Terri advised the store would be a convenient store and deli. Terri said they would like to sell packaged liquor with no consumption on site. The main focus of the location would be the convenient items and deli. The deli would serve cold sandwiches along with hot items such as hot dogs and Italian beef sandwiches. I was advised they would not be cooking anything that would require a stove hood. They would like to provide delivery of their deli sandwiches to the St. Charles area.

Terri advised they would like to have outdoor seating like Starbucks had when they occupied the location. They were advised to obtain a permit for this seating. They were also advised they could not sell alcohol after 10:00pm or before 7:00am. They were also advised the sale of single serving of beer had to be greater than a 16 ounce can or bottle. The Simic's were given a full copy of the liquor ordinance. The business is currently being renovated for this new business. Terri advised the renovation should be completed by mid-July, 2018 with the opening shortly thereafter.

This concludes this background investigation. Recommend approval.

City of St. Charles, Illinois Liquor Control Commissioner CITY RETAIL LIQUOR DEALER LICENSE APPLICATION

APPLICATION FEE IS NON-REFUNDABLE

Incomplete applications will not be accepted.

Completed applications may be submitted to:

Two East Main Street, St. Charles, IL 60174-1984



Date Application Received: 6/6/8 New Application Renewal Application			
APPLICATION CHECKLIST	Renewal Application	V - 1000	
Check items to confirm all are attached to this application	Applicant	Office Use Only	
Application Fee	Ø		
Completed Application for all questions applicable to your business.	Q		
Copy of Lease/Proof of Ownership	回		
Copy of Dram Shop Insurance or a letter from insurance agent with a proposed quote.	ď		
Copy of Articles of Corporation, if applicable.	Ø		
Completed B.A.S.S.E.T. (Beverage Alcohol Sellers & Servers Training) form – filled out for all employees. A copy of the B.A.S.S.E.T. certificate is only needed for each manager. It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for all of their employees.	过		
Copy of Site Plan for Establishment (Drawn to scale including the parking lot, patio and/or deck, outdoor seating).	Q		
Copy of Floor Plan for Establishment (Drawn to scale and must include the layout of the establishment with tables, chairs, aisles, displays, cash register, bar, and lounge area with dimensions, percentage, and square footage noted for each space). Be sure to also include all fixed objects, such as pool tables, bar stools, vending/amusement machines; as well as all exits.	Ø		
Copy of Business Plan, to include: Hours of Operation Copy of Menu Whether or not live music will be played at this establishment Will there be outdoor seating and/or outdoor designated smoking area Do not include a marketing or financial plan with this business plan	ď		
Are any building alterations planned for this site? If not sure, please contact Building & Code Enforcement at 630.377.4406 and/or Fire Prevention Bureau at 630.377.4458 to discuss whether or not a walk-thru and/or permit are necessary for this business.	ď		
All managers have been fingerprinted who are employed by your establishment. When new management is hired, it is imperative you contact the Mayor's office to be fingerprinted so the City's business files are appropriately updated.	Ø		
OFFICIAL USE ONLY			
Approved* Denied Date Approved/Denied: Co	ustomer Number:		
Signature of Mayor, Liquor Control Commissioner Date Issued *ISSUANCE OF THIS LICENSE IS CONTINGENT ON MEETING ALL REQUIRED BUILDING AND FIRE DEPARTMENT REQUIREMENTS.			

APPLICAN	NT INFORMA	TION					
A. Type of	Business:	Individual 🔲 Par	rtnership	Corpora	ration 🗹 Other (expla	ain). LLC	
B. Business	s Name:	The state of the s			auon en oute.	Inj	
Gordy's Qu C. Business							
101 E Main	n St., St. Charle						
D. IL Tax ID		E. Business Pho		F. Business		G. Business	
4278-92 H. Contact		Pending			nic@yahoo.com		ordysquickmart.com
Terri S			,	I. Title:	1	J. Phone No	
		· Name		Manag	ger	630-5	38-6741
Gordy's Qui		t. Charles, LLC					
L. Corporati 902 S. Ran	ion Address (c	city, state, zip code): 306, St. Charles, IL 6	60174				
		MENT LOCATION IN		ON			
A. Type of I	Establishmen	it: Package Resi	staurant [Hotel/Banquet/Arcada,	a/∩-Center	Other
B. Address a	applying for lic	iquor license (exact	C. Numbe	er of	D. Outside Dining s.f.		Iding Bar s.f. [5.08.010-F]:
street addre	in St		Parking Sp 0	paces:	[17.20.020-R]: N/A	N/A	
F. Total Buil	lding s.f.:	G. Total Number	H. Numbe	≥r of Bar	I. Sale Counter s.f.:		Entertainment Area s.f.
2600		of Seats: 4	Seats: N/A	1	40	[5.08.01 N/A	10-Н]:
K. Kitchen	L. Cooler	M. Dry Storage	N. Seating	g Area s.f.:	O. Retail/public Area s		vice Bar s.f. [5.08.010-0]:
s.f.: 100	s.f.: 160	s.f.: 140 _{7/31/94}	20		1955	N/A	
	Q. Brief Business Plan description based on type of establishment listed above:						
Premises	will be ope	erated as an up	scale cor	nvenience	e store providing gr	roceries,	cigarettes, coffee,
alconoi, ii	Alik, IOIIO, i	lunches, househ	iola goou	is, etc.			
MANAGER	RINFORMATI	ION					
Full Name, i	include middle	le initial: Terri A S	3imic		Title: Man	ager/LLC	Manager
Birthdate:	Birthp	place:	Driver'	r's License#:	н	lome Phone:	
Home Addre	ess:						
	nclude middle	e initial: Nicholas	Simic		_{Title:} Mana	ager/LLC	Manager
Birthdate:	Birthpl	lace:	Driver'	's License#:	H	lome Phone	
Home Addre	ess:						
Full Name, ii	nclude middle	e initial:			Title:		
Birthdate:	Birthpl	lace:	Driver'	's License#:		ome Phone:	
Home Addre	ess:					ine.	
						200 - 100 <u>1</u>	

PROPOSED FLOOR PLAN/LAYOUT OF PROPERTY

Mandatory: attach to this application a floorplan or layout of the proposed facility to include the following:

CLASS B LICENSES

- 1. Every application for a Class B license, whether an initial application or a renewal application, shall have attached thereto a site drawing of the proposed licensed premises, drawn to scale showing the following (*check off once complete*):
 - a. The location of all rooms, segregated areas, including outdoor seating areas and the square footage thereof;
 - The designated use of each room or segregated area (i.e. dining room, holding bar, service bar, kitchen, restrooms, outdoor seating areas, all rooms and segregated areas, including outdoor areas where alcoholic liquor may be served or consumed and all locations where live entertainment may be provided);
 - c. The proposed seating capacity of rooms or segregated areas where the public is permitted to consume food and/or alcoholic beverages and/or live entertainment may be provided.**
- The site drawing is subject to the approval of the Local Liquor Control Commissioner. The Local Liquor Commissioner
 may impose such restrictions as he deems appropriate on any license by noting the same on the approved site drawing
 or as provided on the face of the license.
- 3. A copy of the approved site drawing shall be attached to the approved license and is made a part of said license.
- 4. It shall be unlawful for any Class B licensee to operate and/or maintain the licensed premises in any manner inconsistent with the approved site drawing.

CLASS C LICENSES

- Every application for a Class C license, whether an initial application or a renewal application, shall have attached thereto a site drawing of the proposed licensed premises, drawn to scale, showing the following (check off once complete):
 - a. The location of all rooms, segregated areas, including outdoor seating areas and the square footage thereof;
 - b. The designated use of each room or segregated area (e.g. dining room, holding bar, service bar, kitchen, restrooms, outdoor seating areas, all rooms and segregated areas, including outdoor areas, where alcoholic liquor may be served or consumed and all locations where live entertainment may be provided;
 - c. The proposed seating capacity of rooms or segregated areas where the public is permitted to consume food and/or alcoholic beverages and/or live entertainment may be provided.**
- 2. The site drawing is subject to the approval of the Local Liquor Commissioner. The Local Liquor Commissioner may impose such restrictions as he deems appropriate on any licensee by noting the same on the approved site drawing or as provided on the face of the license.
- 3. A copy of the approved site drawing shall be attached to the approved license and is made a part of said license.
- It shall be unlawful for any Class C licensee to operate and/or maintain the licensed premises in any manner inconsistent with the approved site drawing.

**THE FIRE PREVENTION BUREAU WILL FURNISH ALL FINAL, PERMITTED OCCUPANCY NUMBERS FOR THIS LICENSE.

CO	RPORATION / PREMISES QUESTIONS		
	If applicant is an individual or partnership, is each	n and every person a United States citizen (5.08.070-2)? Yes No	
	Is any individual a naturalized citizen? Yes] No	
1.	If yes, print name(s), date(s), and place(s) of natu	ralization:	
2.	List the type of business of the applicant (5.08.07)	0-3): Upscale Convenience Store	
3.	Number of years of experience for the above liste	ed type of business (5.08.070-4) : 0	
4.	Amount of merchandise that normally will be in in	nventory when in operation (5.08.070-5): \$ 70,000	
5.	Location/address and description of business to b	e operated under this applied for license (5.08.070-6):	
	101 E Main St., St. Charles, IL 60174. facilities.	Single floor convenience store with basement storage	
6.	Is the premises owned or leased (5.08.070-6A)?	Owned Leased	
7.	If the premises are leased, list the names and addition premises are held in trust (5.08.070-6B):	resses of all direct owners or owners of beneficial interests in any trusts, if	
	Name of Building Owner: Arada BLDG LLC		
	Address of Building Owner: c/o Scott Price, 5464 174th Pl. SE, Bellvue WA 98006		
	Mailing Address of Building Owner (if different):		
	Phone Number: 206-419-3884	E-mail Address: spricere@comcast.net	
	Name of Building Owner:		
	Address of Building Owner:		
	Mailing Address of Building Owner (if different):		
	Phone Number:	E-mail Address:	
	Name of Building Owner:		
	Address of Building Owner:		
	Mailing Address of Building Owner (if different):		
	Phone Number:	E-mail Address:	
8.	Does the applicant currently operate, or operated i	n the past, any other establishment within the City of St. Charles that	
	requires a liquor license? Yes No		
	If yes, please list the business name(s) and address(es):		
	N/A		

9.	Does applicant have any outstanding debt with the City of St. Charles, including, but not limited to, utility bills, alcohol tax,		
	and permit fees, for any current or previous establishment owned, operated or managed by the applicant? Yes No		
	If yes, please note the City of St. Charles requires all debt to be paid in full before consideration of a new or renewed liquor license is issued.		
	Are any improvements planned for the building and/or site that will require a building permit?		
10.	If yes, has a building permit been applied for? Yes No		
	If yes, date building permit was applied for with Building & Code Enforcement: 9/14/17		
11.	Has applicant applied for a similar or other license on the premises other than the one for which this license is sought (5.08.070-7)? Yes Vo		
	If yes, what was the disposition of the application? Explain as necessary: N/A		
12.	Has applicant (and all persons listed on page 1 of this application) ever been convicted of a felony under any Federal or State		
	law, or convicted of a misdemeanor opposed to decency or morality (5.08.070-8)? Yes No		
	Is applicant (and all persons listed on page 1 of this application) disqualified from receiving a liquor license by reason of any		
	matter contained in Illinois State law and/or City of St. Charles Municipal Ordinances?		
13.	List previous liquor licenses issued by any State Government or any subdivision thereof (5.08.070-9). Use additional paper if necessary.		
	Government Unit:		
	Date: Location, City/State:		
	Special Explanations:		
	Government Unit:		
	Date: Location, City/State:		
	Location, only state.		
	Special Explanations:		
	Have any liquor licenses possessed ever been revoked (5.08.070-9)? Yes Vo		
14.	If yes, list all reasons on a separate, signed letter accompanying this application.		
	Has any director, officer, shareholder, or any of your managers, ever been denied liquor license from any jurisdiction?		
	Yes No If yes, proceed to Question 15. If more space is needed, please attach a separate sheet of paper with the information.		

15.	Complete ONLY if yes was answered to the questions above (14):			
	Name: Name of Business:			
	Position with the Business:			
	Date(s) of Denial:			
	Reason(s) for Denial of License:			
16.	Date of Incorporation (Illinois Corporations) (5.08.070-10): 8-16-17			
	Date qualified under Illinois Business Corporation Act to transact business in Illinois (Foreign Corporation): N/A			
17.	Has the applicant and all designated managers read and do they all understand and agree not to violate any liquor laws of the United States, the State of Illinois, and any of the ordinances of the City of St. Charles in conducting business(5.08.070-11)? Yes No Have you, or in the case of a corporation, the local manager, or in the case of a partnership any of the partners, ever been convicted of any violation of any law pertaining to alcoholic liquor? Yes No Have you, or in the case of a corporation the local manager, or in the case of a partnership any of the partners, ever been convicted of a felony? Yes No Have you ever been convicted of a gambling offense? Yes No (If a partnership or corporation, include all partners			
	and the local manager(s).) Will you and all your employees refuse to serve or sell alcoholic liquor to an intoxicated person or to a minor? Yes No			
18.	Mandatory: All individual owners, partners, officers, directors, and/or persons holding directly or beneficially more than five (5) percent in interest of the stock of owners by interest listed on page 1 of this application must be fing the city of St. Charles Police Department (5.08.070-A12). Has this been done? Yes No If yes, date(s):			
19.	Mandatory: Has the applicant attached proof of Dram Shop Insurance to this application or already furnished it to the City of			
	St. Charles (5.08.060)?			
	NOTE: Insurance must be issued from May 1, 20XX – April 30, 20XX in accordance with City code 5.08.060. Request a prorated rate from your insurance company if you are applying for a new license during this timeframe.			

20.	Mandatory: Is the premises within 100 feet of any real property of any church; school; hospital; home for the aged or		
	indigent persons; home for veterans, their wives/husbands, or children; and/or any military or naval station (5.08.230)?		
	☐Yes ☑No		
COM	MENTS (ADDITIONAL INFORMATION		
COM	MENTS/ADDITIONAL INFORMATION		

B.A.S.S.E.T. TRAINING					
Please list employees required to have B.A.S.S.E.T training on this page – include all managers, assistant managers, bartenders, and clerks who are permitted to make alcoholic liquor sales. Include copies of certificates for managers only and mark Manager if					
applicable. Add another pag	ge, if needed.		· · · · · · · · · · · · · · · · · · ·		
Name: Terri (First)	Simic (Last)	Α	(8 4: d dt)	Yes	
Home Street Address:	(Last)		(Middle)	Manager	
City, State, Zip:					
Date of Course: 10/4/17	Place Course	was Taken: Or	nline		
Birthdate:	Certificate Granted: 10/4/	17	Expir	ation: 10/4/20	
Name: Nicholas	Simic		7 - 7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 	Yes	
(First)	(Last)		(Middle)	Manager	
Home Street Address:					
City, State, Zip:					
Date of Course: 12/18/17	Place Course	was Taken: On	line		
Birthdate:	Certificate Granted: 12/18	17	Expira	tion: 12/18/20	
				, _ , , , , _ ,	
Name:					***
(First)	(Last)		(Middle)	Manager	
Home Street Address:					
City, State, Zip:					
Date of Course:	Place Course	vas Taken:			
Birthdate:	Certificate Granted:		Expira	tion:	
Name: (First)	(Last)		(A.4: -1-11)		
Home Street Address:	(Last)		(Middle)	Manager	
City, State, Zip:					
Date of Course:	Place Course w	as Taken:			
Birthdate:	Certificate Granted:		Expirat	ion:	
NEW MANAGEMENT REQUIRE					
Whenever a new manager comes on board, the City must be notified and that person must be fingerprinted. It is the business establishment's responsibility to keep copies of all B.A.S.S.E.T. certificates on file for their employees.					
and a second street of the second street copies of all b.A.S.S.E.I. certificates on file for their employees.					

APPLICATION FOR LATE NIGHT PERMIT	
SUPPLEMENTAL TO LIQUOR LICENSE FOR CLASS B/C	
To: St. Charles Liquor Control Commission	Date:
I now possess or have applied for a liquor license Class	
Applicant's Name:	
Name of Business:	
Business Address:	
Business Phone:	
SUPPLEMENTAL PERMIT APPLIED FOR	
Payment of Late Night Permit fee is required at the time the	permit is issued.
1:00 a.m. Late Night Permit – fee of \$800.00	
2:00 a.m. Late Night Permit – fee of \$2,300.00	
NOTE: Other permits that may be available upon request inclu Class E – Special Event License (1 to 3-day event @ \$ Outdoor Dining Permit (Contact Community & Econo	5100.00 per day)
SIGNATURES	
Applicant's Signature	14/18
Liquor Commissioner hereby directs City Clerk to iss	ue permit indicated above.
Liquor Commissioner's Signature	Date

AD	DENDUM TO RETAIL LIQUOR LICENSE APPLICATION
To	be completed by the City of St. Charles Police Department
Da	te: Name of Applicant:
Na	me of Business:
Ad	dress of Business: Ward Number:
	Liquor Control Commissioner, City of St. Charles, Illinois
Pur	suant to the provision of the City of St. Charles Municipal Code, Chapter 5.08, Alcoholic Beverages, the following guide shall be in ect for the investigation of an applicant for a Retail Dealer's Liquor License:
1.	Date on which applicant will begin selling retail alcoholic liquors at this location:
2.	Is the location within 100 feet of any church; school; hospital; home for the aged or indigent persons; home for veterans, their
	wives/husbands or children; or any military or naval station? Yes No
3.	If the answer to question 2 is yes, answer the following: Is applicant's place of business a hotel offering restaurant service, a regularly organized club, a restaurant, a food shop, or other place where the sale of alcoholic liquors is not the principal business? Yes No
	If yes, answer a, b and c: a. State the kind of such business: b. Give date on which applicant began the kind of business named at this location: c. Has the kind of business designated been established at this location for such purpose prior to February 1, 1934, and carried on continuously since such time by either the applicant or any other person? Yes No
4.	If premises for which an alcoholic liquor license is herein applied for are within 100 feet of a church, have such premises been
	licensed for the sale of alcoholic liquor at retail prior to the establishment of such church? No
	If yes, have the premises been continuously operated and licensed for the sale of alcoholic liquor at retail since the original
	alcoholic liquor license was issued therefore? Yes No
5.	Is the place for which the alcoholic liquor license is sought a dwelling house, flat, or apartment used for residential purposes? Yes No
6.	Is there any access leading from premises to any other portion of the same building or structure used for dwelling or lodging purposes and which is permitted to be used or kept accessible for use by the public? (Connection between premises and such other portion of building or structure as is used only by the applicant, his/her family and personal guests not prohibited.)
	□Yes □No
7.	If applicant conducts or will conduct in the same place any other class of business in addition to that of City Retailer of
	Alcoholic Liquor, state the kind and nature of such business: Yes No

8.	Are all rooms where liquor will be sold for consumption on the premises continuously lighted during business hours by natural
	light or artificial white light so that all parts of the interior shall be clearly visible? Yes No
9.	Are premises located in any building belonging to or under the control of the State of Illinois or any other political subdivision
	thereof, such as county, city, etc.? Yes No
10.	The state of the s
	minors of school age or where the principal business transacted consists of school books, school supplies, food or drinks for
	such minors? Yes No
11.	It is required by the City of St. Charles that all employees undergo BASSET training. Provide a copy of the certificate of training
	completion for each manager. All certificates for managers have been submitted: Yes No
12.	From your observation and investigation, has applicant—to the best of your knowledge—truthfully answered all questions?
	Yes No
	If no, state exceptions:
	ino, state exceptions.
	Have all persons named in this application been fingerprinted? Yes No
13.	
15.	Fingerprinted by: Sulliva Date: 050118
14.	Other necessary data:
	NATURES
	ORSEMENTS AND APPROVALS STIGATING OFFICER
	O D
	223 (Commander
	Investigating Officer Signature Badge Number & Rank
ENDO	ORSEMENT OF THE CHIEF OF POLICE
Recon	nmend Issuing Liquor License: Yes No
	Signature Of Chief of Police Date



Learn more about this wallet card at http://servingalcohol.com/wallet-card

Illinois BASSET Card (Temporary)

nicholas simic

Certification Date: Dec 18th, 2017
Certificate Code: wzfLdQ3T2U
Verify Online: servingalcohol.com
BASSET TRAINER: 12-5A-0100823

SERVING ALCOHOL INC VALID FOR 30 DAYS

Student ID: 95429 Date of Birth: 07/31/1994

After 30 days print your official BASSET card here: https://mytax.illinois.gov/?Link=Basset



NICHOLAS SIMIC 902 S RANDALL RD UNIT 308 ST CHARLES IL 60174 January 10, 2018

Letter ID: L0275673904

License No.: 5A-0105593 Expiration Date: 12/18/2020 License Type: Basset Card

Your "Student ID number" is: 95429

Your "Trainer's ID number" is: 5A-0105593

Your BASSET Card is located BELOW

DO NOT throw away this letter as you will need your "Student ID number" directly above to re-print your card.

IMPORTANT:

To re-print your card, visit the Illinois Liquor Control Commission website at ILCC.illinois.gov (click on the RESOURCES tab to access the "BASSET Card Lookup" page).

ILLINOIS LIQUOR CONTROL COMMISSION

100 W. Randolph Street, Suite 7-801 - Chicago, IL 60601

BEVERAGE ALCOHOL SELLERS AND SERVERS

EDUCATION AND TRAINING [BASSET] CARD

Date of Certification: 12/18/2017 Expires: 12/18/2020 Trainer's IL Liquor License Number: 5A-0105593

**Card is not transferrable **

BASSET Card

TERRI SIMIC

902 S RANDALL RD UNIT 306

ST CHARLES IL 60174



October 5, 2017

Letter ID: L0792409808

License No.: Expiration Date: 5A-0105593 10/4/2020

License Type:

Basset Card

Your "Student ID number" is: 95428

Your "Trainer's ID number" is: 5A-0105593

Your BASSET Card is located BELOW

DO NOT throw away this letter as you will need your "Student ID number" directly above to re-print your card.

IMPORTANT:

To re-print your card, visit the Illinois Liquor Control Commission website at ILCC.illinois.gov (click on the RESOURCES tab to access the "BASSET Card Lookup" page).

ILLINOIS LIQUOR CONTROL COMMISSION

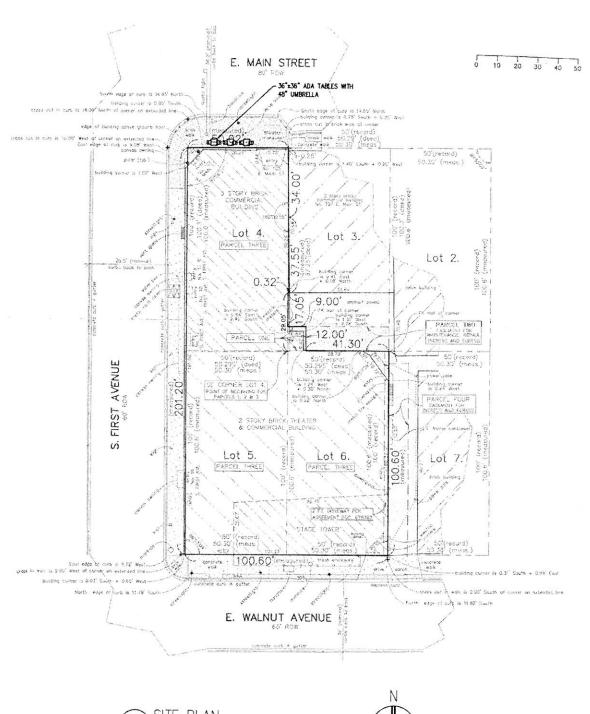
100 W. Randolph Street, Suite 7-801 - Chicago, IL 60601 BEVERAGE ALCOHOL SELLERS AND SERVERS EDUCATION AND TRAINING [BASSET] CARD

Date of Certification: 10/4/2017 Expires: 10/4/2020 Trainer's IL Liquor License Number: 5A-0105593

TERRI SIMIC

902 S RANDALL RD UNIT 306 ST CHARLES IL 60174

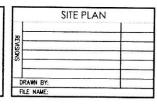
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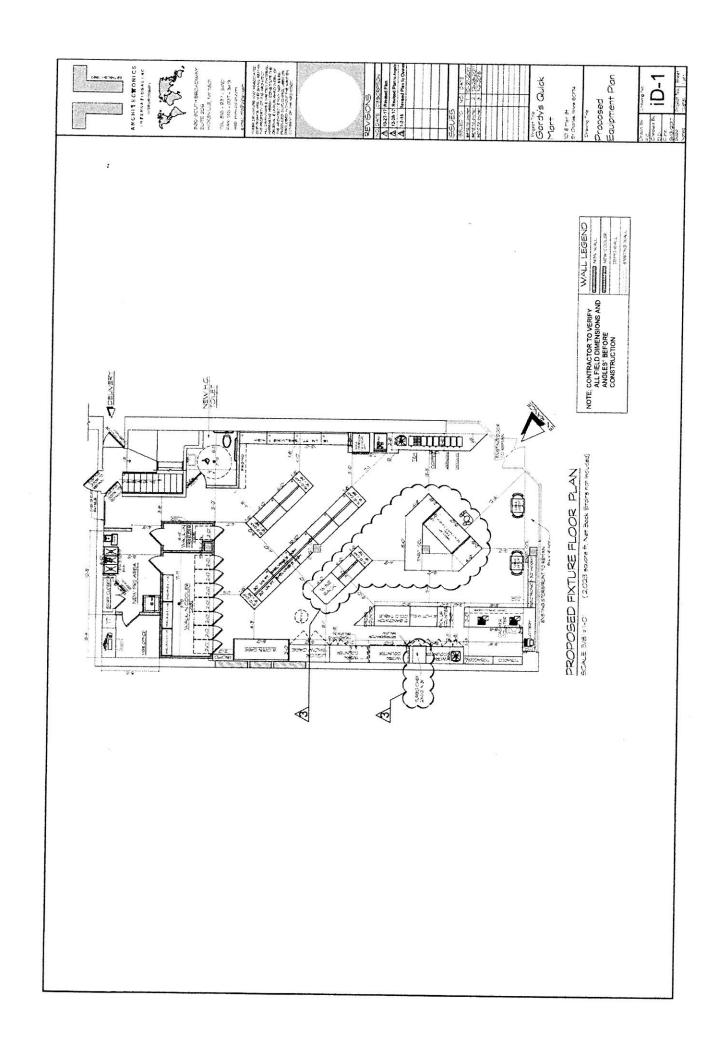


GORDY'S QUICK MART

101 E. Main St. St. Charles, IL 60174



24 N. BENNETT ST. GENEVA IL 60134 PHONE 630 608 0500 FAX 630 839 8875



COMMERCIAL LEASE

THIS COMMERCIAL LEASE, dated as of the 21st day of July, 2017, by and between Areada BLDG LLC, an Illinois Limited Liability Company ("Landlord") and Gordy's Quick Mart of St. Charles LLC, a to be formed Illinois limited liability company ("Tenant") is hereby entered into upon the following terms and conditions:

PREMISES. In consideration of the mutual promises, covenants and conditions hereinafter set forth, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord upon the terms and conditions herein set forth, the street level first floor corner space with the address commonly known as 101 E. Main Street, St. Charles, Illimois and the secured area in the basement below the street level first floor corner space that will only be accessible by Tenant for the purposes of storage, in the Arcada Theatre Building located at the corner of Main Street and Riverside in St. Charles, Illinois, the general areas as set forth in the site plan attached hereto as Exhibit B and made a part hereof (the "Premises"), together with all improvements and fixtures contained in the Premises and any and all the fixtures, improvements now or hereinafter located or installed thereon in the Building including and any other facilities available for common use (the "Building") which other tenants have the right of use or enjoyment. The Building is described on Exhibit A (Legal Description) attached hereto and by this reference incorporated herein. The real property described in Exhibit A referred to herein is situated in the City of St. Charles, County of Kane, State of Illinois. Landlord specifically excepts and reserves to itself the use of the roof, exterior portions of the Premises, and such areas within the Premises required for structural columns and their enclosures and the installation, maintenance and repair of utility lines. building systems and other installations required in the Building from time to time during the Term of this Lease. Landlord specifically reserves to itself possession and use of the common areas, roof, exterior portions of the Premises, and such areas within the Premises required for structural columns and their enclosures and the installation, maintenance and repair of utility lines, building systems and other installations required in the Building from time to time during the Term of this Lease, all rights to the land and improvements below floor level of the Premises and to the light and air over the Building.

- 2.1 Term. The term ("Term") of this Lease shall be for the period commencing on the carlier to occur of (i) November 1, 2017 or (ii) the date the Tenant opens for business to the public (the "Commencement Date") and ending on October 31, 2022 (the "Expiration Date"), unless sooner terminated as provided herein. Notwithstanding the date set forth for commencement of the Term, the provisions of this Lease shall apply from the date hereof.
- 2.2 Lease Year. For the purpose of this Lease or any renewal thereof, the term "Lease Year" shall mean and refer to that period for twelve (12) full consecutive calendar months beginning with the first full calendar month of the Term (except that if the Term commences on other than the first day of a calendar month, then the initial fractional month of the Term plus the next succeeding twelve (12) full calendar months shall constitute the first Lease Year of the Term), each subsequent period of twelve (12) consecutive calendar months during the Torm, and any period for less than twelve (12) full consecutive calendar months immediately preceding the termination of this Lease.

2.3 Extension.

If this Lease is in full force and effect, and Tenant is not in default under said Lease, Tenant shall have the right to extend the Term of this Lease (subject to section b. berein) for one (1) five-year period ("Option Period"), to commence at the end of the initial Lease Term, which extension shall be upon the same terms and conditions as contained in this Lease, with the exception of this paragraph 2.3 and the

Base Rent shall be increased for each Lease Year by 3% of the prior Lease Year Base Rent.

- (b) The Option Periods provided for herein shall be applicable only if (i) Tenant has provided Landlord not less than one hundred and eighty (180) days' prior written notice of its intent to extend this Lease for the Extension Term. The giving of such notice shall be effective to renew this Lease and to extend the Term hereof as to the Premises without the necessity for execution of any further instrument by either party.
- 3. RENT. Tenant shall pay to Landlord as a direct payment to Landlord's bank account or to such other persons or at such other places as Landlord may designate in writing. Base Rent on or before the first day of each and every mouth during the Term ("Base Rent") as follows:

Period	Monthly
Commencement Date - Oct 31, 2018	\$4,000
Nov 1, 2018- Oct 31, 2019	4,400
Nov 1, 2019- Oct 31, 2020	4,600
Nov 1, 2020- Oct 31, 2021	4,800
Nov 1, 2021- Oct 31, 2022	5.200

All payments made by Tenant to Landlord under this Lease, including but not limited to, Base Rent, Real Property Taxes and Insurance shall be considered Rent. Rent for any period during the Term hereof which is for less than one month shall be a prorata portion of the monthly installment. Tenant agrees that Rent shall be due each month without any set-offs, deductions or counterclaims whatsoever except as provided herein. Landlord may apply payments received from Tenant, to any obligations of Tenant there accrued, without regard to Tenant's designation, Tenant shall be obligated to pay to Landlord interest at the rate of tweive percent (12%) per annum or, provided that the interest rate charged shall not exceed the maximum rate permitted by law, on all sums Tenant is obligated to pay under the terms of this Lease from the date said sums and changes become due and remain unpaid until the date said sums and charges are paid in full. On the first occurrence only in any lease year that Tenant's Rent has not been paid when due, the Landlord will provide written notice of such non-payment and Tenant shall have five (5) days to pay such rent without penalty as set forth herein. Notwithstanding the foregoing, Tenant shall pay any sales tax, service tax, transfer tax, value added tax or any other applicable utilities or services with respect to this Lease.

4. CONDITION OF THE PREMISES AND POSSESSION.

- 4.1 Conditions of the Premises. Tenant agrees to accept the Premises, Building, and any systems and equipment serving the Premises without any agreement, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements. During any period that Tenant shall be permitted to enter the Premises prior to the Commencement Date, Tenant shall comply with all terms and provisions of this Lease, except those provisions requiring the payment of Rent.
- 4.2 <u>Turn-Over-Date</u>. Possession of the Premises shall be tendered to Tenant by Landlord upon full execution of this Lease, payments of the Security Deposit and first month's Rent (the "Turn-Over-Date"). The Security Deposit and first month's Rent shall be paid upon full execution of this Lease.

USE AND COMPLIANCE WITH LAWS. 5.

5.1 Use. Tenant will use and occupy the Premises for the use as a high-end and upscale convenience store (as a matter of example: materially higher-end and upscale as compared to the chain convenience stores, such as 7-Eleven convenience stores) for no other reason whatsoever without

5.2 Compliance with Laws. Landlord represents that to its knowledge they have received no notices for violations of any codes or ordinances applicable to the Premises Tenant, at its own cost and expense, shall fully and promptly comply with each and all current or future laws. regulations and ordinances made by or pursuant to any federal, state, county, municipal or other lawful authority, in, upon, appertaining to, or affecting the demised premises or their appurtenances and Tenant's use thereof, including without limitation any expenditures or improvements required to be made to the Premises or Building to comply with the Americans with Disabilities Act ("ADA"), and shall pay all fines and penalties incurred by said demised premises or by either Landlord or Tenant, which may be imposed by reason of any failure, actual or alleged, on the part of the Tenant thus promptly to comply with and execute the same. Tenant further covenants and agrees to pay all charges, license ices, inspection fees, permit fees and other impositions, levied, charged, imposed or assessed against Landlord or Tenant during the term hereof by any governmental authority in connection with the demised premises or the use or occupancy thereof.

MAINTENANCE, REPAIRS, AND ALTERATIONS.

6.1 Landlord's Maintenance and Repairs. Except for repairs and replacements that Tenant must make under Section 6.2 hereunder or as required of Tenant under any other sections of this Lease, Landlord shall pay for and make all other maintenance, repairs and/or replacements to the Building. This maintenance shall include, but not limited to, the roof, foundation, exterior walls, interior structural walls, alley, landscape areas and all structural components. Notwithstanding anything to the contrary continued herein, Landlord shall not be required to make such repairs if any damage shall have been caused by any act or omission of or violation of this Lease by Tenant or any of its employees. agents, invitees or contractors, in which event Landiord may require that Tenant perform such repairs (without limiting Landlord's other remedies therefor). Landlord shall not be required to maintain the interior surface of exterior walls, windows, doors or plate glass and store fronts. Landlord shall commence to make repairs under this Section within a reasonable time (not to exceed thirty (30) days in any event) after Tenant's written notice of the need of such repairs. If Landlord fails to make such repairs within thirty (30) days after Tenant's notice (except when the repairs are such that more than thirty (30) days are required for its performance and Landlord commences the performance within the thirty (30) day period and thereafter diligently pursues the cure to completion). Tenant may, at its option, undertake such repairs and deduct the cost thereof from the installments of rent next falling due,

6.2 Tenant's Obligations. Unless Landlord is required to maintain or repair under Section 6.1, Tenant shall keep the Premises in good working order, repair and condition, including replacements (which condition shall also be clean, sanitary, sightly and free of pests and rodents). Tenant's obligations hereunder shall include, but not be limited to, Tenant's trade fixtures and equipment, security gates, ceilings, walls, storefront, entrances, signs, interior decorations, floor-coverings, wallcoverings, entry and interior doors, exterior and interior glass, plumbing fixtures, light fixtures and bulbs, keys and locks, and to the extent serving the Premises, fire extinguishers and fire protection and alarm systems, and equipment and lines for water, sewer (including free flow up to the common sewer line). electrical, gas, steam, and mechanical facilities, HVAC repairs and replacements, and other systems and equipment which serve the Premises exclusively whether located within or outside the Premises, and all alterations and improvements to the Premises whether installed by Landford or Tenant. Tenant shall also at Landlord's option perform or reimburse Landlord for any repairs, maintenance and replacements to areas of the Building outside the Premises caused as a result of moving any furniture, fixtures, or other

property to or from the Premises, or otherwise caused by Tenant or any other work by Tenant hereunder shall be deemed "Tenant's Work" under this Lease, and shall be subject to all of the requirements thereunder, including Landlord's prior written approval. Notwithstanding anything to the contrary contained herein, Tenant shall not be required to make such repairs if any damage shall have been caused by any act or omission of, or violation of this Lease by, Landlord or any of its employees, agents, invitees or contractors, in which event Tenant may require that Landlord perform such repairs (without limiting Tenant's other remedies therefor). Tenant shall commence to make repairs under this Section within a reasonable time (not to exceed thirty (30) days in any event) after Landlord's written notice of the need of such repairs; unless, when the repairs are such that more than thirty (30) days are required for its performance and commences the performance within the thirty (30) day period and thereafter diligently pursues the cure to completion.

- 6.3 Tenant upon expiration or termination of this Lease or termination of Tenant's right of possession, agrees peaceably to sunender the Premises to Landlord, including the alterations, additions, improvements, changes and fixtures other than Tenant's trade fixtures and personal property, in broom-clean condition and in reasonable repair, except for damage caused by acts of God, ordinary use and wear. Tenant agrees to remove Tenant's trade fixtures and personal property upon any such expiration or termination and to repair all damage to the Premises or the Building caused by such removal. If Tenant shall fail or refuse to comply with Tenant's duty to remove all trade fixtures and personal property from the Premises or the Building on or before the above-specified date, the parties hereto agree and stipulate that Landlord may, at its election: (i) treat such failure or refusal as an offer by Tenant to transfer title to such trade fixtures and personal property to Landlord, in which event title thereto shall thereupon pass under this Lease as a bill of sale to and vest in Landford absolutely without any cost either by set-off, credit allowance or otherwise, and Landlord may remove, sell, retain, donate, destroy, store, discard, or otherwise dispose of all or any part of said trade fixtures and personal property in any manner that Landlord shall choose; or (ii) treat such failure or refusal as conclusive evidence, on which Landlord and any third party shall be entitled absolutely to rely and act, that Tenant has forever abandoned such trade fixtures and personal property, and without accepting title thereto, Landlord may at Tenant's expense enter into and upon the Premises and remove, sell, retain, donate, destroy, store, discard or otherwise dispose of all or any part thereof in any manner that Landlord shall choose without incurring liability to Tenant or to any other person. In no event shall Landford ever become or accept or be charged with the duties of a bailed (either voluntary or involuntary) of any trade fixtures and personal property, and the failure of Tenant to remove all personal property from the Premises, the Building shall forever bar Tenant from bringing any action or from asserting any liability against Landlord with respect to any such fixtures or property which Tenant fails to remove. If Landlord elects to remove all or any part of said fixtures and personalty, the cost of such removal, including repairing any damage to the Premises caused by such removal and/or the cost of storage of said fixtures and personalty, shall be paid by and be at the risk of Tenant.
- 6.4 <u>Garbage</u>. Tenant shall pay for its own garbage, refuse and recycle disposal and collection at its sole cost and expense and strictly observe the Building's garbage collection program and procedures as Landlord reasonably imposes from time to time.
- 6.5 Landlord's Rights. If Tenant fails to perform Tenant's obligations under this Article 6, Landlord may, but shall not be required to, enter upon the Premises, after thirty (30) days' prior written notice to Tenant, except in the case of an emergency, remedy the issue and put the same in good order, condition and repair, and the reasonable costs thereof shall become due and payable as additional Rent to Landlord together with Tenant's next Rent installment.

6.6 Alterations and Additions.

- (a) Tenant shall not make any alterntions, improvements, additions or repairs in, on, or about the Premises without Landlord's prior written consent, which shall not be reasonably withheld or delayed.
- (b) Before commencing any work relating to alterations, additions and improvements affecting the Premises requiring Landlord's consent under this Section. Tenant shall notify Landlord in writing of the expected date of commencement thereof.
- (c) Tenant agrees to obtain at its sole cost and expense all permits, licenses, variances and approvals (collectively called the Permits) required, obtain and post bonds if required by a party other than Landlord, submit contractor, subcontractor and supplier lien waivers with respect to any Tenant's Work, as hereinafter defined. Any work performed by Tenant shall be referred to as "Tenant's Work". Tenant shall perform all Tenant's Work in compliance with all Laws and other provisions of this Lease, including without limitation, the Americans with Disabilities Act.
- (d) Tenant shall keep the Building, Premises and this Lease free from any mechanic's, materialman's or similar liens or encumbrances, and any claims therefor, in connection with any Tenant's Work performed prior to or during the Term. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any Tenant's Work required to be approved by Landlord (or such additional time as may be necessary under applicable Laws), to afford Landford the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall obtain lien waivers from all contractors during the construction process as it makes payments to the contractors and final lien waivers upon completion of Tenant's Work and shall forward to Landlord copies of all such tien waivers. Tenant shall remove any claim, lien or encumbrance by bond or otherwise within thirty (30) days after notice by Landlord. If Tenam fails to do so, Landlord may pay the amount or take such other action as Landlord deems necessary to remove such claim, lien or encumbrance without being responsible for investigating the validity thereof. The amount so paid and costs incurred by Landlord shall be deemed additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any such notices, liens or encumbrances whether claimed by operation of statute or other Law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any Tenant's Work shall be null and void, or at Landlords option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Building and Premises.
- (e) All alterations, improvements, or additions which may be made on the Premises shall become the property of Landlord. Notwithstanding the provisions of this Section, machinery, equipment, and trade fixtures provided by Tenant, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Section 6.3. All machinery, equipment, and trade fixtures which were existent at Turn-over-Date shall remain property of Landlord. During the Term, Tenant shall use reasonable care in its use and properly maintain such machinery, equipment, and trade fixtures and upon Expiration or Early Termination of this Lease leave such machinery, equipment, and trade fixtures in the

same condition as received, ordinary wear and tear excepted. Landlord acknowledges that Tenant shall be installing certain lighting, sound and projection equipment which shall remain Tenant's property.

7. INSURANCE: INDEMNITY.

7.1 Liability Insurance. Tenant shall obtain and keep in force during the term of this Lease a policy of general comprehensive liability insurance, naming Landlord as additional insured as its interest may appear from time to time, against any liability arising out of the use, occupancy, or maintenance of the Premises. Such insurance shall provide coverage for and shall be in an amount of not less than \$1,000,000 for injury to or death of one person in any one accident or occurrence and in an amount of not less than \$2,000,000 for injury to or death of more than one person in any one accident or occurrence. Tenant will provide to Landlord a certificate naming Landlord as additional insured on such policy and renewals required under this Section. Such certificates shall state that the coverage may not be changed or cancelled without at least thirty (30) days' prior written notice to Landlord. The existence of such policy or policies shall not limit or affect. Tenant's above stated undertaking to save and keep Landlord, its agents and servants, and the demised premises and improvements harmless from any and all such claims, demands, penalties, damages, suits, court costs, fines, judgments, liens, expenses and liabilities.

7.2 Tenant's Property Insurance. Tenant shall maintain in full force and effect on all of its fixtures. Tenant's Work and equipment in the leased Premises, policies of fire and extended coverage insurance with standard coverage endorsement to the extent of at least eighty percent (80%) of their insurable value. During the Lease Term, the proceeds from any such policy or policies of insurance shall be used for the repair or replacement of the fixtures and equipment so insured. Landlord shall have no interest in the insurance upon Tenant's equipment and fixtures and will sign all documents which are necessary or appropriate in connection with the settlement of any claim or loss by Tenant. Subject to Section 7.7 hereof, Landlord shall not be responsible for damage to or loss of Tenant's property. All insurance required bereunder shall be provided by responsible insurers rated at least A and 10 in the then current edition of Best's Insurance Guide and shall be licensed in Illinois. Tenant's property damage insurance shall include full replacement cost coverage and the amount shall satisfy any coinsurance requirements under the applicable policy.

7.3 <u>Subrogation</u>. Such certificates shall state that the coverage may not be changed or cancelled without at least thirty (30) days' prior written notice to Landlord. Neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees if any such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease.

7.4 Landlord's Insurance. During the term of this Lease and any renewal hereof, Landlord shall keep and maintain in full force and effect, a policy of commercial general liability insurance (to include but not be limited to contractual liability envering Landlord's obligations under Section 7.7) insuring Landlord's activities upon, in or about the Premises or the Building against claims of boddly injury or death or property damage or loss with a limit of not less than \$1,000,000 for injury to or death of more than one person in any one accident or occurrence and in an amount of not less than \$2,000,000 for injury to or death of more than one person in any one accident or occurrence. Landlord shall insure the Premises and the Building including the Improvements, (excluding any property which Tenant is obligated to insure under Sections 7.1 and 7.2) for their full replacement value against damage and destruction by fire, vandalism, and other perils in the amount of the full replacement value of the

Premises and the Building, as the value may exist from time to time. Landlord shall provide a certificate of such policy to Tenant required under this Section.

7.5 Waiver of Claims. Except for claims arising from Landford's negligent acts, willful misconduct or events related to Hazardous Material not caused by Tenant or any of its employees, agents invitees or contractors, as defined in Section 19 hereof, that are not covered by Tenant's insurance hereunder. Tenant waives all claims against Landlord for injury or death to persons, damage to property or to any other interest of Tenant sustained by Tenant or any party claiming through Tenant resulting from any occurrence in or upon the Premises, including, but not limited to (i) leaking of roofs, bursting, stoppage or leaking of water, gas, sewer or steam pipes or equipment, including sprinklers. (ii) wind, rain, snow, ice, flooding, freezing, fire, explosion, earthquake, excessive heat or cold, fire or other casualty. (iii) the Building, Premises, systems and equipment to be maintained by Landlord being defective, out of repair, or failing, and (iv) vandalism, malicious mischief, theft or other acts or omissions of any other parties including without limitation, other tenants, contractors and invitees at the Building, except as set forth in Section 19 hereof. To the extent that Tenant is required to or does carry insurance hereunder. Tenant agrees that Tenant's property loss risks shall be borne by such insurance, and Tenant agrees to look solely to and seek recovery only from its insurance carriers in the event of such losses; for purposes hereof, any deductible amount shall be treated as through it were recoverable under such policies.

7.6 Indemnification by Tenant. Except to the extent arising from the negligent acts or willful misconduct or breach of the covenants or provisions of this Lease by Landlord or Landford's agents or employees, Tenant shall defend, indemnify and hold harmless Landlord from and against any and all claims, demands, liabilities, damages, judgments, orders, decrees, actions, proceedings, fines, penalties, costs and expenses, including without limitation, court costs and attorneys' fees arising from or relating to any violation of Law, loss of life, damage or injury to persons, property or business occurring in, Premises, or caused by or in connection with any violation of this lease or use of the Premises or Building, or any other act or omission of, Tenant, or any of its respective agents, employees, invitees or contractors. Without limiting the generality of the foregoing, Tenant specifically acknowledges that the indemnity undertaking herein shall apply to claims in connection with or arising out of any "Tenant's Work", the use or consumption of any utilities in the Premises, any repairs or other work by or for Tenant and the transportation, use, storage, maintenance, generation, manufacturing, handling, disposal, release or discharged of any "Hazardous Material" as described in the Lease (whether or not such matters shall have been theretofore approved by Landlord).

7.7 Indemnification by Landlord. Except to the extent arising from the negligent acts, willful misconduct or breach of the covenants or provisions of this Lease by Tenant or Tenant's agents, employees, invitees or contractors, Landlord agrees to indemnify, defends and hold harmless Tenant from and against all claims, liabilities, losses, damages and expenses for personal injury, loss of life and property damage arising from or out of any occurrence in or upon the Building, exclusive of the Premises.

8. DAMAGE OR DESTRUCTION.

8.1 <u>Restoration by Landlord</u>. If the Premises shall be damaged by fire or other casualty, Landlord shall use available insurance proceeds to repair the Premises, except that Landlord shall not be required to repair or replace any of Tenant's furniture, furnishings, fixtures or equipment, or any alterations or improvements or any Tenant's Work as provided in this Lease and Landlord's obligations shall be subject to any governmental requirements or requirements of any Lender and such Lender's right to control, apply or withhold such insurance proceeds. Subject to Section 7.7 hereof, Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof.

- 8.2 Restoration by Tenant. If Landlord repairs the Premises as provided herein, Tenant shall repair and replace Tenant's Work, all items required to be insured by Tenant hereunder, and all other items required to restore the Premises to the condition required under this Lease. Tenant shall commence such work within ten (10) days following "Substantial Completion" by Landlord of any repairs required by Landlord hereunder and shall proceed diligently therewith to completion. The Restoration is determined "Substantially Completed" the Premises has been restored to a condition that enables Tenant to commence its restoration obligation under this Section 8.2. Tenant's work hereunder shall constitute "Tenant's Work" under the Lease, and shall be subject to all of the provisions thereof. Tenant may close the Premises for business to the extent reasonably required in connection with such work.
- 8.3 Abatement of Rent. Landlord shall allow Tenant a proportionate abatement of Rent from the date of the casualty through the date that Landlord substantially completes Landlord's repair obligations hereunder (or the date that Landlord would have substantially completed such repairs, but for delays by Tenant, its agents, employees, invitees, transferees and contractors), provided such abatement: (i) shall apply only to the extent the Premises are untenantable for the purposes permitted under this Lease and not used by Tenant as a result thereof, based proportionately on the square footage of the Premises so affected and not used, and (ii) shall not apply if Tenant or any other occupant of the Premises, or any of their employees, agents, invitees or contractors cause the damage. Notwithstanding the foregoing, if Tenant is not able to operate its business from the Premises due to such damage or destruction which was not caused by Tenant, its agents, invitees or employees, Tenant's Rent shall abate until such time that Tenant has completed its restoration work pursuant to Section 8.2 hereof; however, if Tenant fails to perform its obligation under Section 8.2 hereof. Rent shall be abated until such time Landlord has Substantially Completed its restoration under Section 8.1 hereof.
- 8.4 Termination of Lease. Notwithstanding the foregoing to the contrary, Landlord may elect to terminate this Lease, if the Building is materially damaged by Tenant or any of its agents, employees, invitees or contractors, or if the Building is damaged by fire or other casualty or cause such that: (a) more than 25% of the Premises is affected by the damage, or (b) the damage occurs less than one year prior to the end of the Term, or (e) any Lender requires that the insurance proceeds or any portion thereof be applied to the Mortgage debt (or terminates the ground lease, as the case may be), or the damage is not fully covered by Landlord's insurance policies, or (d) in Landlord's reasonable opinion, the cost of the repairs, alterations, restoration or improvement work would exceed 25% of the replacement value of the Building or of the portion thereof owned or ground leased by Landlord (whether or not the Premises is affected). In any such case, Landlord may terminate this Lease by notice to Tenant within 90 days after the date of damage (such termination notice to include a termination date providing at least thirty (30) days for Tenant to vacate the Premises). Tenant agrees that Landlord's obligation to restore, and the abatement of Rent provided herein, shall be Tenant's sole recourse in the event of such damage, and waives any other rights Tenant may have under any applicable Law to terminate this Lease by reason of damage to Building.

9. REAL PROPERTY TAXES.

9.1 Payment of Real Property Taxes. Landlord shall pay the Real Property Taxes directly to the taxing authorities. Tenant shall pay Landlord in the manner provided in Section 11, as additional Rent, Tenant's proportionate share of Real Property Taxes (as defined below) for the Term of this Lease. Landlord shall provide Tenant within a reasonable time copies of the Real Property Tax bills and assessment notices on the Building upon written request, by Tenant or other data as may be necessary to verify its proportion of the Real Property Taxes. Tenant shall be required to pay only its proportionate share of such Real Property Taxes promated for the first and last years that such taxes are payable hereunder. In the event that, in the Landlord's reasonable discretion, there is a basis for challenging any increase in the assessment, Landlord shall appeal, challenge or seek modification of any tax assessment or billing for which Tenant is wholly or partly responsible for payment.

- 9.2 Definition of Real Property Taxes. As used herein, the term "Real Property Taxes" shall include all taxes and assessments, general and special, and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever, which may be levied, assessed imposed by any authority having the direct or indirect power to tax, as against any legal or equitable interest of Landlord in the Premises or in the real property of which the Premises are a part, provided, however, that the term "Real Property Taxes" shall not include any inheritance, estate, succession, transfer, gift, franchise, or capital stock tax, or any income taxes arising out of or related to ownership and operation of income-producing real estate, any excise taxes imposed upon Landlord or other income received by it. If the assessment is reduced because of efforts or appealed by a real estate tax consultant on a contingency basis and the assessment is reduced as a result thereof, the cost of the contingency fee shall be added to and included in the total amount determined for such tax year as Real Property Taxes. If the assessor makes any adjustments for vacancy or other economic factors for any tax year. Real Property Taxes for such year will be based on the assessment prior to or before any such adjustments.
- 10. UTILITIES. Tenant shall: (i) make application in Tenant's own name for all utilities, (n) comply with all utility company regulations for such utilities, and (iii) obtain such utilities directly from, and pay for the same when due directly to the applicable utility company. Tenant shall pay for all water, trash and recycle removal, sewer, fire protection, telephone, alarm service, gas and electricity used by Tenant during the term hereof. To the extent any utility is not separately metered, Tenant shall pay to Landlord, Tenant's share of such utility or utilities as reasonably determined by Landlord.

Landlord shall not charge Tenant a rate for any utility in excess of the rate Landlord must pay the supplier of the service. Landlord does not warrant that any utilities will be free from shortages, failures, variations, or interruptions caused by repairs, maintenance, replacements, improvements, alterations, changes of service, strikes, lockouts, labor controversies, accidents, inability to obtain services, fuel, steam, water or supplies, governmental requirements or requests, or other causes beyond Landlord's reasonable control. None of the same shall be deemed 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 relieve Tenant from performance of Tenant's obligations under this Lease. Subject to Section 7.7 hereof, Landlord in no event shall be liable for damages by reason of such shortage, failure, variation, or interruption, including without limitation, loss of profits, business interruption or other incidental or consequential damages, except that all rental payments hereunder shall abate if and when the interruption of services is continuous for more than five (5) consecutive days and prevents Tenant from conducting business in the Premises

11. TENANT'S PRORATA SHARE OF REAL PROPERTY TAXES AND INSURANCE.

- 11.1 Tenant shall pay to Landlord, as additional rent, Tenant's Proportionate Share of Real Property Taxes in excess of the base amount (Base Amount for Real Property Taxes is \$37,269) and Insurance (as defined below) in excess of the base amount (Base Amount for Insurance is \$7,204).
- 11.2 For purposes of this Lease, it is agreed by Landlord and Tenant that Tenant's Proportionate Share of Real Property Taxes and Insurance shall be equal to 9.2%.
- 11.3 A. Real Property Taxes. Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of Real Property Taxes in excess of the Base Amount in the manner described below.
- B. Insurance. Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of Insurance in excess of the Base Amount in the manner described below

C. Manner of Payment. Real Property Taxes and Insurance shall be paid in

the following manner:

(i) Landlord may reasonably estimate in advance the amounts. Tenant shall owe for Real Property Taxes and Insurance for any full or partial calendar year of the Term. In such event, Tenant shall pay such estimated amounts, on a monthly basis, on or before the first day of each calendar month, together with Tenant's payment of Base Rent. Tenant shall pay initially and until further notice by Landlord the estimated amounts. Landlord may reasonably adjust the estimated amounts, from time to time prior to the Commencement Date and during the Term.

(ii) As soon as practicable after the end of each calendar year or when actual tax bills are received, Landlord shall provide a statement (the "Statement") to Tenant showing: (a) the amount of actual Real Property Taxes and Insurance for such calendar year, (b) any amount paid by Tenant towards Real Property Taxes and Insurance during such calendar year on an estimated basis, and (c) any revised estimate of Tenant's obligations for Real Property Taxes and Insurance for the current calendar year.

(iii) If the Statement shows that Tenant's estimated payments were less than Tenant's actual obligations for Real Property Taxes and Insurance for such year, Tenant shall pay the difference. If the Statement shows an increase in Tenant's estimated payments for the current calendar year, Tenant shall pay the difference between the new and former estimates for the period from January 1 of the current calendar year through the month in which the Statement is sent. Tenant shall make such payments within thirty (30) days after Landlord sends the Statement or with next Rent due, whichever is earlier.

(iv) If the Statement shows that Tenant's estimated payments exceeded Tenant's actual obligations for Real Property Taxes and Insurance, Tenant shall receive a credit for the difference against payments of Rent next due. If the Term shall have expired and no further Rent shall be due, Landlord shall refund such difference when Landlord sends the Statement.

D. Tax Refunds, Supplemental Billings and Fiscal Tax Years. Tax refunds shall be deducted from Real Property Taxes in the year they are received by Landlord, but if any refund shall relate to Real Property Taxes paid in a prior year of the Term and the Lease shall have expired. Landlord shall mail Tenant's Proportionate Share of such net refund after deducting expenses and aftorneys' fees to Tenant's last known address. If Real Property Taxes for any period during the Term or any extension thereof shall be increased after payment thereof by Landlord for any reason, including without limitation, error, reassessment, or supplemental billing by applicable governmental or municipal authorities, Tenant shall pay Landlord within thirty (30) days after notice of Tenant's Proportionate Share of such increased Real Property Taxes or with next Rent due, whichever is earlier. If any Real Property Taxes shall be paid based on assessments or bills by a governmental or municipal authority using a fiscal year other than a calendar year, Landlord may elect from time to time to bill Tenant and make adjustments: (i) based on such fiscal year, or (ii) based on tax payments becoming due during the subject calendar year without regard to such fiscal year.

E. Finality of Statements. Unless Tenant takes exception to any Statement by written notice to Landlord within sixty (60) days after Landlord provides such Statement to Tenant, such Statement shall be considered final and binding on Tenant except that a computational error only can be corrected by either party within three (3) years after Landlord provides such Statement to Tenant. Tenant acknowledges that Landlord's ability to budget and incur expenses depends on the finality of such Statement, and accordingly agrees that time is of the essence of this Section.

- F. General Matters. In lieu of providing one Statement covering Real Property Taxes and Insurance, Landlord may provide separate statements at the same or different times, No delay by Landlord in providing the Statement (or separate statements) shall be deemed a default by Landlord or a waiver of Landlord's right to require payment of Tenant's obligations or actual for estimated Real Property Taxes or Insurance.
- 11.4 Insurance. "Insurance" shall mean all expenses, costs and amounts of every kind and nature, that are actual, out-of-pocket, reasonable and necessary to the Building, which Landford shall pay during any calendar year or any portion of which occurs during the Term, for all insurance applicable to the Building pursuant to Section 7.4 herein.
- 11.5 Landlord's Records. Landlord shall keep reasonable records showing all expenditures incurred as Insurunce and Real Property Taxes for each year for a period of three (3) years following each year, and such records shall be made available for inspection by Tenant and/or its agents during such three (3) year period subject to the provisions of Section 11.3.E. herein.
- ASSIGNMENT AND SUBLETTING. Tenant shall not transfer, assign, convey. sublet, enter into a license or concession agreement or hypothecate or mortgage this Lease or any of Tenant's interest in and to the Premises or any part thereof, permit any transfer of Tenant's interest created hereby or allow any lien upon Tenant's interest by operation of law or permit the use or occupancy of the Premises or any part thereof by anyone other than Tenant, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, except: (1) Landlord may withheld its consent if in Landford's judgment, occupancy by any proposed assignee, subtenant, or other transferee (i) is not consistent with the maintenance and operation of the Building due to the proposed occupant's manner of conducting business or its experience or reputation in the community, (ii) the intended use or business in not desirable, or (iii) is likely to cause disturbance to the normal use and occupancy of the Building; (2) Landlord may withhold in its absolute and sole discretion consent to any mortgage. hypothecation, pledge, or other encumbrance of any interest in this Lease or the Premises by Tenant or any subtenant, (3) Landlord may withhold its consent to the extent it deems necessary to comply with any restriction on use of the Premises, the Building, or the Land contained in any lease, mortgage, or other agreement or instrument by which the Landlord is bound or to which any of such property is subject. Any attempt to transfer, assign, convey, sublet, license or enter into a concession agreement or to otherwise hypothecate or mortgage or to transfer by operation of law or occupy the Premises by a party other than Tenant without Landford's consent shall be void and confer no rights on any third party and shall constitute a default under this Lease. The consent by Landlord to any transfer, assignment, conveyance, subletting, license or concession agreement or hypothecation or transfer by operation of law or occupation by a party other than Tenant shall neither constitute a waiver of the necessity of such consent to any subsequent transfer, assignment, conveyance, subletting, license, concession agreement or hypothecation or transfer by operation of law or occupation by a party other than Tenant nor in any manner relieve Tenant of any of its obligations under this Lease. Each transfer, assignment, subletting, license, concession agreement, hypothecation, transfer by operation of law or occupation by a party other than Tenant to which there has been consent shall be by an instrument in writing, in form satisfactory to Landlord, and shall be executed by the transferor, assignor, sub-landlord, licensor, concessionaire, hypothecator or mortgagor and the transferee, assignee, subtenant, licensee, concessionaire or mortgagoe shall agree in writing for the benefit of Landlord to assume, to be bound by, and to perform the terms, covenants and conditions of this Lease to be done, kept and performed by Tenant. One executed copy of such written instrument in form satisfactory to Landlord shall be delivered to Landlord forthwith.

If a Tenam is a corporation or partnership, any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership of or power to vote a majority of its outstanding voting stock or partnership interests, shall constitute an assignment for the purpose of this Section. If Tenant is a partnership or individuals conversion of Tenant to a limited liability company or a corporation shall constitute an assignment for purposes of this Section.

All requests for Landlord's consent shall be written notice and, in the event Tenant requests Landlord's consent to any transaction covered under the previous paragraph and Landlord consents to such transaction, Tenant shall immediately reimburse Landlord for reasonable and competitive expenses, including attorneys' fees, incurred by Landlord in conjunction therewith in any manuer whatsoever, which shall not be in an amount more than two thousand and No/100 Dollars (\$2,000.00) ("Assignment Fee").

13. DEFAULTS; REMEDIES.

- 13.1 Default. The occurrence of any one or more of the following events shall constitute a "Default" by Tenant and shall give rise to Landlord's remedies set forth in Paragraph 13.2, below: (i) failure to make when due any payment of Rent, unless such failure is cured within five (5) days after written notice; (ii) failure to observe or perform any term or condition of this Lease other than the payment of Rent, unless such failure is cured within any period of time following notice expressly provided in other Sections hereof, or otherwise within a reasonable time, but in no event more than thirty (30) days following notice, and (iii) (a) making by Tenant of any general assignment for the benefit of creditors, (b) filling by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any Law relating to bankruptcy or insolvency (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days), (c) appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located in the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days, (d) attachment, execution or other judicial seizure of substantially all of Tenant's assets located on the Premises or of Tenant's interest in this Lease, (c) Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debt, (f) Tenant's insolvency or admission of an inability to pay its debts as they mature. The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by Law.
- 13.2 Remedies. If a Default occurs, Landlord shall have the rights and remedies bereinafter set forth to the extent permitted by Law, which shall be distinct, separate and cumulative with and in addition to any other right or remedy allowed under any Law or other provisions of this Lewse:
- Landlord may terminate Tenant's right of possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means, with or without terminating this Lease (and if applicable Law permits, and Landlord shall not have expressly terminated this Lease in writing, any such action shall be deemed a termination of Tenant's right to possession only). In such event, Landlord may recover from Tenant: (i) any unpaid Rent as of the termination date, (ii) the amount by which: (a) any unpaid Rent which would have accrued after the termination date during the balance of the Term exceeds (b) the reasonable rental value of the Premises under a lease substantially similar to this Lease for the balance of the Term, taking into account among other things, the condition of the Premises, market conditions and the period of time the Premises may reasonably remain vacant before Landlord is able to re-lease the same to a suitable replacement tenant, and Costs of Reletting (as defined in Section 13.7 below) that Landlord may incur in order to enter such replacement lease, and (iii) any other amounts necessary to compensate Landlord for all damages proximately caused by Tenant's failure to perform its obligations under this Lease. For purposes of computing the amount of Rent herein that would have accrued after the termination date, Tenant's obligations for Real Property Taxes and Insurance, shall be projected, based upon the average rate of increase, if any, in such items from the Commencement Date through the termination date. The amounts computed in accordance with the foregoing subclauses (a) and (b) shall both be discounted, in accordance with accepted financial practice at the rate of one-year U.S. Treasury Bills at the date of occurrence, to the then present value, or
- (2) Landlord may terminate Tenant's right or possession, reenter and repossess the Premises by detainer suit, summary proceedings or other lawful means, with or without terminating this

Lease (and if applicable Law permits, and Landlord shall not have expressly terminated this Lease in writing, any such action shall be decined a termination of Tenant's right of possession only). In such event, Landlord may recover from Tenant: (i) any unpaid Rent as of the date possession is terminated, (ii) any unpaid Rent which accrues during the Term from the date possession is terminated through the time of judgment (of which may have accrued from the time of any earlier judgment obtained by Landlord), less any consideration received from replacement tenants as further described and applied pursuant to Paragraph Tabove, and (iii) any other amounts necessary to compensate Landlord for all damages proximately cause by Tenant's failure to perform its obligations under this lease, including without limitation, all Costs of Reletting (as defined in Section 13.7). Tenant shall pay any such amounts to Landlord after the same have accrued from time to time upon demand. At any time after terminating Tenant's right to possession as provided herein, Landlord may terminate this Lease as provided in clause (1) above by written notice to Tenant, and Landlord may pursue such other remedies as may be available to Landlord under this Lease or applicable Law.

13.3 Mitigation Damages. If Landlord terminates this Lease or Tenant's right to possession, or is required by applicable law. Landlord shall mitigate damages under this Lease as follows, to the extent permitted by law: (a) Landlord shall be required only to use reasonable efforts to mitigate, which shall not exceed such efforts as Landlord generally uses to lease other space at the Building, and (b) Landlord will not be deemed to have failed to mitigate if Landlord leases any other portions of the Building before reletting all or any portion of the Premises, and (c) any failure to mitigate as described herein with respect to any period of time shall only reduce the Reat and other amounts to which Landlord is entitled hereunder by the reasonable rental value of the Premises during such period. In recognition that the value of the Building depends on the rental rates and terms of leases therein, Landlord's rejection of a prospective replacement tenant based on an offer of rentals below Landlord's rates for new leases of comparable space in the Building or market at the time in question, or at Landlord's option, below the rates provided in this Lease, or containing terms less favorable than those contained herein, shall not give rise to a claim by Tenant that Landlord failed to mitigate Landlord's damages.

13.4 Reletting. If this Lease or Tenant's right to possession is terminated, Landlord may: (i) enter and secure the Premises, change the locks, install barricades, remove any improvements, fixtures or other property of Tenant therein, perform any decorating, remodelling, repairs, alterations, improvements or additions and take such other actions as Landlord shall determine in Landlord's sole discretion to prevent damage or deterioration to the Premises or prepare the same for reletting, and (ii) relet all or any portion of the Premises (separately or as a part of a larger space), for any rent, use or period of time (which may extend beyond the Term hereof), and upon any other terms as Landlord shall determine in Landlord's sole discretion, directly or as Tenant's agent (if permitted or required by applicable Law). The consideration received from such reletting shall be applied pursuant to the terms hereof, and if such consideration, as so applied, is not sufficient to cover all Rent and damages to which Landlord may be entitled hereunder, Tenant shall pay any deficiency to Landlord after the same has accrued from time to time upon demand, subject to the other provisions hereof.

13.5 Specific Performance, Collection of Rent and Acceleration. Landlord shall at all times have the right without prior demand or notice except as required by applicable Law to: (i) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease or restrain or enjoin a violation of any provision beteof, and (ii) sue for and collect any impaid Rent which has accrued. Notwithstanding anything to the contrary contained in this Lease, to the extent not expressly prohibited by applicable Law, in the event of any Default by Tenant, Landlord may terminate this Lease of Tenant's right to possession and accelerate and declare that all Rent reserved for the remainder of the Term shall be immediately due and payable (in which event, Tenant's obligations for Real Property Taxes and Insurance herein that would have accrued thereafter shall be projected in the manner described in Section 13.2 (1), above); provided the Rent so accelerated shall be discounted, in accordance with accepted financial practice at the rate of one-year U.S. Treasury Bills at the date of occurrence, to the then present value, and Landlord shall, after receiving payment of the same from Tenant, be obligated to turn over to

Tenant any actual net reletting proceeds (net of all Costs of Reletting), thereafter received during the remainder of the Term, up to the amount so received from Tenant pursuant to this provision.

13.6 Landlord's Cure of Tenant Default. If Tenant tails to perform any obligation under this Lease during the grace periods provided herein (except that no notice shall be required in emergencies), Landlord shall have the right (but not the duty), to perform such obligation on behalf and for the account of Tenant. In such event, Tenant shall reimburse Landlord upon demand, as additional Rent, for all expenses incurred by Landlord in performing such obligation together with an amount equal to fifteen percent (15%) thereof for Landlord's overbead, and interest thereon at the Default Rate from the date such expenses were incurred. Landlords's performance of Tenant's obligations hereunder shall not be deemed a waiver or release of Tenant therefrom.

13.7 Other Matters. No re-entry or repossession, repairs, changes, alterations and additions, reletting, acceptance of keys from Tenant, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or accept a surrender of the Premises, nor shall the same operate to release the Tenant in whole or in part from any of the Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord or its agent to Tenant. Notwithstanding the foregoing, Landlord shall not charge Tenant any amounts under this Lease that are collected from a subsequent Tenant. Landlord may bring suits for amounts owed by Tenant hereunder or any portions thereof, after the same have accrued, and no suit or recovery of any portion due hereunder shall be deemed a waiver of Landlord's right to collect all amounts to which Landlord is entitle hereunder, nor shall the same serve as any defense to any subsequent suit brought for any amount not theretofore reduced to judgment. Landlord may pursue one or more remedies against Tenant and need not make an election of remedies until findings of fact are made by a court of competent jurisdiction. All rent and other consideration paid by any replacement tenants shall be applied, at Landlord's option: first, to the Costs of Reletting, second, to the payment of all costs of enforcing this Lease against Tenant, third, to the payment of all interest and service charges accruing hereunder, fourth, to the payment of other obligations of Tenant to Landlord as the same become due (with any remaining residue to be retained by Landlord), "Costs of Reletting" shall include without limitation, all reasonable costs and expenses (whether to prevent damage or to prepare the Premises for reletting), brokerage commissions, advertising costs, attorneys' fees, any economic incentives given to enter leases with replacement tenants, and costs of collecting rent from replacement tenants. Landlord shall be under no obligation to observe or perform any provision of this Lease on its part to be observed or performed which accrues after the date of any Default by Tenant. The times set forth herein for the curing of violations by Tenant are of the essence of this Lease. Tenant hereby irrevocably waives any right otherwise available under any Law to redeem or reinstate this Lease or Tenant's right to possession after this Lease or Tenant's right to possession is terminated based on a Default by Tenant.

13.8 <u>Default by Landlord</u>. Landlord's failure to do, observe, keep and perform any of the terms, covenants, conditions, agreements or provisions of this Lease required to be done, observed, kept or performed by Landlord, for a period greater than thirty (30) days after written notice by Tenant to Landlord of said failure (except when the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion), shall be deemed a default by Landlord and a breach of the Lease; then, Tenant may, at its option, seek its rights and remedies provided at law or in equity. Tenant shall have no right of self-help to perform repairs or any other obligation of Landlord, and shall have no right to withhold, set-off or abate rent, except as provided in Section 6.1. Notwithstanding the foregoing, Tenant may hire a licensed contractor to perform work for the Tenant in an emergency, provided: (i) Tenant provides reasonable notice to Landlord, (ii) Landlord fails to perform and (iii) the bill is submitted to Landlord for payment as a separate item not deducted from Rent.

CONDEMNATION. If the Premises or any portion thereof are taken under the power of eminent domain, or sold by Landlord under the threat of the exercise of said power (all of which is herein referred to as "condemnation"), this Lease shall terminate as to the part so taken as of the earliest of the following occur: (a) twenty (20) days after Tenant gives notice to Landlord of its election to vacate following the date the condemnor gives a notice of intention to take or the condemning authority takes title to the Premise or the portion thereof or (b) the date the condemning authority takes possession of the Premises or the portion thereof. Upon receipt by either party of the condemnor's notice of intention to take, each shall immediately give written notice of such receipt to the other party. If more than twenty-five percent (25%) of the Premises, or more than twenty-five percent (25%) of the land area of the parcel of land upon which the Premises are a part, is taken by condemnation, or the effect of condemnation is to render the Premises untenantable for Tenant's to conduct its business, either Landlord or Tenant may terminate this Lease at any time following the date the condemnor gives notice in writing of its intention to take within twenty (20) days after Landlord shall have notified Tenant of the taking or, in the absence of such notice, then within twenty (20) days after the condemning authority shall have taken possession.

If this Lease is not terminated by either Landlord or Tenant then it shall remain in full force and effect as to the portion of the Premises remaining, provided the Rent shall be reduced in the same proportion that the area taken bears to the total area of the Premises prior to taking. In the event this Lease is not so terminated then Landlord agrees, at Landlord's sole cost, as soon as reasonably possible restore the Premises to a complete unit of like quality, character and utility for Tenant's purposes as existed prior to the condemnation. The entire compensation awarded in or by reason of said eminent domain proceedings or conveyance in lieu thereof shall belong to Landlord whether damages are awarded as compensation for diminution in the value of the leasehold or of Landlord's interest in the Premises, without any deduction therefrom for any present or future estate or interest of Tenant, and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such compensation together with any and all rights, estate and interest of Tenant now existing or hereafter arising in and to the same or any part thereof. Current Rent and other charges shall be apportioned as of the date of such taking.

15. SIGNAGE. Tenant, at its sole cost and expense, shall have the right to install or place professionally prepared, designed and installed signs, awnings, or other advertising materials in or about the Premises or on the Building and directories subject to Tenant obtaining Landlord's prior consent. Said signs and awnings shall be in compliance with all applicable laws, regulations and rules and approved by municipal and other governmental agencies prior to the installation of such signage. At expiration or early termination of the Lease, Landlord, at its sole discretion, shall have the right for each and every sign and awning to require either (i) Tenant to remove such sign, awning, or portion thereof at Tenant's sole cost and expense or (ii) such sign remains with the Premises and shall be the property of Landlord; except that Tenant shall remove the portion of the signs that contains its proprietary name.

GENERAL PROVISIONS.

16.1 Esteppel Certificate. Tenant shall at any time upon not less than thirty (30) days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent, and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any, which are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises. However, such certificates shall be for the purpose of facilitating the Landlord's financing, refinancing or sale activities only, and shall not affect or prejudice any rights or remedies of Tenant against Landlord.

- 16.2 Landlord's Interests. The term "Landlord" as used herein shall mean only the owner or owners at the time in question of the fee title or a tenant's interest in a ground lease of the Premises. In the event of any transfer of such title or interest. Landlord herein named (and in case of any subsequent transfers, the grantor) shall be relieved from and after the date of such transfer of all liability with respect to Landlord's obligations thereafter to be performed, provided that any funds in the hands of Landlord or the grantor at the time of such transfer, in which Tenant has an interest, shall be delivered to the grantee. Nothing herein shall be deemed to relieve Landlord of any liability for its acts, emissions or obligations occurring or accruing up to and including the date of such transfer. The obligations contained in this Lease to be performed by Landlord shall, subject as aforesaid, be binding on Landlord's successors and assignees, only during their respective periods of ownership.
- 16.3 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
 - 16.4 Time of Essence. Time is of the essence to the parties executing this Lease.
 - 16.5 Captions. Article and section captions are not a part hereof.
- 16.6 Incorporation of Prior Agreements: Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.
- 16.7 Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant or Landlord of the same or any other provision. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant.
- 16.8 Recording. Landlord or Tenant may record a short form or memorandum of lease at its own expense.
- 16.9 Holding Over. Tenant shall pay Landlord 200% of the amount of Rent then applicable prorated on a per diem basis for each day Tenant shall retain possession of the Premises or any part thereof after expiration or earlier termination of this Lease, together with all damages sustained by Landlord on account thereof. If Tenant pays holdover rent as set forth herein, this Lease shall become a month-to-month lease which may be terminated by either party upon twenty (20) day written notice. The foregoing provisions shall not serve as permission for Tenant to holdover, nor serve to extend the Term (although Tenant shall remain a tenant at sufferance, bound to comply with all provisions of this Lease until Tenant vacates the Premises). Landlord shall have the right, at any time after expiration or earlier termination of this Lease or Tenant's right to possession, to reenter and possess the Premises and remove all property and persons therefrom, and Landlord shall have such other remedies for holdover as may be available to Landlord under other provisions of this Lease or applicable Laws.
- 16.10 <u>Cumulative</u> <u>Remedies</u>. No remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- 16.11 <u>Binding Effect: Choice of Law.</u> This Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the state where the Premises are located.
- 16.12 Subordination, Nondisturbance and Atternment. Subject to the provisions of Section 16.13 hereof, this Lease and the rights of Tenant hereunder shall be subordinate at all times to the lien of any first mortgage, or any ground lease of similar instrument now or hereafter placed upon the

Premises or all or any part of the Building, and to all advances made or hereafter to be made upon the security thereof, and to all renewals, modifications, amendments, consolidations, replacements and extensions thereof, provided that Tenant's rights shall not be abridged, nor its obligation be enlarged, norwithstanding any default in any such first mortgage, first mortgages, or any ground lease, or after foreclosure or termination thereof, so long as Tenant is not in default under any of the covenants, conditions and agreements in this Lease. As used in this Article, the term "mortgage" shall also include a deed of trust and the term "ground lease" shall also include a master lease. In the event of cancellation or earlier termination of any ground lease or in the event of a forcelosure of any first mortgage, Tenant will attorn, as Tenant under this Lease, to such purchaser or ground Landlord and Tenant will promptly execute such instruments as may be necessary or appropriate to evidence such attornments. Tenant covenants and agrees to execute and deliver, upon demand, such further instruments subordinating or attorning this Lease to the lien of any such first mortgage, first mortgages, or ground lease as shall be reasonably required by Landlord or any first mortgage or proposed first mortgagee or Landlord under any ground lease upon condition that Tenant shall have the right to remain in possession of the Premises under the terms of this Lease and Tenant's rights shall not be abridged, nor its obligation be enlarged, notwithstanding any default in any such first mortgage, first mortgages, or any ground lease, or after foreclosure or termination thereof, so long as Tenant is not in default under any of the covenants. conditions and agreements in this Lease.

16.13 Landlord's Access. Landlord and Landlord's agents shall have the right to enter the Premises upon twenty-four (24) hours written notice, except in emergency, for the purpose of inspecting the same, showing the same to prospective purchasers, insurers, contractors or lenders, and making such alterations, repairs, improvements or additions to the Premises or to the Building of which they are a part as Landlord may deem necessary or desirable. Landlord may place on or about the Premises any "For Rent or Lease" signs or notices and have free access to the Premises for the purpose of inspecting and exhibiting the Premises to prospective tenants, brokers or contractors under the following conditions: (i) at any time during the last one hundred and eighty (180) days of the Term hercof, (ii) at any time Tenant ceases to conduct business in the Premises for longer than 30 consecutive days, or (iii) at any time Tenant has executed a lease at another location to close and move its operations in the Premises to a new location (and under this section (iii), Landlord shall be able to take full control and possession of the Premises without altering Tenant's obligation to pay all Rent through the end of the Term, upon Tenant ceasing operations in the Premises). Notwithstanding anything contained herein to the contrary, Landlord, its agents, employees or contractors' entry onto the Premises, or any repair or work performed thereon as provided under this Section shall use its reasonable best efforts not to materially or unreasonably affect or interrupt Tenant's use, business or operations on the Premises or materially obstruct the visibility or ingress and egress of the Premises. In the event of such substantial and material interference, Landlord shall first obtain the written consent of Tenant (except in emergencies) which consent shall not be unreasonably withheld, and the rent shall be abated accordingly.

16.14 Only Landlord/Tenant Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

16.15 <u>Attorneys' Fees.</u> If Landlord brings an action to enforce the terms hereof or declare rights hereunder, Landlord shall be entitled to its reasonable attorneys' fees and costs as fixed by the court to be paid by Tenant.

17. QUIET ENJOYMENT. Landlord covenants and agrees that, so long as this Lease is in full force and effect, and Tenant is not in default Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without disturbance by Landlord or by any person

having title paramount to Landlord's title or by any person claiming through or under Landlord, subject to the terms and conditions of this Lease.

18. NOTICES. Whenever a provision is made under this Lease for any demand, notice or declaration of any kind, or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other party, it shall be in writing and served either personally or sent by United States mail, certified, postage prepaid, or sent by overnight courier addressed at the addresses set forth below or at such address as either party may advise the other from time to time, or by e-mail or facsimile.

To Landlord at:

Arcada BLDG LLC

c/o Scott Price 5464 174th PL SE Bellevue, WA 98006 spricere@comeast.net

To Tenant at:

Gordy's Quick Mart of St. Charles LLC

c/o Gordon Simic 101 E. Main Street St. Charles, Illinois gordonsimic1@gmail.com

Notices given hercunder shall be deemed to have been given on the date of personal delivery, when transmitted by facsimile or email transmission provided the sender obtains an electronic confirmation of delivery, the next business day after deposit with overnight courier, or two (2) business days after the date of mailing.

19. HAZARDOUS MATERIALS.

A. Tenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any "Hazardous Material" (as defined below) upon or about the Building, or permit Tenant's employees, agents, contractors, invitees and other occupants of the Premises to engage in such activities upon or about the Building. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Premises of substances other than Hazardous Materials that are customarily used in the business or activity expressly permitted to be undertaken in the Premises, provided: (a) such substances shall be used and maintained only in such quantities as are reasonably permitted use of the Premises and the ordinary course of Tenant's business therein, strictly in accordance with applicable Law, highest prevailing standards, and the manufacturers' instructions therefor, (b) such substances shall not be disposed of, released or discharged in the Building. and shall be transported to and from the Premises in compliance with all applicable Laws, and as Landlord shall reasonably require, (c) if any applicable Law or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash. Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), (d) any remaining such substances shall be completely and properly removed and disposed of any such substances, Tenant shall be named as the owner and generator, obtain a waste generator identification number, and execute all permit applications, manifests, waste characterization documents and any other required forms.

B. Tenant shall promptly notify Landlord to the extent that Tenant has actual knowledge of: (i) any enforcement, cleanup or other regulatory action taken or threatened any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party relating to any loss or injury resulting from any Hazardous Material on the

Premises, (iii) any release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Premises or in violation of this Article, and (iv) any matters where Tenant is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Material on 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, certified to be true and complete, identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet ("MSDS") issued by the manufacturer therefor, and such other information as Landlord may reasonably require or as may be required by Law. The term "Hazardous Material" for purposes hereof shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof 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 an MSDS.

- C. If any Hazardous Material is released, discharged or disposed of by Tenant or any other occupant of the Premises, or their employees, agents or contractors, on or about the Building in violation of the foregoing provisions, Tenant shall immediately, properly and in compliance with applicable Laws clean up and remove the Hazardous Material from the Building and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at Tenant's expense (without limiting Landford's other remedies therefor). Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any court or governmental body having jurisdiction or reasonably required by Landlord. If Landford or any Lender or governmental body arranges for any tests or studies showing that this Article has been violated. Tenant shall pay for the costs of such test. If any Hazardous Material is released, discharged or disposed of on or about the Premises and such release, discharge or disposal is not caused by Tenant or other occupants of the Premises, or their employees, agents or contractors, such release, discharge or disposal shall be deemed casualty damage under this Lease to the extent that the Premises is affected thereby; in such case Landlord and Tenant shall have the obligations and rights respecting such casualty damage provided under such Lease.
- SECURITY. Landlord does not assume responsibility to provide any security measures or any liability for failure to provide same.
- 21. LANDLORD'S LIABILITY. No personal liability is assumed by, nor shall at any time be asserted or enforceable against Landlord, its beneficiaries, any successor owner or their respective successors or assigns or the trustees, beneficiaries, officers, directors, shareholders or partners thereof, or the agents or employees of any of them on account of this Lease or any covenant, undertaking or agreement of Landlord in this Lease contained. It is expressly understood that the liability of the Landlord or any successor owner is intended to refer only to that portion of the Building and to no other property or asset of Landlord, any successor owner or the trustees, beneficiaries, officers, directors, shareholders or partners thereof, or the agents or employees of any of them.
- 22. FORCE MAJEURE. In the event the performance of any work to be performed hereunder by either party is delayed for reasons beyond the control of the party responsible for such performance, including but not limited to acts of God, war, acts of civil disobedience or strike, the time for performance shall be entered for a period of time equivalent to the period of such delay or delays; provided, however, that the time for performance shall in no event be extended due to financial or economic problems of either party, their architects, contractors, agents or employees, or delays caused the inability of architects, contractors, suppliers or other employees and agents to meet deadline, delivery or

contract dates (unless such inability is caused by acts of God, war, acts of civil disobedience or strike). It shall be a condition of Tenant's and Landford's right to claim an extension of time as a result hereof that the affected party notify the other party in writing within ten (10) days after the occurrence of such cause, specifying the nature thereof and the period of time contemplated or necessary for performance.

- 23. BROKERAGE FEE. Tenant warrants and represents to Landford that it has not dealt with any realter, broker or agent in connection with the negotiation and execution of this Lease other than Murray Commercial, and Tenant agrees to pay and to hold Landford harmless from any cost, expense or liability (including cost of suit and reasonable attorneys' fees) for any compensation, commissions or charges claimed by any realtor, broker or agent other than Murray Commercial with respect to this Lease and the negotiation thereof.
- CHANGES TO THE BUILDING. Landlord reserves the right to: (i) install, maintain, alter and remove signs on or about the exterior and interior of the Building, (ii) add land, easements or other interests to or eliminate the same from the Building and grant easements and other interest and rights in the Building to other parties, (iii) add, alter, expand, reduce, eliminate, relocate or change the shape, size, location, character, design, appearance, use, number or height of any structures, improvements, planters, (iv) add structural support columns that may be required within the Premises or Building, (v) relocate any HVAC equipment serving the Premises installed on the roof or other area outside the Premises (vi) in connection with the foregoing matters, or with any other inspections, repairs, maintenance, improvements or alterations in or about the Building, or as a result of any casualty, incident, strike, condemnation, act of God, Law or governmental requirement or request, or any other cause, creet scaffolding, harricades, and other structures reasonably required in, or otherwise close, including but not limited to, public entry ways and areas. However, in connection with exercising such rights, Landlord shall: (a) take reasonable steps to minimize or avoid any denial of access or visibility to the Premiscs except when necessary on a temporary basis which shall in no event be longer than ten (10) days, (b) take reasonable steps to avoid changing the configuration or reducing the square footage of the Premises (in no event shall the reduction in square footage of Tenant's Premises shall be more than 5% of the Premises), unless required by Laws or other causes beyond the Landlord's reasonable control (and in the event of any permanent material reduction, the Base Rent shall be proportionately reduced).
- 25. STORAGE SPACE. Landlord shall provide reasonable storage space for Tenant's use in the basement of the Building, at Landlord's reasonable discretion.
- 26. AUTHORITY. Tenant represents that is has full and complete authority to enter into this Lesse under all the terms, covenants provisions set forth herein and Tenant shall provide documentation to Landlord demonstrating such authority and that Tenant is in good standing with its state of incorporation. Tenant also represents that the individual or individuals signing on behalf of Tenant have full and complete authority to execute this Lesse on behalf of Tenant.
- ("Security Deposit") upon Tenant's execution and submission of the Lease. The Security Deposit shall serve as security for the prompt, full and faithful performance by Tenant of the terms and provisions of this Lease. In the event that Tenant is in default hereunder and fails to cure within any applicable time period permitted under this Lease, or in the event that Tenant owes any amounts to Landlord upon the expiration of this Lease, Landlord may use or apply the whole or any part of the Security Deposit for the payment of Tenant's obligations hereunder. 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. In the event the Security Deposit is reduced by such use or application, Tenant shall deposit with Landlord within ten (10) days after written notice, an amount sufficient to restore the full amount of the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from Landlord general funds or pay interest on the Security Deposit. Any remaining portion of the Security Deposit shall be returned to the Tenant within sixty (60) days after

Tenant has vacated the Premises. It is specifically understood by Tenant that Tenant may not have the Security Deposit apply to Tenant's last month(s) rental obligation and must pay such rent by the first day of such month(s).

28. NON-SMOKING. The Landlord has designated the entire building as "non-smoking". Tenant agrees to inform and use reasonable efforts to prevent employees and visitors from smoking anywhere within the building, including private offices or restrooms.

IN WITNESS WHEREOF, the parties have executed this Lease as of theatre portion of the building the date first above written.

LANDLORD:

Arcada BLDG LLC, an Illinois limited liability company

By

Scott R. Price Manager TENANT:

Gordy's Quick Mart of St. Charles LLC, a to be formed Illinois liability company

By

Name: GORGEN Simile Title: Presimenae

EXHIBIT A

Legal Description of Building

Certain tracts of land situated in the County of Kane, State of Illinois and more particularly described as follows:

PARCEL ONE:

THE WESTERLY 9 FEET OF THE SOUTHERLY 12 FEET OF THE PROPERTY DESCRIBED AS FOLLOWS:
THAT PART OF LOTS 3 AND 4 IN BLOCK 2 OF THE ORIGINAL TOWN OF ST. CHARLES, ON THE
EAST SIDE OF THE FOX RIVER, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF
SAID. LOT 4; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID. LOT, 29.05 FEET; THENCE
EASTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 3, A DISTANCE OF 0.32 FOOT TO
THE CENTER LINE OF A 1 FOOT WIDE PARTY WALL; THENCE NORTHERLY ALONG SAID CENTER LINE
37.25 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 3 WHICH IS 34 FEET SOUTHERLY
OF, AS MEASURED ALONG SAID WESTERLY LINE, THE NORTHWEST CORNER OF SAID LOT; THENCE
NORTHERLY ALONG THE CENTER LINE OF SAID 1 FOOT WIDE PARTY WALL TO A POINT ON THE
NORTHERLY LINE OF SAID LOT 4 WHICH IS 0.28 FOOT WESTERLY OF THE NORTHEAST CORNER
THEREOF; THENCE EASTERLY ALONG SAID NORTHERLY LINE 50.57 FEET TO THE NORTHEAST CORNER
OF SAID LOT 3; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 3, A DISTANCE OF
100.36 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE WESTERLY ALONG THE SOUTHERLY
LINE OF SAID LOT, 50.295 FEET TO THE POINT OF BEGINNING; IN THE CITY OF ST. CHARLES,
KANE COUNTY, ILLINOIS

PARCEL TWO:

EASEMENT FOR BENEFIT OF PARCEL ONE FOR MAINTENANCE AND REPAIR AND INGRESS AND EGRESS CREATED BY DEED RECORDED APRIL 17 2001 AS DOCUMENT 2901K034378 ON AND OVER THE

THE SOUHERLY 12 FEET OF THE FOLLOWING PROPERTY THAT PART OF LOTS 3 AND 4 IN BLOCK 2 OF THE ORIGINAL TOWN OF ST. CHARLES, ON THE EAST SIDE OF THE FOX RIVER, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE MORTHERLY ALONG THE EASTERLY LINE OF SAID LOT, 29.05 FEET; THENCE EASTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 3, A DISTANCE OF 0.32 FOOT TO THE CENTER LINE OF A 1 FOOT WIDE PARTY WALL; THENCE NORTHERLY ALONG SAID CENTER LINE 37.25 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 3 WHICH IS 34 FEET SOUTHERLY OF, AS MEASURED ALONG SAID WESTERLY LINE, THE NORTHWEST CORNER OF SAID LOT; THENCE NORTHERLY ALONG THE CENTER LINE OF SAID 1 FOOT WIDE PARTY WALL TO A POINT ON THE NORTHERLY LINE OF SAID LOT 4 WHICH IS 0.28 FOOT WESTERLY OF THE NORTHEAST CORNER THEREOF; THENCE EASTERLY ALONG SAID NORTHERLY LINE 50.57 FEET TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 3, A DISTANCE OF 100.30 FEET TO THE SOUTHERLY ALONG THE LOT; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, 50.295 FEET TO THE POINT OF BEGINNING; (EXCEPT PART LYING IN PARCEL ONE DESCRIBED AOVE) IN THE CITY ST. CHARLES, KANE COUNTY, ILLINOIS.

PARCEL THREE:

ALL OFLOTS 5 AND 6 IN BLOCK 2 OF THE ORIGINAL TOWN OF ST. CHARLES, ON THE EAST SIDE OF THE FOX RIVER, AND THAT PART OF LOTS 3 AND 4 IN SAID BLOCK 2, DESCRIBED AS FOLLOWS:: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT, 29.05 FEET; THENCE EASTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 3, A DISTANCE OF 0.32 FEET TO THE CENTER LINE OF A ONE FOOT WIDE PARTY WALL; THENCE NORTHERLY ALONG SAID CENTER LINE 37.25 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 3 WHICH IS 34 FEET SOUTHERLY OF, AS MEASURED ALONG SAID WESTERLY LINE, THE NORTHWEST CORNER OF SAID LOT; THENCE NORTHERLY ALONG THE CENTER LINE OF SAID ONE FOOT WIDE PARTY WALL TO A POINT ON THE NORTHERLY LINE OF SAID LOT 4 WHICH IS 0.28 FEET WESTERLY OF THE NORTHEAST CORNER THEREOF; THENCE WESTERLY ALONG SAID NORTHERLY LINE 50.05 FEET TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE SCUTHERLY ALONG THE WESTERLY LINE OF SAID LOT; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, 50.295 FEET TO THE POINT OF BEGINNING; IN THE CITY OF ST. CHARLES, EANE COUNTY, ILLINOIS

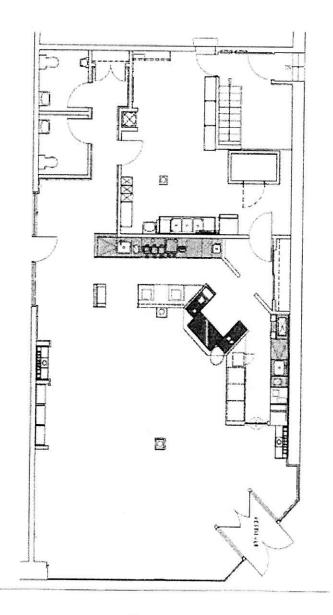
PARCEL FOUR:

EASEMENT FOR INGRESS AND EGRESS FOR BENEFIT OF PARCEL THREE CREATED BY AGREEMENT RECORDED MAY 2, 1924 AS DOCUMENT 236236 AND BY AGREEMENT RECORDED JUNE 20 1925 DOCUMENT 25611:15 MADE BY JOE MELSON TO LESTER J. NORRIS FOR THE BENEFIT OF PARCEL ONE OVER THE WEST 10 FEET OF THE SOUTH 94.5 FEET OF LOT 7 IN BLOCK 2 OF THE CRIGINAL TOWN OF ST. CHARLES., ON THE EAST SIDE OF THE FOX RIVER, IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

EXHIBIT B

CORNER RETAIL - ARCADA THEATER BUILDING

101 E Main Street, Saint Charles, IL 60174



				v ,

AMENDMENT NO. 1 TO COMMERCIAL LEASE

THIS AGREEMENT made and entered as of January 12, 2018, by and between Gordy's Quick Mart of St. Charles LLC ("Tenant"), and Arcada BLDG LLC., an Illinois Limited Liability Company ("Landlord").

- A. Tenant and Landlord have heretofore entered into that certain Commercial Lease dated July 21, 2017 (the lease as amended herein shall be referred to as the "Lease"), for the premises at the address commonly known as 101 E. Main St., St. Charles, IL ("Premises"), as more fully described in the Lease.
- B. The parties mutually desire to amend the Lease, all on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual terms and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- Amendments. All terms and conditions contained in the Lease shall continue to apply with full force and effect, except as amended as follows:
 - a. Term. The Term of the Lease is hereby amended to the period commencing on January 1, 2018 ("Commencement Date") and ending on February 28, 2023 (the Expiration Date"), unless sooner terminated as provided in the Lease.
 - b. Base Rent. Base Rent pursuant to section 3. of the Lease is hereby amended to the following (Tenant previously paid \$4,000 which is now applied toward January 2018 Base Rent with next Base Rent payment commencing February 1, 2018):

Period	Monthly			
Jan 1, 2018 - Oct 31, 2018	\$4,000			
Nov 1, 2018- Oct 31, 2019	4,400			
Nov 1, 2019- Oct 31, 2020	4,600			
Nov 1, 2020- Oct 31, 2021	4.800			
Nov 1, 2021- Feb 28, 2023	5,200			

- c. Use. Section 5.1 Use of the Lease, is hereby amended to include, "the sale of alcoholic beverages".
- d. Liquor Liability Coverage. Section 7. 1 Liability Insurance of the Lease, is hereby amended by adding the following as an additional paragraph to section 7.1, as follows:

Liquor Liability Coverage. Tenant's obligation to provide liability insurance herein shall be deemed to include the obligation to provide liquor liability coverage. In the event any-lesser limits of liability under the Illinois Liquor Control Act are set by Statutes, and validity of such lesser limits has been established by decision of the Supreme Court of Illinois, then the limits of liability of the dram shop insurance required to be maintained by Tenant may be reduced for each person and occurrence to the limits set by such statute and decision of the Supreme Court, provided that if such limits of liability shall be increased the insurance required hereunder shall be increased accordingly. The failure of the Tenant to obtain any to maintain at all times said insurance and indemnification in the above amount or amounts, issued in form and by a carrier or carriers satisfactory to Landlord, and default of Tenant in the full punctual payment of the premium costs thereof, or the possession, use, sale, distribution or giving away of any alcoholic liquor in, on or from the premises at any time or times said policy or policies are not in full force and affect, shall constitute a breach of this lease entitling Landlord, at its election, forthwith and without notice to terminate the term hereof by entry and to recover from Tenant damages, including all sums of money for which Landlord, Landlord's agents and servants, and the demised premises and improvements, or any of them, may become liable to pay any person or persons as the result of any violation, in, on or from the demised premise, of said Illinois Liquor Control Act, or of any other rule of law, act, statute, ordinance or governmental regulation or order, together with costs and expenses of Landlord and Landlord's agents and servants.

- Whole Agreement. This Agreement sets forth the entire agreement between the parties and there have been no additional oral or written representations or agreements with respect to the matters set forth herein. As amended herein, the Lease between the parties shall remain in full force and effect. In case of any inconsistency between the provisions of the Lease and this Agreement, the latter provisions shall govern and control.
- Binding Effect. This Amendment shall bind and benefit Tenant and Landlord, and their respective estates, predecessors, successors, and assigns.
- 6. Representations. Each party represents to the other that it has full power and authority to execute this Agreement.
- 7. No Offer. This Agreement shall not be binding until executed and delivered by all parties.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Agreement as of the day and year first above written.

LANDLORD:

42 West Jefferson L.L.C. an Illinois Limited Liability Company

Scott R. Price Its: Member TENANT:

Gordy's Quick Mart of St. Charles LLC, an Illinois Limited Liability Company

Gordon Simic

GUARANTOR:

Form LLC-5.5

Illinois Limited Liability Company Act Articles of Organization

FILE # 06435807

Secretary of State Jesse White Department of Business Services Limited Liability Division www.cyberdriveillinois.com

Filing Fee: \$500 Expedited Fee: \$100 Approved By: TLB FILED
AUG 16 2017
Jesse White
Secretary of State

- 1. Limited Liability Company Name: GORDY'S QUICK MART OF ST. CHARLES, LLC
- Address of Principal Place of Business where records of the company will be kept: 902 S. RANDALL ROAD, UNIT 306

ST. CHARLES, IL 60174

- The Limited Liability Company has one or more members on the filing date.
- 4. Registered Agent's Name and Registered Office Address:

DANIEL NELSON 129 W WILLOW AVE WHEATON, IL 60187-5236

- Purpose for which the Limited Liability Company is organized:
 "The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."
- The LLC is to have perpetual existence.
- 7. Name and business addresses of all the managers and any member having the authority of manager:

SIMIC, TERRI 902 S. RANDALL ROAD, UNIT 306 ST. CHARLES, IL 60174

8. Name and Address of Organizer

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated:

AUGUST 16, 2017

TERRI SIMIC 902 S. RANDALL RD, UNIT 306 ST. CHARLES, ILLINOIS 60174

Form LLC-5.25	Illinois	FILE # 06435807						
July 2017	Limited Liability Company Act	This space for use by Secretary of State.						
Secretary of State Department of Business Services	Articles of Amendment							
Limited Liability Division 501 S. Second St., Rm. 351	SUBMIT IN DUPLICATE							
Springfield, IL 62756	Type or print clearly.	RECEIVED						
217-524-8008 www.cyberdriveillinois.com		HEOLIV						
Payment may be made by check	Filing Fee: \$150	FEB 1 6 2018						
payable to Secretary of State. If check is returned for any reason this filing will be vold.	Approved:	JESSE WHITE SECRETARY OF STATE						
Limited Liability Company name: ———————————————————————————————————	Gordy's Quick Mart of St. Charles, LLC							
 Articles of Amendment effective of the file date 	on:							
	days after the file date)							
	N.	Nonth, Day, Year						
 b) Withdrawal of a manager (c) Change in address of the dress, a P.O. Box alone or d) Change of registered agent to P.O. Box alone or C/O is e) Change in the Limited Liab 	office at which the records required by Section 1 C/O is unacceptable) and/or registered agent's office (give new name a unacceptable) illity Company's name (give new name below)** on (state perpetual or date of dissolution below) series (fee \$400, see NOTE)							
Only managers and any member	Only managers and any member with the authority of manager are required to be reported.							
Additional information: New Managers:								
Gordon Simic, 902 S. Randall Road, I	Jnit 306, St. Charles, IL 60174							
Nicholas Simic, 902 S. Randall Road,	Unit 306, St. Charles, IL 60174							
**New name of LLC (as changed): _								
The	e name as changed must contain the words I imit	ted Liability Company LLC or LLC						

(continued)

LLC-5.25

- 4. The amendment was approved in accordance with Section 5-25 of the Illinois Limited Liability Company Act.
- 5. I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Amendment are to the best of my knowledge and belief, true, correct and complete.

NOTE:

The following paragraph is adopted when Item 3g is checked:

The operating agreement provides for the establishment of one or more series. When the company has filed a Certificate of Designation for each series, which is to have limited liability pursuant to Section 37-40 of the Illinois Limited Liability Company Act, the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable against the assets of such series only, and not against the assets of the Limited Liability Company generally or any other series thereof, and unless otherwise provided in the operating agreement, none of the debts, liabilities, obligations or expenses incurred, contracted for or otherwise existing with respect to this company generally or any other series thereof shall be enforceable against the assets of such series.

Gordy's Quick Mart of St. Charles, LLC Business Plan

Description

Gordy's Quickmart will be an upscale quick mart servicing the citizens, residents, and visitors of St. Charles, Illinois. It will provide food for on site consumption as well as a range of grocery items that customers may take with them. There will be sales of alcohol and cigarettes for patrons of legal age.

Hours of Operation

Monday through Thursday:

5AM-11PM

Friday through Saturday:

7AM-1AM

Sunday:

7AM-8PM

Menu of Products Available

Nasal Decongestant

Cellular Phone Plugs

Milk Soda Water Sports Drinks Cold Coffee Beer Wine

Dish Soap Advil Motrin Tylenol Cold Medicines Cough Drops

Hot Dogs Smoothies Shampoo Conditioner Hairspray Snow Salt Ice Scrapers

Nachos

Spirits
Fountain Drinks
Brewed Coffee

Cell Phone Covers Batteries

Ice

Bug Spray Tan Lotion Chapstick

Candy Gum Chips

Lottery Tickets Cigarettes

Fresh Baked Cookies

Deodorant Eggs Nail Files Toothpaste

Paper Towels
Toilet Paper
Feminine Products

Fresh Donuts Lunch Boxes Sandwiches

Toothbrushes Mouthwash Bread

Diapers
Baby Wipes
Detergent
Windex

Fruit Cups Yogurt

Wraps

Cereal

Mr. Clean

Hot Pretzels

Live Music

There will be no live music on site at Gordy's

Outdoor Smoking and Seating

There will be no outdoor designated smoking area at Gordy's. Weather Permitting, there will be a small outdoor seating area as outlined in the attached Site Plan.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/05/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

$\overline{}$	and definitions does not come rights to the certificate holder in hea of such						0.7	457			
	DUC					CONTACT Peggy Patis					
Afina Insurance Advisors Inc.					PHONE (630)524-3090 FAX (A/C, No): (630)524-3046						
15	660 N	/lidwest Road				E-MAIL ADDRESS: ppatis@afinainsurance.com					
Sui	te 30	0				ADDICAGO.					
Oa	kbroc	ok Terrace			IL 60181					15642	
INS	JRED	1000 to			·	INSURER B:					
		Gordy's Quick Mart of St. Charle	es LL	С		INSURER C:					
ĺ		902 S. Randall Rd.				INSURER D :					
						INSURER E :					
		St. Charles			IL 60174	INSURER F:					
СО	VER	AGES CER	TIFIC	ATE	NUMBER: CL182513192						
Т	HIS IS	S TO CERTIFY THAT THE POLICIES OF				ISSUED	TO THE INSU			IOD	
C	IDICA ERTI	ATED. NOTWITHSTANDING ANY REQUI FICATE MAY BE ISSUED OR MAY PERTA ISIONS AND CONDITIONS OF SUCH PO	REME AIN, T	ENT, TE HE IN:	ERM OR CONDITION OF ANY I SURANCE AFFORDED BY THE	CONTRA E POLICA	ACT OR OTHER IES DESCRIBEI	R DOCUMENT I D HEREIN IS S	WITH RESPECT TO WHICH TO	HIS	
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LTR		COMMERCIAL GENERAL LIABILITY	INSD	WVD	D POLICY NUMBER		(MM/DD/YYYY)	(MM/DD/YYYY)	LIMITS EACH OCCUPPENCE \$ 1,000,000		0.000
	H	CLAIMS-MADE OCCUR							EACH OCCURRENCE DAMAGE TO RENTED	3	3,000
		OD AMIO MADE OCCUR							PREMISES (Ea occurrence) \$		
Α	×	LIQUOR LIABILITY	İ		LIQ226972		02/05/2018	02/05/2019	MED EXP (Any one person)	\$	
		I'L AGGREGATE LIMIT APPLIES PER:			30 100 100 100 100 100 100 100 100 100 1			52.55.25.75	PERSONAL & ADV INJURY	\$ 1,000,000	
	GEI	PRO-							GENERAL AGGREGATE	3 / /	
		POLICY JECT LOC								\$	
	AUT	OTHER: OMOBILE LIABILITY			****				COMPUTED ONLOUE LIMIT	\$	
		ANY AUTO							(Ea accident)		
		OWNED SCHEDULED								\$	
	Н	AUTOS ONLY AUTOS NON-OWNED		la l					DDODEDD/ DAMAGE	\$	
	-	AUTOS ONLY AUTOS ONLY							(Per accident)	\$	
		UMPRELLALIAN								\$	
		UMBRELLA LIAB OCCUR							EACH OCCURRENCE	\$	
	\vdash	EXCESS LIAB CLAIMS-MADE	. 4					1	AGGREGATE	\$	
	WOR	DED RETENTION \$								\$	
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under				N/A					PER OTH- STATUTE ER		
			N/A						E.L. EACH ACCIDENT	\$	
									E.L. DISEASE - EA EMPLOYEE	\$	
DESCRIPTION OF OPERATIONS below								E.L. DISEASE - POLICY LIMIT \$			
									1,2500-2		
						1					¹⁹ (€
		ON OF OPERATIONS / LOCATIONS / VEHICLE				nay be at	tached if more sp	ace is required)	***		
Cov	erage	e applies at 101 E. Main St., St. Charles	s, III. (60174							
											1
CERTIFICATE HOLDER CANCELLATION											
									SCRIBED POLICIES BE CANO		BEFORE
State of Illinois Liquor Control Commission							EXPIRATION DA		NOTICE WILL BE DELIVERE PROVISIONS.	או ט.	i
100 W. RaNdolph					The following is a second of the second of the following is a second of th						
					AUTHORIZED REPRESENTATIVE						
Chicago, IL 60601					11 , Dat.						
Chicago, IL 60601					Margaet Patie						