

LEASE AGREEMENT

This Agreement entered into this 1st Day of August 2006, by and between Corus Bank, Trustee under Trust #4303 D/B/A County Tower Professional Building, Gerald L. Pollak, Agent for Beneficiaries (hereinafter referred to as "LESSOR") and the County of Lake, State of Illinois, a body politic (hereinafter referred to as "LESSEE").

Witnessed that:

Whereas LESSOR is the owner of a certain office building at 33 N. County Street, Waukegan, Illinois 60085, having a Lake County Real Estate Pin Number 08-21-418-001 (hereinafter referred to as the "Building"), and

Whereas, LESSEE will use a portion of the above mentioned property, as described herein, as administrative offices for the Lake County State's Attorney's Office Child Support Enforcement Division,

Now, therefore, both PARTIES bind themselves to the following covenants, agreements, rules and regulations:

A. COVENANTS AND AGREEMENTS

1. **TERM.** The Term of the Lease shall be for one year beginning September 1, 2006 and ending on August 31, 2007. The Lease will take effect specifically at the time the said document is executed by both LESSOR and LESSEE. Either LESSOR or LESSEE may terminate this Lease with 180 (one hundred eighty) days prior written notice. If LESSEE remains on the Premises after the expiration of the Lease without effecting a new Lease such occupation will be on the basis of a month-to-month tenancy with the same terms, rules and regulations of the expired Lease except for any specific provisions dictated by Illinois statute for such tenancies. Such month-to-month tenancy will continue until such time as the LESSEE has effected a new Lease.

2. **PERMITTED USE.** In exchange for the rental payments, LESSEE shall be entitled to use Suites 201 and 205 as well as two covered parking stalls (hereinafter the "Premises") in the Building for the purpose of administrative offices (and parking) only for the Child Support Enforcement Division of the Lake County State's Attorney's Office. A diagram of the Suites 201 and 205 is attached hereto as Exhibit A.

3. **RENT.** The rent payment shall be in the annual amount of \$50,337.00 (fifty thousand three hundred thirty seven dollars) payable in 12 equal monthly installments, in advance, in the amount of \$4,194.75 (four thousand one hundred ninety four dollars and forty five cents). Payments shall be due on the first of the month and in accordance with the Illinois Local Government Prompt Payment Act and remitted to the LESSOR. LESSEE shall also be responsible for paying

the electricity bill for the Premises according to Paragraph 5 of this Lease Agreement.

4. **STANDARD SERVICES.** This rental payment shall entitle LESSEE to the occupancy of the Premises, water to LESSEE's standard fixtures, access to restroom facilities, and heat and air conditioning at the appropriate seasons during reasonable working hours and elevator services. LESSOR shall not be liable for any damages from the interruption, failure of, or delay in furnishing water, heat, air conditioning or elevator service unless such occurrences are the direct result of LESSOR's gross negligence. Each Party shall insure its own interest with respect to such risks.

5. **HEAT, ELECTRIC.** LESSOR will, at all reasonable hours during each day and evening when the outdoor temperature dictates, during the term of the Lease, furnish and maintain a heating apparatus for the Premises, except when prevented by accidents and unavoidable delays. LESSOR shall submit monthly invoices to LESSEE for payment of the cost of electricity for the Premises for the prior month. LESSEE shall submit payment for the electrical service invoices according to the Illinois Local Government Prompt Payment Act.

6. **LIABILITY.** LESSOR shall not be liable for personal or property damage which is caused by the failure of the heating apparatus to heat the Premises or Building; by any leaking or broken pipes; by any defect in the electric wiring or elevator apparatus; or any other defect in or about the Building, except to the extent that any of the defects are caused directly by the gross negligence of the LESSOR.

7. **HALLS.** LESSOR will cause the hallways, corridors, parking areas and other parts of the Building adjacent to the Premises to be lighted, cleaned and generally cared for to be excused only in the event of unavoidable delays and accidents.

8. **RULES AND REGULATIONS.** Incorporated within this Lease is a section, "Rules and Regulations," with which LESSEE is required to comply. From time to time it may be necessary for LESSOR to promulgate new or amended rules or regulations for the proper and orderly care of the Premises and/or Building. LESSOR shall not begin enforcement of new or amended rules and regulations until and unless LESSEE has received 14-day written prior notice of such changes/additions.

9. **ASSIGNMENT, SUBLETTING:** LESSEE shall not sublet the Premises or any part thereof nor assign the Lease to any other entity either by act, default or transfer without the prior written consent of the LESSOR.

10. **SUCCESSORS.** Each provision of this Lease shall extend to and shall, as the case may require, bind and inure to the benefit of the LESSOR and the LESSEE, their respective heirs, legal representatives, successors and assigns in the event this Lease has been assigned by the LESSOR or by LESSEE (after written consent according to Paragraph 9 of this Lease Agreement).

11. ALTERATION, SURRENDER OF PREMISES. LESSEE shall leave and surrender the Premises at the expiration of the term in as good condition as the reasonable use thereof permits and shall not make any alterations to the Premises without the prior written consent of the LESSOR. Any such alterations shall be at the expense of the LESSEE and shall, with the exception of movable furniture and fixtures, become the property of the LESSOR at the termination of the Lease. LESSEE shall return all keys to the LESSOR at the termination of the Lease.

12. MISUSE, WASTE. If LESSEE breaks any glass in doors or windows LESSEE shall be responsible for replacing it with glass of like kind and quality. LESSEE shall not misuse any light fixtures or waste any water on the Premises and will pay for any damages to the Premises or to other tenants in the Building if such damages are caused directly by LESSEE's waste or misuse.

13. LESSOR, LESSEE LIABILITY. LESSOR shall not be liable for any loss of property in the Building or in the Premises, or any accidental damages to the person or property of the LESSEE in or about the Building or the Premises, from water, rain or snow which may leak into, or issue or flow from any part of the Building or the Premises, or from pipes or plumbing works, except if such damage is the direct result of the gross negligence of the LESSOR.

14. INSURANCE. Attached hereto, as Exhibit B, is the LESSEE'S letter of self-insurance. Further, each party shall cause its insurer to waive its right to subrogation against the other.

15. LESSOR DUTY. LESSOR shall maintain the Premises and the Building of which the Premises is part, including common areas (hallways, rest rooms and lobbies), driveways, walks, parking areas, landscaping, sewer and water lines, heating and air-conditioning apparatus, elevators and structure and exterior of the Building in good condition, order and repair. LESSOR shall provide for the cleaning of the Premises five days a week, excluding weekends and holidays, including but not limited to, vacuuming and emptying trash. LESSOR will also be responsible for cleaning all Building hallways, common areas and lavatories on a daily basis, excluding weekends and holidays.

16. TITLE. LESSEE shall not do anything to encumber the title of the LESSOR in and to the Premises. Nor shall the interest or estate of the LESSOR in the premises be, in any way, subject to any claim by way of lien of encumbrance, whether by operation of law or by virtue of an expressed or implied contract by LESSEE. Any claim to, or lien upon the Premises arising from any act or omission of LESSEE shall accrue only against the leasehold estate of the LESSEE and shall be subject and subordinate to the rights and title of the LESSOR in and to the Premises.

17. LIENS, RIGHT TO CONSENT. LESSEE shall not permit the Premises to become subject to any mechanic's, laborer's or materialman's lien on account of labor or material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any type performed or claimed to have been performed on the Premises by, or at the direction of,

LESSEE. In the event of the filing of such a lien LESSEE shall promptly pay the amount of the lien and obtain a release of the lien claim. If the LESSEE fails to obtain a release of the lien claim within ten (10) days after written demand to do so by the LESSOR or if LESSEE fails to show written proof to LESSOR that LESSEE is defending against the lien, LESSOR shall have the right, but no obligation, to pay the lien, or a portion thereof, without any determination of validity. Any amount so paid by the LESSOR will be reimbursed by the LESSEE within five (5) days of written notice by the LESSOR.

18. INDEMNIFICATION. LESSOR and LESSEE each agree to indemnify and save the other Party harmless from and against any and all claims for damages or injuries to goods, wares and merchandise of the LESSEE and/or for personal injury or death in, upon or about the Premises except that which is the result of negligence or default of the other Party, its agents, servants or employees; or the failure to perform any obligations according to the Lease.

19. QUIET ENJOYMENT. So as long as LESSEE is not in default under any of the covenants and agreements or rules and regulations of this Lease, LESSEE's quiet and peaceful enjoyment of the Premises shall not be disturbed or interfered with by the LESSOR or by any person claiming by, through or under the LESSOR.

20. NO WAIVER. No waiver of any breach of any of the terms, covenants, agreements, rules or regulations of this Lease shall be construed or taken to be a waiver of any other breach, waiver, acquiescence in or consent to any further or succeeding breach of the same or other terms, covenants or agreements.

21. LESSOR'S RIGHT TO CURE. LESSOR may, but shall not be obligated to, cure any default by the LESSEE including, but not limited to, LESSEE'S failure to make applicable repairs, satisfy lien claims, or show proof of self insurance. LESSOR shall provide LESSEE with written notice of LESSOR'S intent to cure and give LESSEE 30 (thirty) days to respond. If LESSEE does not cure LESSEE'S default within the 30 (thirty) days, LESSOR may so elect, with all costs and expenses to be paid by LESSEE.

22. MODIFICATIONS. None of the terms, covenants, rules or regulations of this Lease Agreement shall be changed, altered or waived in any way unless done so in writing and signed by both LESSEE and LESSOR. No waiver or forgiveness by either Party of a particular default or failure of performance of the other Party shall be construed as a waiver of either Party to the right at all times thereafter to insist on prompt and full compliance of all other terms, conditions, rules and regulations of the Lease agreement.

23. NOTICES. Any and all payments, notices, demands, requests, statements or other communications required or permitted under this Lease agreement shall be in writing and sent by certified or registered mail, return receipt requested, addressed to LESSOR at County Tower Professional Building, c/o GLP Realty, 51-S Sherwood Terrace, Lake Bluff, Illinois 60044 and to LESSEE at Child Support Enforcement Division, Lake County State's Attorney's Office, 33 N.

County Street, Waukegan, Illinois 60085.

24. **TIME OF THE ESSENCE.** Time is of the essence in this Lease agreement and all provisions herein relating thereto shall be strictly enforced.

25. **SEVERABILITY.** If any term, covenant, rule or regulation of this Lease agreement or the application of said conditions shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. **GOVERNING LAW:** The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease.

B. RULES AND REGULATIONS

24. No sign, advertisement or notice shall be inscribed, painted or affixed to any part of the outside or inside of the Building except on the glass of the doors or windows of the Premises and on the directory board in the lobby of the Building. LESSEE must have prior written approval from LESSOR regarding the color, size and type of material to be used. LESSOR reserves the right to remove any of LESSEE'S non-approved signs at LESSEE'S expense and without prior notice. At the termination of the Lease, LESSEE shall be responsible for removing all LESSEE signs from doors, windows and directory board.

25. Other than standard office equipment and a microwave oven, LESSEE shall not operate any machinery in the Premises nor carry on any mechanical business in the Premises. LESSEE shall not store any flammable liquid in the Premises without prior written consent from LESSOR.

26. LESSEE may affix a special lock on the designated evidence room within the premises however, no additional locks shall be placed on any door in the Premises without the prior written consent of the LESSOR. An adequate number of keys shall be furnished to the LESSEE by the LESSOR except that only LESSEE shall be in possession of the evidence room key. All keys, including evidence room key, shall be surrendered to the LESSOR upon termination of the Lease.

27. Furniture, boxes and other bulky articles will be transported by the LESSEE to and from the Premises via the passenger elevator only after prior arrangement for freight protection with the building management as designated by the LESSOR. Packages weighing less than 50 (fifty) lbs. and able to be carried by one person may be transported via the passenger elevator without any freight protector.

28. LESSEE shall not use the Premises for the purpose of lodging, sleeping rooms or any illegal purpose.

29. LESSOR shall direct the location for all wire connections including, but not limited to,

telephone, cable and computer lines. LESSEE shall not bore or cut for wires without prior written permission and directions from LESSOR.

30. No animals including, but not limited to, birds, dogs and cats shall be allowed in the Building or Premises except for animals specifically assisting vision-impaired individuals.

31. LESSEE shall not leave any furniture, packages or other merchandise or effects in the hallways at any time.

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease this day and year first above written.

LESSEE:

[Signature]

County Board Chairman

By

18 N. County ST.

Waukegan, IL 60085

Address

LESSOR:

CORUS BANK TRUSTEE UNDER
TRUST #4363 D/DA COUNTY
TOWER PROFESSIONAL BUILDING,
GERALD L. POLLAK
AGENT FOR BENEFICIARIES

By

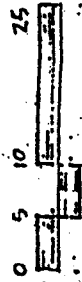
51 SHERWOOD TR. - SUITE 301

LAKE BLUFF, IL 60044

Address

8/9/06

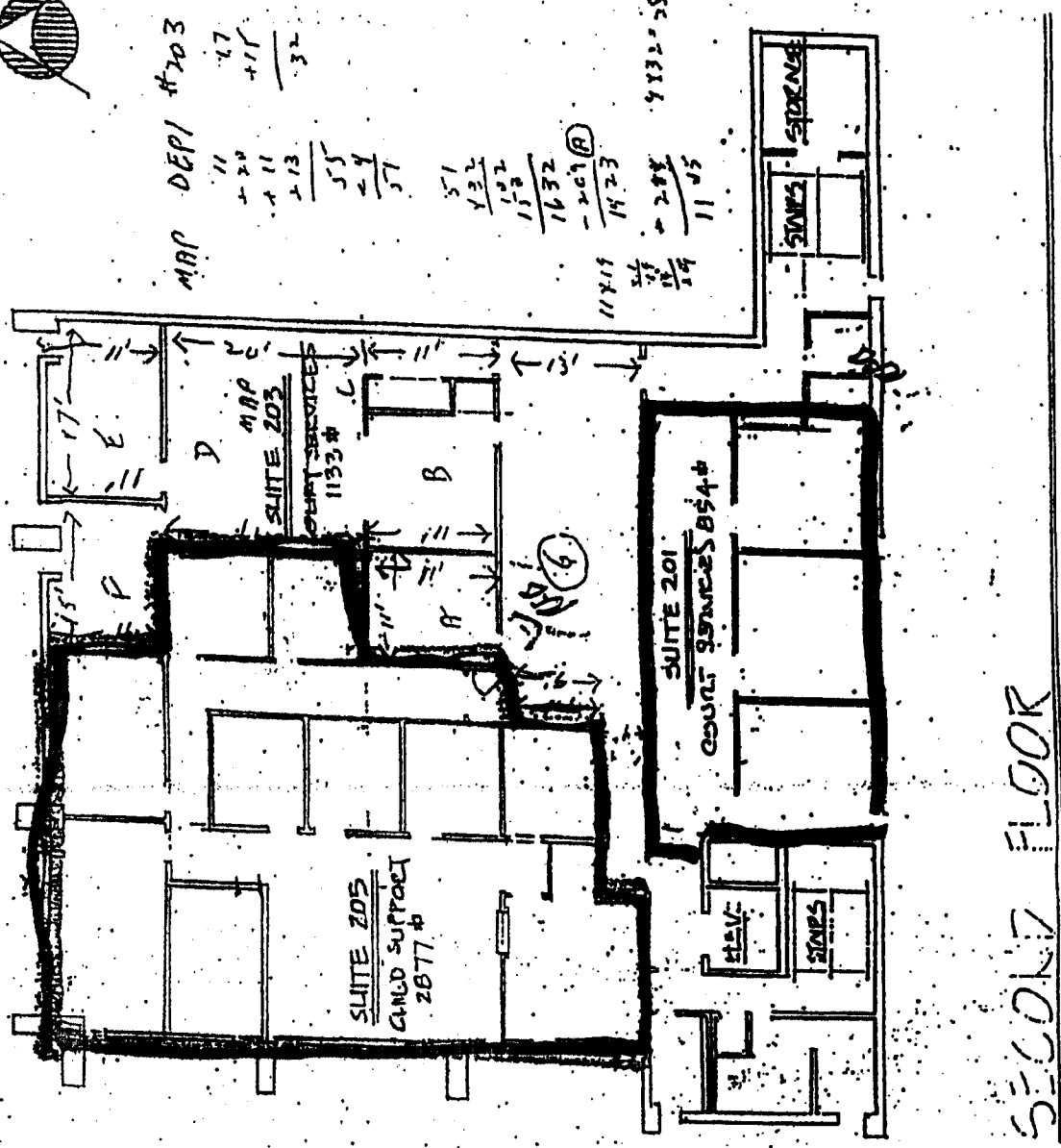
Date



SCALE 1/16" = 1'-0"

2 577
 1 133
 854
 48610 TOTAL FLOOR

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MHP DEPI #203

11	47
+20	+11
+11	
+13	32
55	
24	
57	

51
132
102
118
1632
- 207 (R)
1423

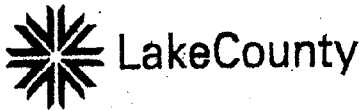
11x19

3132 = 3586

288
11
299

1/10/91
 DEV 12/07/85
 11/30/87
 12/01/88

SECOND FLOOR



Rodney S. Marlon
Director

18 North County Street - 7th Floor
Waukegan, Illinois 60085-4355
Phone 847 377-2700
HR Fax 847 628-7045
Risk Fax 847 377-2182

PROOF OF SELF-INSURANCE

Lake County has elected to self-insure under Section 9-103 of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/9-103) and has elected to self-insure with respect to official bonds under Section 270/1 of the Official Bond Payment Act (5 ILCS 270/0.01). Lake County, through its self-insurance program, therefore has provided bonding in an amount sufficient to satisfy the requirements of 55 ILCS 5/3-9001.

Michael Waller, State's Attorney of Lake County, IL, is therefore covered under Lake County's self-insurance program in an amount sufficient to meet the requirements of 55 ILCS 5/3-9001.

*Brandt Byrd, Claims Representative
Lake County, Illinois
July 18, 2006*