

MINUTES OF THE SAUK VALLEY COLLEGE BOARD OF TRUSTEES MEETING

December 7, 1984

The Board of Trustees of Sauk Valley College met in special meeting at 12 Noon on December 7, 1984 in the Third Floor Board Room of Sauk Valley College, Rural Route #5, Dixon, IL.

Call to Order: Chair Fisher called the meeting to order at 12 Noon and the following members answered roll call:

Edward Andersen	Oscar Koenig
David Mandrgoc	William Simpson
Kay Fisher	

Absent: Richard Groharing Robert Wolf

Incubator Lease: Chair Fisher noted that the special meeting had been called to approve a lease for the Incubator Project in the college T-1 and T-2 buildings. The Board went over the lease and presented questions to Attorney Pace.

It was then moved by Member Mandrgoc and seconded by Member Andersen that the attached lease be approved as being satisfactory, and the rental as reasonable, provided that an additional term is added to the lease or to all subleases to provide in effect that all uses made of the premises shall be compatible with the existing sewage treatment facilities, and the tenants shall not place any wastes or waste products into the sewage treatment facilities except those for which the sewage treatment facility serving the building was designed and is now suitable. In a roll call vote, all voted aye. Motion carried.

It was moved by Member Mandrgoc and seconded by Member Koenig that the Board authorize the Chair and Secretary to execute said lease as amended. In a roll call vote, all voted aye. Motion carried.

Adjournment: Since the scheduled business was completed, it was moved by Member Andersen and seconded by Member Simpson that the Board adjourn. Motion voted and carried.

The Board adjourned at 12:45 p.m.

Respectfully submitted:


David W. Mandrgoc, Secretary

INDENTURE OF LEASE

THIS INDENTURE OF LEASE, entered into, in duplicate, this 1st day of December, 1984, by and between COMMUNITY COLLEGE DISTRICT NUMBER 506, Counties of Whiteside, Lee, Ogle, Henry, and Bureau, State of Illinois, also known as SAUK VALLEY COLLEGE, hereinafter referred to as Landlord, and SAUK NEW BUSINESS DEVELOPMENT INCUBATOR, an Illinois not for profit corporation, hereinafter referred to as Tenant, WITNESSETH:

It is covenanted and agreed by and between the parties hereto as follows, to-wit:

1. PREMISES. The Landlord, for and in consideration of the rents hereinafter reserved and of the covenants and agreements of the Tenant hereinafter contained has demised and leased and by these presents does demise and lease unto the Tenant for the term hereinafter set forth, the buildings commonly known as T-1 and T-2, which buildings are located on the campus of Landlord in the southeast quarter of Section 8, Township 21 North, Range 8 East of the 4th P.M., Lee County, Illinois.

2. TERM. This Lease is to commence upon the first day of December, 1984 and shall continue for a period of two (2) years, terminating on the 30th day of November, 1986.

3. SUBLEASE. Tenant was organized and exists to promote economic growth in the local area. Tenant intends and shall use its best efforts to secure subtenants to occupy all of the demised premises. Permission is specifically granted by Landlord to allow subleasing of the demised premises on the following conditions:

(A) All subleases shall be in writing on a form approved by Landlord and shall not extend beyond the term of this Lease term and shall be subject to all of the terms and conditions of this Lease, including automatic

termination of the sublease upon termination of this Lease for any reason.

(B) All subleases shall provide for monthly rental payments payable on the first day of each month.

(C) Tenant shall charge an annual minimum rental of \$1.55 per square foot to its subtenants.

(D) Executed copies of all such subleases shall be furnished to Landlord prior to occupancy of any subtenant.

4. RENT.

(A) ORIGINAL TERM. Tenant shall pay to Landlord on the 15th day of each month commencing January 15, 1985, and ending January 15, 1987, rent, in an amount equal to one-third of the gross rental due Tenant from all subtenants of the demised premises for the preceding month, whether or not actually collected by Tenant. Landlord shall have the right to periodically inspect Tenant's financial records and require Tenant to obtain and make available to Landlord a certified audit thereof in the discretion of Landlord.

(B) REAL ESTATE TAXES. The Tenant shall pay to Landlord each year as additional rent the full amount of the real estate taxes or special levies and assessments (including area assessments) levied during the term of this Lease or extension thereof and assessed against and attributable to the demised premises. Such rent amount representing the real estate taxes and special levies and assessments shall be paid to Landlord in monthly installments into an escrow fund commencing on January 15, 1985 and the 15th day of each and every month thereafter during the term of this Lease. Said monthly installment shall represent 1/12th of the estimated real estate taxes and special levies and assessments, if any, levied

against the demised premises. Tenant shall immediately pay any deficiency when the tax bill or special assessment or levy is actually due and payable. Said escrow fund shall be deposited into an interest bearing account and the interest accumulated to help discharge the obligation of the Tenant hereunder and any excess funds, if any, shall be promptly refunded to Tenant upon expiration of this Lease. Tenant shall have the right to contest or review by legal proceedings all or any part of such taxes and assessments providing that Tenant shall give notice to Landlord of its intention. Upon receipt of such notice, Landlord will cooperate with such contest or review, and, if requested to do so in said notice, will pay the taxes which Tenant desires to contest, under protest, out of the escrow fund, and Landlord will take all other reasonable steps required to aid Tenant in proceeding with a test of the taxes at the specific request of Tenant. Tenant shall diligently prosecute such contest and upon final determination or adjudication of said contest, Tenant shall have a right to the entire funds recovered by it through such contest, and funds repaid to the Landlord from tax authorities due to said contest shall immediately be paid by the Landlord to the Tenant. Tenant further agrees that it shall assume all costs and expenses of such contest and shall hold the Landlord harmless from any costs and expenses including reasonable attorneys fees and court costs which Landlord may deem appropriate to expend to protect its interest in such proceeding or which Landlord may incur in providing assistance at the request of Tenant. General and special taxes and assessments levied during the first and last year of this lease shall be pro-rated between the parties in accordance with the number of days of Tenant's actual tenancy under this lease.

(C) INSURANCE. Tenant shall procure and maintain during the term of this lease, at its own cost and expense, a policy or policies of insurance, reasonably acceptable to Landlord, insuring Landlord and Tenant, as their interests may appear, against fire and extended coverage risks covering the demised premises, which coverage shall be for 90% of the replacement value thereof during the term of this lease. Such insurance shall not be subject to cancellation except after 10 days prior written notice to Landlord. Such policies of insurance, or certificates in lieu thereof, together with receipts or other documents satisfactory to Landlord showing payment of the premium thereon, shall be deposited with Landlord not less than 10 days prior to the expiration of the term of such coverage. Any reasonable counsel fees, charges or costs involved in collecting the proceeds of the above-described casualty insurance policies shall be borne by the Tenant and the Tenant shall have the obligation to proceed with the collection of said proceeds to the full replacement value of the property damages, including suit, if necessary.

5. USE OF DEMISED PREMISES. Tenant and its sub-Tenants may use the demised premises for any lawful purpose, provided, however, the premises shall not be used as a dramshop or for any purpose requiring a license or permit from the Illinois or United States Environmental Protection Agency without first obtaining written permission from Landlord.

6. CARE OF PREMISES. Tenant covenants and agrees that it and any of its subtenants will not use or occupy said demised premises or any part thereof for the term of this lease or any extension thereof in such hazardous manner that any building or improvement thereon of which said demised premises are a part will not be insurable by responsible insurance companies against loss or damage by fire, extended coverage and broad form perils for the fair insurable value thereof. Tenant

further agrees that upon the expiration or termination of this lease or any extension thereof in any manner it will surrender immediate possession of said demised premises to Landlord in good condition, loss by fire not caused by Tenant, tornado, act of God, or other unavoidable casualty and ordinary wear excepted, and that it will deliver the keys to said demised premises at the place where the rent reserved herein is payable.

7. REPAIRS AND MAINTENANCE.

(A) TENANT'S REPAIRS. Tenant shall throughout the term of this lease and any extension thereof at its own cost and expense provide all maintenance and repair to the interior and exterior of the demised premises including doors and windows, the heating plant, air conditioning system, and plumbing fixtures and sewer system, including the replacement thereof if necessary. In addition, Tenant shall be responsible for the structural maintenance and repair of the roof, foundation and exterior walls of the demised premises and Tenant shall maintain, repair, and replace all utilities, conduits, fixtures, facilities and equipment to the outside walls or subfloors of the demised premises.

(B) LANDLORD'S REPAIRS. Landlord shall be responsible for the normal maintenance of the parking lot and roadways and shall be responsible for snow removal on the parking lot and roadways. Any maintenance due to the use of the roadways and parking lot caused by commercial trucks and other heavy industrial use shall be the obligation of Tenant.

8. ALTERATIONS. Tenant shall be allowed to make such alterations to the interior of the demised premises as is necessary to conform to the needs of its subtenants and to the extent possible be of a temporary nature. Landlord shall be indemnified against all liens, costs, damages and expenses

which may arise from such alterations. All alterations, improvements and fixtures which may be made or installed by either Tenant or subtenants on the demised premises shall be the property of the Landlord and shall remain upon and be surrendered with the demised premises as a part thereof without disturbance, molestation or injury at the termination of the term of this Lease, all without compensation or credit to Tenant. Notwithstanding the preceding, Landlord shall have the option to require Tenant, at Tenant's sole expense, to remove all alterations and improvements made during the term of this Lease and return the demised premises to its original configuration if Landlord so desires.

9. TRADE FIXTURES. Trade fixtures, equipment, furniture and furnishings, except floor covering, that may have been or may be installed by Tenant or subtenants in the demised premises shall not become a part thereof whether affixed or not, but Tenant shall at its own cost and expense repair any and all damage to the demised premises resulting from or caused by the removal thereof from the demised premises. Any floor coverings shall be considered to be a part of the premises and shall not be removed except in the case of replacement by equivalent or better floor covering acceptable to the Landlord.

10. ADDITIONAL INSURANCE.

(A) Tenant agrees to carry and pay for at its own expense such insurance as may be necessary to indemnify the Landlord as to claims which might be asserted against the demised premises or the owners thereof by reason of the Tenant's use thereof, all as hereinafter provided.

(B) The Tenant does agree to carry and to pay for public comprehensive liability insurance in an amount not less than \$1,000,000 which shall cover personal injury, bodily

injury and property damage and shall include claims under the Illinois Structural Work Act. The original policy or policies or certificates therefor issued by the insured having the Landlord as an additional insured shall be furnished by Tenant to Landlord bearing the notation evidencing the payment of premiums or accompanied by other evidences of payment of the premiums satisfactory to Landlord.

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(C) Not less than ten days prior to the expiration of any such policy or policies, evidence of the renewal of such policy or policies, or a new certificate, together with evidence of the payment of premiums for the renewal period or new policy, as the case may be, shall be delivered to Landlord. All such insurance shall contain an agreement by the insurance company that the policy or policies will not be cancelled, or the ~~average~~ ^{coverage} changed, without ten days' prior written notice to Landlord.

(D) The policies or certificates of insurance shall designate as assureds, Landlord and Tenant, as their interest may appear.

11. UTILITIES. Tenant agrees to pay and discharge as the same become due all water and sewer rents or rates and charges for gas, electric current, and similar utility services which shall during the term of this lease be levied, assessed, charged or imposed upon or against the demised premises and furnish all heat and air conditioning and pay the cost thereof necessary to the heating and cooling of said premises.

12. INSPECTION BY LANDLORD. The Landlord or its agents may have free access to said premises at all reasonable times and under reasonable restrictions for the purpose of examining the same or of inspecting the use by the Tenant of the same or to see if the terms of this lease or extension thereof are

being observed by the Tenant and the Landlord at any time within 90 days before the expiration or sooner termination of the term of this lease or any extension thereof may enter upon said premises and affix to the exterior of the same the ordinary and usual sign or signs for the sale or reletting of said premises; and the Tenant will not remove said sign or signs and will permit all persons having written authority therefor from the Landlord to view said premises at all reasonable hours.

13. FIRE OR OTHER CASUALTY. If during the term of this lease the demised premises should be damaged or destroyed by reason of fire, casualty or any other cause so as to be rendered wholly or partially tenantable then Landlord shall promptly repair, rebuild and restore the demised premises to the condition it was in preceding the fire or other casualty or other cause, such repairing, rebuilding and restoration to be subject to and in conformance with all municipal and other governmental regulations, ordinances, laws, rules, permits and requirements existing at the time of such repairing, rebuilding and restoration. Landlord shall complete the repairs and restoration with all practical speed and during the time of repair or restoration the rent payable by Tenant shall be abated in proportion to the extent Tenant shall be reasonably unable to conduct its business from the demised premises. If the building shall by reason of such fire or other casualty be damaged in excess of (50%) of its replacement value, Landlord shall have the option of terminating this lease by delivering written notice thereof to Tenant within 60 days from the date of such fire or other casualty, and this lease and the terms hereof shall thereupon terminate.

14. EMINENT DOMAIN. Should the entire area of the demised premises, or such portion thereof as to materially interfere with or curtail the Tenant's operation of its business, be acquired or taken by condemnation by any public or quasi-public

authority or under the power of eminent domain, this Lease shall be terminated and of no further force or effect from and after the effective date of such taking. Landlord and Tenant shall be under no further obligation to each other, save that Landlord shall return to Tenant any unearned rental paid in advance. It is specifically understood and agreed that Tenant shall have no interest in nor shall it share in any condemnation award received by the Landlord for the premises herein demised, except however, that the Landlord shall not be entitled to any portion of the award made to Tenant for loss of business and for cost of removal of its personal property.

15. DEFAULT. It is further covenanted and agreed that during the term of this lease or any extension thereof that the Landlord shall have the right to declare a default and termination of the lease and recover possession of the premises if:

(A) A default shall occur and give unto the Landlord the right to declare the lease terminated and recover possession of the premises upon giving notice as hereinafter provided upon the happening of any one of the following:

1. Tenant shall fail to pay said rent as required by Article 4.

2. Tenant shall neglect or fail to perform or observe any of the covenants contained in this lease upon its part to be performed or observed within the period of time required.

(B) Upon the happening of any of the events referred to in the aforementioned paragraph (A) constituting a default under the terms of this lease, and if the Landlord shall give notice thereof in writing to the Tenant and the default shall continue for 30 days after the giving of said notice, or in the event of the failure to pay a sum of money shall continue for

ten days after the giving of said notice, then the Landlord may declare a forfeiture of said lease and take possession of the premises all as hereinafter provided.

(C) A default shall occur and give unto the Landlord the right to declare an immediate forfeiture of the lease without further notice to the Tenant upon the happening of any one of the following:

1. Tenant shall make an assignment for the benefit of creditors;

2. Tenant shall be adjudicated a bankrupt or a petition be filed for the extension of time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of Tenant or to which any property of Tenant be subject or the involuntary reorganization (other than a reorganization not involving the liabilities of Tenant) or involuntary liquidation of Tenant;

3. A receiver be appointed for the property of Tenant by reason of the insolvency or alleged insolvency of Tenant, and such receiver be not discharged within 90 days thereafter;

4. Tenant shall abandon or vacate the premises.

(D) Upon the happening of any of the events referred to in the aforesaid paragraph (C) constituting a default, the lease shall be deemed breached and at the option of the Landlord this lease may be terminated and the Landlord take possession of the premises as hereinafter provided.

(E) Upon the declaration of a default as provided for in paragraph (B) hereof, or upon the termination of the lease as provided for under paragraph (D) hereof, the Tenant

will then quit and surrender the demised premises to the Landlord, and the Tenant shall remain liable as hereinafter provided. In any such event, Landlord may at its option immediately or any time thereafter, enter upon said premises with or without process of law, and take possession thereof, together with any and all buildings and improvements which may have been erected thereon, Tenant waiving any demand for possession thereof. Landlord may at its option at any time and from time to time relet the demised premises or any part thereof for the account of the Tenant or otherwise and receive and collect the rents therefor, applying the same first to the payment of such expenses that the Landlord may have incurred in recovering possession of the premises and putting the same in good order and condition, and all other such expenses, commissions and charges incurred by Landlord in or about reletting the premises, and then to the fulfillment of the covenants of the Tenant hereunder. Any such reletting may be for the remainder of the original term, or any extended term (if previously extended by Tenant) or for a longer or shorter period. Landlord shall be entitled, notwithstanding any other provision of this lease, to the extent permitted by law, the amount of damages which Landlord sustains by reason of Tenant's default, including the right to recover the difference between the total rent, taxes and charges which the Landlord is able to obtain in a new lease for the balance of the term and the then present value of the remaining rent to be paid hereunder until the end of the term of the lease.

16. REMEDIES.

(A) It is mutually covenanted and agreed that this lease is made upon the express condition that this Tenant shall always keep and perform all its covenants and agreements hereunder and make all payments of money herein stipulated to be made, promptly and at the time and in the manner stipulated

and limited for such performance and payment, and that accordingly the time so limited for such payments and the performance of such covenants and agreements are, and shall be deemed to be, of the essence of this lease.

(B) No remedy herein or otherwise conferred upon, or reserved to, the Landlord or the Tenant shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; and every power and remedy given by this Indenture of Lease to the Landlord or the Tenant may be exercised from time to time and as often as occasion may arise or as may be deemed expedient. No delay or omission of the Landlord or the Tenant to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein.

(C) No waiver of any breach of any of the covenants of this lease shall be construed, taken or held to be a waiver of any other breach, or waiver of, acquiescence in, or consent to, any further or succeeding breach of the same covenants.

17. NOTICES. In the event notice is to be given by either party to the other it is agreed that such notice may be given at any time by an instrument in writing delivered personally or dispatched by registered or certified mail to the following addresses:

or as either party may otherwise direct in writing to the other party from time to time.

All notices shall be deemed delivered when delivered personally or two days following deposit in the United States mails in the Continental United States with first class postage and registered or certified fees prepaid except in the event of mail strike in which event proof of actual delivery shall be required.

18. BINDING COVENANTS. It is mutually covenanted and agreed by and between the parties hereto that the covenants in this lease contained shall be covenants running with the land and that each of the covenants, agreements, conditions and provisions of the lease shall wherever applicable extend to and bind or inure to the benefit of (as the case may be) not only the parties hereto and each of them, but also their respective successors and assigns and wherever in this lease reference is made to any of the parties hereto or to the Landlord or to the Tenant, it shall be held to include and apply wherever and whenever applicable also to the successors and assigns of such parties the same as if in each and every case so expressed.

19. REGULATIONS. Tenant, in the performance of its covenants and obligations, under the terms of the Indenture of Lease, shall comply with all municipal and other governmental ordinances, laws, rules, regulations and permits pertaining to the operation of its business at the demised premises.

Landlord, in the performance of its covenants and obligations, under the terms of this Indenture of Lease, shall comply with all municipal and other governmental ordinances, laws, rules, regulations and permits, pertaining to the buildings and other improvements situated on the demised premises, and shall make all structural alterations, improvements or

repairs to the same required to be made by Landlord in order to comply therewith.

20. INTERPRETATION. In the event any clause, paragraph or provision of this lease should be found to be invalid by reason of any statute, law or judicial decision, then the remainder of the lease shall nevertheless remain in full force and effect the same as if such paragraph or provision had been deleted therefrom.

In the use of pronouns, the singular shall include the plural, and the use of any gender shall include all genders.

21. LATE PAYMENTS, ATTORNEYS FEES AND COSTS. Tenant agrees that it will pay any reasonable counsel fees, costs and charges of or in connection with any legal action whether or not suit may have been brought, which fees, costs, and charges are reasonably and necessarily incurred by the Landlord in enforcing the covenants, agreements, terms and provisions of this lease or in protecting its interest under this lease, and Tenant agrees to pay Landlord forthwith the amount so paid by Landlord. Said amount shall be considered due and payable within 10 days following delivery of notice and breakdown of such expenses to the Tenant. It is further agreed that any payments due the Landlord under this lease and not paid when due, shall bear interest from the due date thereof at the rate of 12% per annum until paid.

22. QUIET POSSESSION. Landlord agrees that when possession of the demised premises shall be delivered to Tenant, the leasehold interest of Tenant will be free and clear of all tenancies, occupancies, restrictions, violations, liens and encumbrances. Landlord further covenants and represents that Tenant, upon paying the rents reserved herein, and keeping,

performing, observing and fulfilling the covenants and agreements in this lease contained on the part of the Tenant to be kept, performed, observed and fulfilled, shall and may peaceably and quietly possess, have, hold and enjoy the demised premises and all rights, easements, appurtenances and privileges thereunto belonging or in any way appertaining during the full term hereby granted and any extensions thereof, without any interruption or disturbance whatever by the Landlord or by anyone claiming by, through, under or against the Landlord.

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

BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT NUMBER 506,
Counties of Whiteside, Lee, Ogle, Carroll
Henry, and Bureau, State of Illinois

ATTEST:

David W. Mandiga
Secretary

By *Kay Fisher*
As its Chairman

SAUK NEW BUSINESS DEVELOPMENT
INCUBATOR, a not for profit Illinois
corporation

ATTEST:

Robert J. Hamer
Secretary

By *Judith Wood Davis*
President