

Ordinance No. 92-01

AN ORDINANCE APPROVING A LEASE BETWEEN
THE VILLAGE OF CHATHAM, ILLINOIS, AND SPCSL CORPORATION

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, ILLINOIS, AS FOLLOWS:

SECTION 1: That certain commercial lease by and between SPCSL Corporation, a Delaware corporation, and the Village of Chatham, Illinois, a copy of which is attached hereto as Exhibit A, is hereby approved.

SECTION 2: The President of the Village is authorized and directed to execute said lease on behalf of the Village of Chatham; the Clerk is authorized and directed to attest to the President's signature; and the proper officers of the Village are authorized and directed to carry out the terms of the lease.

SECTION 3: This Ordinance is effective immediately.

Passed this 14 day of JANUARY, 1992.

Carl Oblinger
CARL OBLINGER, VILLAGE PRESIDENT

ATTEST:

[Signature]
CLERK

AYES: 5

NAYS: 0

PASSED: 1-14-92

APPROVED: 1-14-92

ABSENT: 1

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 9201, adopted by the President and Board of Trustees of said Village on the 14 day of JANUARY, 1991, said Ordinance being entitled:

AN ORDINANCE APPROVING A LEASE BETWEEN
THE VILLAGE OF CHATHAM, ILLINOIS, AND SPCSL CORPORATION

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 14 day of JANUARY, 1992.



Village Clerk

Southern Pacific Transportation Company

4099 McEwen • Suite 600 • Dallas, Texas 75244

December 4, 1991

File: "L" - City of Chatham, IL

John Meyers
Attorney at Law
P. O. Box 1858
Springfield, IL 62705-1858

Re: Proposed Lease - Depot Encroachment - Chatham, Illinois

Dear Mr. Meyers:

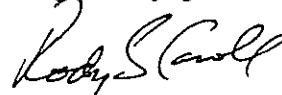
Attached please find duplicate counterparts of proposed lease agreement covering The Village of Chatham's use of SPCSL Corporation property located in Chatham, Illinois.

If all is in order, please have the Village properly execute both copies of the agreement and return to this office along with a check in the amount of \$500 to cover the rental from January 1, 1992 to January 1, 1997. Your check is to be made payable to SPCSL Corporation. Also, please furnish evidence of liability insurance coverage as required in the indemnity section of the lease agreement. Please note that initials are required on the effective date.

Upon receipt of the above, we will forward to management for completion on part of the Railroad. A fully executed copy will be sent to you for your records.

Southern Pacific Transportation Company is acting as agent for SPCSL Corporation.

Very truly yours,



Rodney S. Carroll
Property Manager

RSC/cm51
Enclosures

cc: Del McCord
Village Administrator
117 E. Mullberry
Chatham, IL 62629

Approved as to Form
By General Counsel
January 1990

COMMERCIAL LEASE

M.P. CSL-194.479-R

THIS LEASE is made and entered into this _____ day of _____, 19____, by and between SPCSL Corporation, a Delaware corporation (herein "Lessor"), and the VILLAGE OF CHATHAM, a municipal corporation of the State of Illinois, (herein "Lessee").

PART I
BASIC LEASE TERMS

A. PREMISES

The term "Premises" shall refer to the land and any improvements and facilities located thereon, at or near Chatham, County of Sangamon, State of Illinois, as shown on Drawing No. RED-91-0251-L, Sheet No. 1 of 1, dated September 3, 1991, attached hereto as Exhibit "A" and made a part hereof.

B. EFFECTIVE DATE

This Lease shall take effect on January 1, ~~1991~~, ("Effective Date").

C. TERM

This Lease shall be for a term of thirty (30) days ("Lease Term") from Effective Date hereof and shall continue on a month-to-month tenancy basis until terminated hereunder.

D. TERMINATION

This Lease shall be terminable by either party at any time without cause on thirty (30) days' advance written notice to the other.

E. USE

The Premises shall be used by Lessee solely and exclusively for encroachment of Lessee-owned improvements.

initial
1992
By Village Clerk
John

F. RENT

Commencing as of the Effective Date hereof, Lessee shall pay to Lessor as rent for the Premises ("Base Rent") the sum of FIVE HUNDRED DOLLARS (\$500.00), payable every five years in advance, with the rent to be paid on or before the execution hereof.

G. BASIS OF RENT ADJUSTMENT

Base Rent shall be adjusted based on the higher of the CPI Factor (defined in Section 5 of the General Lease Terms) as indicated on the Consumer Price Index, Urban Wage Earners and Clerical Workers, U. S. City Average, All Items (1982-84 = 100), ("Index"), published by the United States Department of Labor, Bureau of Labor Statistics, or any successor or substitute index published as a replacement for the Index by any United States governmental agency; or the fair rental value of the Premises at the time of said revision.

H. SECURITY DEPOSIT

Waived

I. PROOF OF INSURANCE

On or before the execution of this Lease, Lessee shall furnish to Lessor proof of insurance as required under Section 14 of the General Lease Terms, and the effective date of insurance coverage shall be no later than the Effective Date of this Lease.

J. ADDRESSES FOR NOTICES

All notices to either Lessor or Lessee shall be addressed as follows:

To Lessor: **SPCSL Corporation**
Dallas Regional Office - Real Estate
4099 McEwen Road, Room 600
Dallas, TX 75244

To Lessee: **VILLAGE OF CHATHAM**
117 E. Mulberry
Chatham, Illinois

K. PAYMENTS TO LESSOR

Checks shall be made payable to Lessor and shall be mailed to File 61860, P. O. Box 60000, San Francisco, California 94160-1860.

L. WARRANTY OF IMPROVEMENTS

Lessee hereby warrants that Lessee is the lawful owner of all the right, title and interest in and to any improvements and facilities now located upon the Premises and assumes all obligations under this Lease with respect thereto, including the removal thereof upon the expiration or termination of this Lease.

The foregoing Basic Lease Terms and the General Lease Terms set forth in attached Part II are incorporated into and made parts of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused to be executed, this Lease in duplicate the day and year first above written.

SPCSL Corporation

By _____
Tony K. Love, Assistant Regional
Director - Real Estate

VILLAGE OF CHATHAM

By Carl Oblyen, Mayor
Title:

Chatham.RSC
1w120491

PART II
GENERAL LEASE TERMS

1. PREMISES AND TERM

Lessor hereby leases to Lessee the Premises for the tenancy shown in the Basic Lease Terms, subject to the terms and conditions as set forth in this Lease.

2. USE

Lessee shall not use the Premises for any use other than that stated in the Basic Lease Terms, and shall not make any alterations to the Premises except as required for such use. LESSEE SPECIFICALLY ACKNOWLEDGES THAT THIS IS A 30-DAY LEASE AND THAT LESSEE HAS NOT RELIED ON ANY REPRESENTATIONS BY ANY AGENT OR EMPLOYEE OF LESSOR TO THE CONTRARY IN MAKING ANY IMPROVEMENTS TO THE PREMISES.

Lessee shall not permit to be placed on the Premises or improvements any signs or notices not solely related to the business of Lessee conducted on the Premises.

Lessee shall not permit any damage, nuisance or waste on the Premises; nor permit to be placed upon the Premises any gasoline, diesel fuel, oil, and other petroleum products, or any hazardous or explosive material, waste or substance.

Lessee, at Lessee's expense, shall arrange for the filing of any map required under any subdivision map act and of any environmental impact report required by any governmental body having jurisdiction in the matter.

If any governmental body seeks to impose any condition on approval of Lessee's use of the Premises, Lessor may terminate this Lease forthwith if any such condition shall affect any other property of Lessor or shall affect the Premises after this Lease is no longer in effect.

3. CONDITION OF PREMISES

Lessee warrants that it has examined the Premises and accepts the Premises in an "AS IS, WHERE IS" condition, with all faults and with full knowledge of the physical condition, of all zoning and other land use laws and regulations affecting the Premises, and of the conditions, restrictions, encumbrances and all matters of record relating to the Premises.

There may be subterranean facilities within the Premises, notwithstanding the absence of markers, monuments or maps indicating their existence.

4. PAYMENT/REFUND OF RENT

Lessee shall pay to Lessor as Base Rent for the Premises the amount specified in Section F of the Basic Lease Terms, payable at the times set forth therein, without deduction, setoff, prior notice or demand. Upon termination of this Lease, unless Lessee is then in default, any unearned portion of any rent paid in advance shall be refunded to Lessee upon Lessee's written demand therefor if made within thirty (30) days after termination.

5. RENTAL REVISION

The Base Rent shall automatically and without notice to Lessee be adjusted, upwards only, on each anniversary of the Effective Date, by the CPI Factor. The "CPI Factor" is the percentage of adjustment stated in the Consumer Price Index (indicated in the Basic Lease Terms) established during the last available twelve-month period immediately preceding each anniversary of the Effective Date, adjusted to the nearest one-tenth of one percent.

In lieu of the above, Lessor may, at any time, increase the Base Rent without reference to the CPI Factor by giving Lessee thirty (30) days' notice of such adjustment and its effective date.

The Base Rent, as so increased, shall be effective as of each anniversary of the Effective Date if increased by the CPI Factor and as of the effective date of any other increase, notwithstanding Lessor's acceptance of a lesser amount and notwithstanding any billing by Lessor for a lesser amount.

6. SECURITY DEPOSIT

Concurrently with Lessee's execution of this Lease, Lessee shall deposit with Lessor a security deposit ("Security Deposit") in the amount set forth in Section H of the Basic Lease Terms. The Security Deposit shall be held by Lessor as security for the faithful performance by Lessee of all of the terms, covenants and conditions of this Lease to be kept and performed by Lessee. If Lessee defaults with respect to any provision of this Lease, including, without limitation, the provisions relating to the condition of the Premises upon termination of this Lease, Lessor may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any amount which Lessor may spend by reason of Lessee's default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of the Security Deposit is so used or applied, Lessee shall, within ten (10) days after written demand therefor, deposit cash with Lessor in an amount sufficient to restore the Security Deposit to its original amount. The failure by Lessee to so restore the Security Deposit shall constitute a default by Lessee under this Lease. Lessor shall not be required to keep the Security Deposit separate from its general funds, and Lessee shall not be entitled to any interest on the Security Deposit. Lessor is not a trustee of the Security Deposit and may use it in ordinary business, transfer it or assign it, or use it in any combination of such ways. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall

be returned to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) after lease termination and after Lessee has vacated the Premises; provided, however, that if any portion of the Security Deposit is to be applied to repair damages to the Premises caused by Lessee or its agents or to clean up the Premises and remove improvements, then the balance of the Security deposit (less any deductions for the restoration of the Premises and the cost of removing the improvements) shall be returned to Lessee after Lessor has restored/cleaned the Premises and removed the improvements. Lessee shall not transfer or encumber the Security Deposit nor shall Lessor be bound by any attempt of Lessee to do so. Lessor may require Lessee to increase its security deposit every year the Lease is in effect by depositing with Lessor twenty percent (20%) of the then existing deposit. Notwithstanding the foregoing, Lessor may require an increase in the deposit at any time if the estimated cost of removing Lessee's improvements exceeds the deposit currently held by Lessor.

7. **TAXES AND ASSESSMENTS**

- A. Lessee shall pay, before they become delinquent, all taxes, charges, and assessments which are levied upon, or which may be locally assessed against, any improvement or personal property placed upon the Premises by Lessee.
- B. In addition to the taxes and assessments specified above, Lessee shall pay to Lessor any privilege, sales, gross income or other tax (not including federal or state income tax) imposed upon the rent received by Lessor by any agency having the authority to do so.

8. **UTILITIES**

Lessee shall arrange and pay for all utilities, including without limitation, water, power, heat, garbage, communications and sewer services, to be used in connection with this Lease.

If Lessor contracts with a utility company to provide access for service to Lessee at the Premises for Lessee's sole use, Lessee shall pay to Lessor a minimum sum of \$350 upon receipt of a bill therefor to partially defray administrative costs.

9. **MAINTENANCE AND REPAIR**

Lessee, at Lessee's expense and to Lessor's satisfaction, shall keep and maintain the Premises and all improvements thereon in good repair and in a neat and safe condition, and shall promptly make all repairs and replacements that may become necessary to the Premises or improvements thereon, whether structural or nonstructural, ordinary or extraordinary.

10. ALTERATIONS

Lessee shall make no alteration or improvement to the Premises without Lessor's prior written consent. All repairs, alterations and improvements to or on the Premises shall become the property of Lessor, without payment by Lessor of any compensation therefor.

11. LIENS AND CLAIMS

Lessee shall not commence any repairs (except emergency repairs), changes or alterations on the Premises until fifteen (15) days after Lessor has received notice from Lessee stating the date the installation of the alterations is to commence. Lessor shall have the right to enter the Premises to post notices of nonresponsibility.

12. INDEMNIFICATION

Lessee, insofar as it lawfully may, shall release, defend (with counsel satisfactory to Lessor) and indemnify Lessor from and against all liability, cost and expense for loss of or damage to property and for injuries to or death of any person (including, but not limited to, the property and employees of each party hereto) when arising or resulting from:

- (a) the use of the Premises by Lessee, its agents, employees, or invitees;
- (b) breach of this Lease by Lessee; or
- (c) the location or condition of the Premises or any part thereof;

regardless of whether such liability, cost or expense is caused or contributed to by the negligence, active or passive, of Lessor.

The term "Lessor," as used in this Section 12 and Sections 13, 14 and 15, shall include the successors, assigns and affiliated companies of Lessor, and, if applicable, any other railroad company that may be lawfully operating on Lessor's tracks.

13. COMPLIANCE WITH LAW

Lessee, at Lessee's expense, shall comply with all applicable laws, regulations, rules and orders with respect to the use of the Premises, regardless of when they become or became effective, including, without limitation, those relating to construction, grading, signage, health, safety, noise, environmental protection, waste disposal, and water and air quality, and shall furnish satisfactory evidence of such compliance upon request of Lessor.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Premises due to Lessee's use and occupancy thereof, Lessee, at Lessee's expense, shall clean all property affected thereby, to the satisfaction of Lessor (insofar as the property owned or controlled by Lessor is concerned) and any governmental body having jurisdiction thereover.

Lessee, insofar as it lawfully may, shall indemnify, hold harmless, and defend Lessor from and against all liability, claim, cost or expense (including, without limitation, any fines, penalties, judgments, litigation costs, attorneys' fees, and consulting, engineering and construction costs) incurred by Lessor as a result of Lessee's breach of this section, or as a result of any such discharge, leakage, spillage, emission or pollution, regardless of whether such liability, cost or expense arises during or after the Lease Term and regardless of whether such liability, cost or expense is caused or contributed to by the negligence, active or passive, of Lessor.

14. **INSURANCE**

While this Lease is in effect, Lessee, at Lessee's expense, shall maintain and furnish Lessor evidence of insurance set forth in Lessor's "General Insurance Requirements" attached hereto as Exhibit "B" and made a part hereof.

15. **NOISE AND VIBRATION LEVELS**

Lessee hereby recognizes and acknowledges that railroad tracks are located on or adjacent to the Premises.

Lessee recognizes that the operation of trains over the tracks does and shall produce noise levels which may be considered objectionable by the employees, agents, tenants, or invitees of Lessee. Therefore, Lessee agrees that no legal action or complaint of any kind whatsoever shall be instituted against Lessor on Lessee's behalf as a result of such noise levels and to indemnify and save harmless Lessor against any loss, damage, liability or expense either might incur as a result of such action being taken by Lessee's employees, agents, tenants or invitees.

If the Premises are classified by Lessor as non-operating property, this Section 15 shall not apply.

16. **RESERVATIONS**

Lessor hereby excepts and reserves the right, to be exercised by Lessor and by any other who has obtained or may obtain permission or authority from Lessor so to do, to

- A. operate, maintain, review and relocate any and all existing pipe, track (if any), power and communication (including without limitation fiber optic) lines and appurtenances and other facilities of like character upon, over or under the surface of the Premises; and

- B. construct, operate, maintain, review and relocate such additional facilities of the same character as shall not unreasonably interfere with Lessee's use of the Premises as specified in Section E of the Basic Lease Terms.

Any such construction, operation, relocation or maintenance shall not be done at Lessee's expense unless such work is requested by Lessee or done for the benefit of Lessee.

17. **MINERAL RIGHTS**

Lessor reserves for itself and those to whom it grants such right the title and exclusive right to all the sand, gravel, minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying the Premises, or that may be produced therefrom, including, without limiting the generality of the foregoing, all petroleum, oil, natural gas and other hydrocarbon substances and products derived therefrom, together with the exclusive and perpetual right thereto, without, however, the right to use or penetrate the surface of, or to enter upon, the Premises to extricate or remove the same.

18. **BARRICADES**

In addition to any barricades, fences or gates which may be specified elsewhere in this Lease, Lessee, if requested by Lessor, shall install and maintain barricades, fences, and fence gates of a size and form satisfactory to Lessor at such locations as may be designated by Lessor at any time while this Lease is in effect, all at Lessee's expense and to Lessor's satisfaction.

19. **SURRENDER OF THE PREMISES**

Upon termination of this Lease, Lessee shall leave the Premises in a neat and clean condition satisfactory to Lessor and free of all personal property of Lessee.

Under Section 10 hereof, all repairs, alterations and improvements made by Lessee shall become the property of Lessor. However, Lessor may, by written notice, require Lessee to remove any such alterations and improvements from the Premises and to restore the Premises to their original condition (normal wear and tear excepted) prior to termination of this Lease. If Lessee fails to do so, Lessor may perform such removal and restoration work in which case Lessee shall pay Lessor within thirty (30) days after demand therefor (1) an amount equal to the rent (as in effect immediately before termination) for the period during which such removal is accomplished to compensate Lessor for the loss of rent to Lessor resulting from the unavailability of the Premises for leasing to another tenant during such time and (2) the cost of removal of such improvements. Lessor shall use reasonable diligence in the removal of such improvements.

20. **TERMINATION OF LEASE**

Termination of this Lease for any reason whatsoever shall not release either party from any liability or obligation hereunder resulting from an event which may have occurred before termination, or thereafter in case by the terms of this Lease it is provided that certain things shall or may have to be done after termination hereof.

21. **CONDEMNATION**

If all or part of the Premises is acquired by eminent domain or by purchase in lieu thereof, Lessee shall have no claim to any compensation awarded for the taking of the Premises or any portion thereof, including Lessee's leasehold interest therein, or to any compensation paid as severance damages, or for loss of or damage to Lessee's improvements.

22. **DEFAULT**

If Lessee fails to pay the rent or to make any other payment required to be made by Lessee hereunder within three (3) days after written notice by Lessor or fails to perform any other term or condition of this Lease within fifteen (15) days after written notice by Lessor or abandons or vacates the Premises, then Lessor may, in addition to any other remedies Lessor may have at law or equity, terminate this Lease forthwith.

23. **ASSIGNMENT AND SUBLETTING**

Lessee shall not assign or encumber Lessee's interest in this Lease or in the Premises, or sublease all or any part of the Premises.

24. **DISPOSSESSION**

If Lessee is lawfully deprived of the possession of all or any part of the Premises by a party other than Lessor, Lessor may, upon receipt of notice from Lessee setting forth the circumstances, either install Lessee in possession of the Premises or terminate this Lease and refund to Lessee the pro rata amount of any prepaid but unearned rent after receipt of such notice. Lessor shall not be liable to Lessee for any loss, damage or claim resulting from such deprivation of possession.

25. **NOTICES**

All notices shall be in writing and shall be deemed to have been given when delivered personally or deposited in the United States mail, registered or certified, postage prepaid, and addressed to the party to whom the notice is directed at the address set forth in the Basic Lease Terms. Payments to Lessor shall be made at the address for payments set forth in the Basic Lease Terms. Either party may change the address for notices or Lessor may change the address for payments by giving the other party notice to that effect.

26. ATTORNEYS' FEES

If either party brings any action against the other to enforce or collect any sum due under this Lease or if Lessor brings an action for unlawful detainer of the Premises, the losing party shall pay the reasonable attorneys' fees of the prevailing party in addition to the judgment and court costs.

27. LESSOR'S RIGHT-OF-ENTRY

Lessee shall permit Lessor and the agents and employees of Lessor to enter into and upon the Premises at all reasonable times for the purpose of inspecting, posting notices of nonresponsibility, or exhibiting the Premises to prospective tenants or buyers.

28. NON-WAIVER

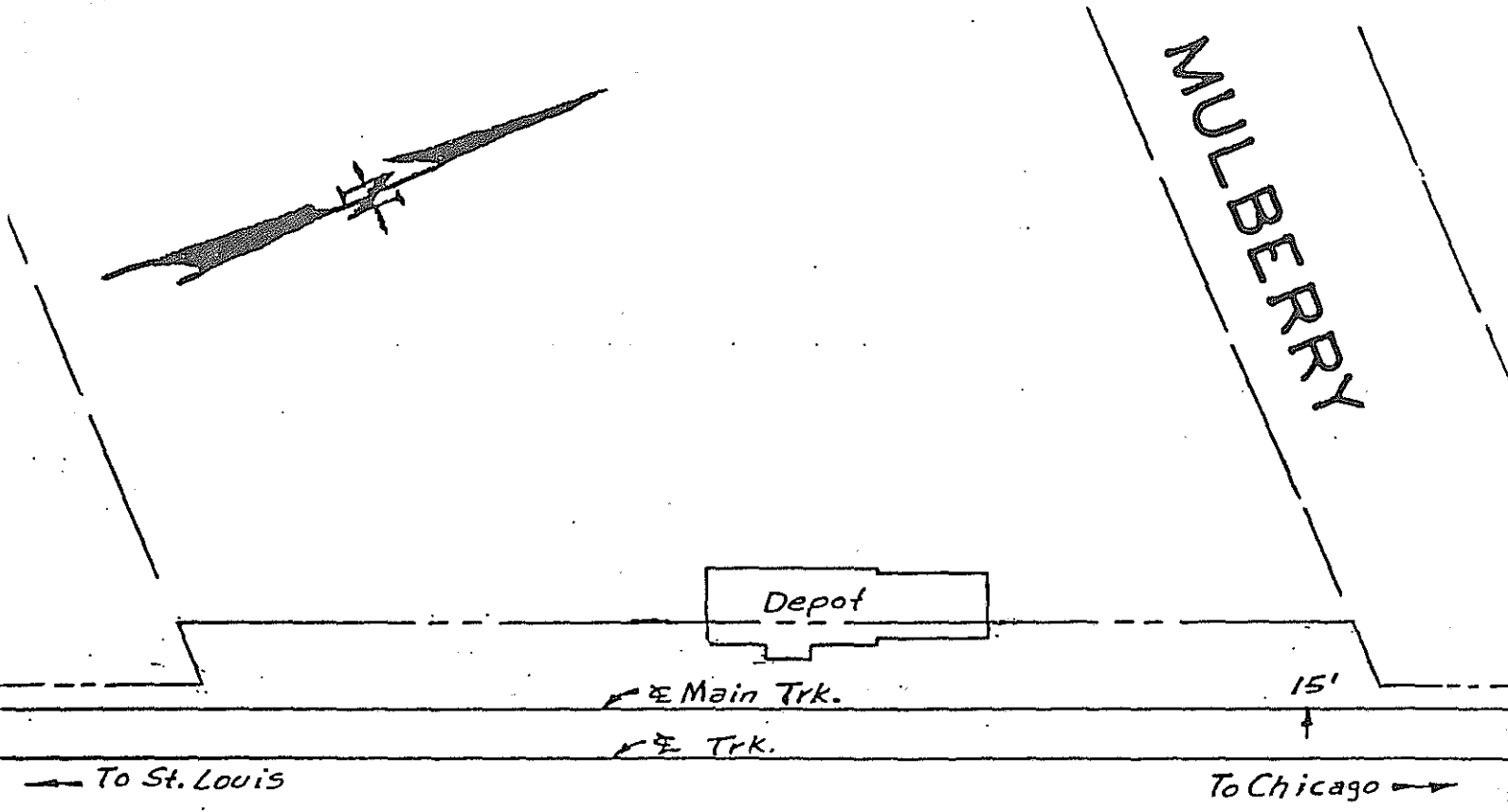
Lessor's failure to enforce or exercise its rights with respect to any provision hereof shall not be construed as a waiver of such rights or of such provision. Acceptance of rent or any other sum shall not be a waiver of any preceding breach by Lessee of any provision hereof, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent; nor shall such acceptance be a waiver in any way of Lessor's right to terminate at any time under Section D of the Basic Lease Terms.

29. TIME OF ESSENCE

Time is of the essence of each provision of this Lease.

30. ENTIRE AGREEMENT

This Lease sets forth the entire agreement between the parties with respect to the leasing of the Premises and supersedes all prior agreements, communications, and representations, oral or written, express or implied, since the parties intend that this be an integrated agreement. This agreement shall not be modified except by written agreement of the parties.



ES 10252+10
MP 194.479-R

LEGEND

Proposed Lease - 375 ± sq. feet

* Fiber Optic Not Involved.

SPCSL CORP.
EXHIBIT "A"
Office of Reg. Director, Dallas

Proposed Lease to
VILLAGE OF CHATHAM
Chatham, Il.

SCALE 1" = 50'	PM 11, 12 & 13 H
VAL. REC. CM&W 4A/4	ENCL. STAT. 10252+10
ROUTE NO. CSL DRAWN BY FG	DRAWING NO. FED 91-0251-L
DATE 9/3/91	MP. 194.479-R
REVISED TO 9/23/91	PACK # 7, 5

EXHIBIT B

GENERAL INSURANCE REQUIREMENTS ("GIR")

Company shall be furnished evidence of insurance in connection with the foregoing Agreement. Such insurance shall be written by an insurance company having a Best's rating of B + 13 or better and licensed to do business in the state where the Premises are located, meeting the requirements stated below in form satisfactory to Company, for each of the following types of insurance in amounts not less than the amounts herein specified.

The terms "Agreement" as herein used shall refer to the Lease, License, or Permit, including supplemental agreements thereto, to which this Exhibit B is attached and made a part of; "Company" shall refer to the Lessor, Licensor, or Permitter named in the Agreement; "Lessee," "Licensee," or "Permittee" shall refer to the Lessee, Licensor, or Permittee, (whichever is applicable), named in the Agreement; and "Premises" shall refer to the property described in the Agreement and as shown on the attached print.

Liability Insurance Requirements

1. COMPREHENSIVE GENERAL LIABILITY INSURANCE OR COMMERCIAL GENERAL LIABILITY INSURANCE ON AN OCCURRENCE BASIS shall have a combined single limit of not less than \$2,000,000 per occurrence and shall provide for the following:
 - a) Such insurance is primary, without right of contribution from other insurance which may be in effect.
 - b) Such insurance shall not be invalidated by the acts or omissions of other insureds.
 - c) Such insurance shall not be materially modifiable or cancellable without thirty (30) days' prior written notice to Company (except in the case of cancellation for nonpayment of premium in which case cancellation shall not take effect until at least ten (10) days' notice has been given to Company). This provision is referred to below as "Notice of Modification or Cancellation."
 - d) Company shall be named as additional insured.
 - e) Contractual liability with deletion of the exclusion for operations within fifty (50) feet of railroad track and deletion of the exclusion of explosion, collapse, or underground hazard, if applicable. (NOTE: For any license or permit involving property within fifty (50) feet of track, the exclusion for operations within fifty (50) feet of track will apply unless eliminated by endorsement).
 - f) Premises, products/completed operations, and personal injury coverage.
 - g) Severability-of-interest clause.

- h) In the case of commercial general liability insurance, the policy must also provide for aggregate coverage at each location and for reinstatement of the aggregate in the event the limits of the policy are exhausted.
 - i) If the proposed use of the Premises involves a hazard which poses particular risk to the environment, the policy must cover sudden and accidental pollution on a named-peril basis to address the hazard.
2. COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE shall have a combined single limit of not less than \$2,000,000 per occurrence and shall provide for the following:
- a) Such insurance is primary, without right of contribution from other insurance which may be in effect.
 - b) Such insurance shall not be invalidated by the acts or omissions of other insureds.
 - c) Notice of Modification or Cancellation.
 - d) Severability-of-interest clause.
3. WORKERS' COMPENSATION INSURANCE shall have limits not less than those required by statute, shall cover all persons employed by Lessee, Licensee, or Permittee, as the case may be, in the conduct of its operations on the Premises and shall provide for the following:
- a) Waiver of subrogation against Company.
 - b) Notice of Modification or Cancellation
 - c) All states endorsements.
 - d) Coverage for Longshore and Harbor Workers Act, if applicable.
4. EMPLOYERS' LIABILITY INSURANCE shall have a limit of not less than \$1,000,000 and shall be endorsed to provide for (a) Notice of Modification or Cancellation and (b) waiver of subrogation against Company.
5. UMBRELLA OR EXCESS LIABILITY INSURANCE shall provide that if the underlying aggregate is exhausted, the excess coverage shall drop down as primary insurance, and shall provide for Notice of Modification or Cancellation.

If the Premises are located in the State of California, either a properly completed certificate of insurance to which has been attached Company's standard form of endorsement (a copy of which is attached hereto as Exhibit C) executed by an authorized representative of the insurer or insurers or a certified copy of the policy or policies shall be satisfactory evidence of the liability insurance required hereunder.

If the Premises are located in another state, a properly completed certificate of insurance shall be furnished to Company for approval. Attachment of Company's standard form of endorsement indicated above will not be required.