

LEASE AGREEMENT

This lease agreement made and entered into on this ____ day of July, 2004 by and between City of O'Fallon, a municipal corporation of the County of St. Clair and State of Illinois, hereinafter referred to as "Lessor", and the American Freedom Mortgage, a Company, hereinafter referred to as "Lessee".

WITNESSETH: In consideration of the covenants and agreements hereinafter contained, to be kept and performed by the respective parties hereto, the Lessor does hereby lease to the Lessee and the Lessee leases from the Lessor a portion of the Lessor's real estate commonly known as 1305 - 1307 West Highway 50, O'Fallon, Illinois, said portion of real estate being described in Exhibit "A" attached hereto and made part hereof.

I. Term

This lease shall commence on the 10th day of July, 2004 and end on the 9th day of July, 2006, unless otherwise terminated by either party according to the terms herein.

In addition the Lessee shall have the option to renew this lease for another term of two (2) years provided it presents the Lessor with written notice of its intent to renew the lease no later than thirty (30) days prior to the expiration of the lease. Thereafter, this Lease shall continue on a month-to-month basis until terminated by either party as provided herein. Should the Lessee renew the lease the terms of the renewed lease shall be the same as the terms herein.

II. Rent

The Lessee agrees to pay to Lessor as rent for the leased premises the sum of One and 00/100 Dollar (\$ 1.00) annually with the first annual payment being due upon execution of the lease and thereafter on the anniversary date of this lease agreement.

III. Security Deposit

The Lessee shall not be required to pay a security deposit of any type.

IV. Improvements/Maintenance

During the term of the lease, the Lessee shall be allowed to erect on the leased premises one (1) fifty square foot free standing sign advertising the Lessee's business with the sign to be depicted as set forth on Exhibit "B" attached hereto and made part hereof. In addition Lessee, at its costs, shall have the right to make landscaping improvements to the leased premises subject to the prior written approval of the Lessor. Otherwise Lessee shall not erect or construct any other improvement on the premises nor use the premises for any other purpose without first obtaining written permission of Lessor.

Further the Lessee, at its costs, shall maintain the leased premises in good condition including the mowing of grass and trimming of shrubbery.

V. Use of Premises/Access

Lessee shall be entitled to quiet and peaceful use of the leased premises and the Lessor shall not interfere with the Lessee's use of the premises. However, the Lessor shall have access to the leased premises at reasonable times for the purpose of inspecting same.

At the end of the lease, the Lessee shall remove from the premises its sign, landscaping and restore the premises to its pre-existing condition.

VI. Indemnification and Insurance

Unless caused by the acts or omissions of Lessor, its agents or employees, Lessee shall indemnify Lessor and save Lessor harmless from the suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the leased premises or the occupancy or use by Lessee of said

premises or any part thereof, occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees, patrons and customers.

Lessee shall at its own expense during the term hereof at all times, maintain or cause to be maintained the following insurance with respect to the demised premises.

A. General comprehensive public liability insurance covering any loss, cost or damage by reason of any accident, injury or damage to persons or property arising out of or occurring in connection with the use, occupation and maintenance of the leased premises and/or any improvement thereon with such insurance to be in the sum of not less than \$1,000,000.00 aggregate.

B. The aforesaid insurance shall be with a reputable insurance company(s) licensed to do business in the State of Illinois and shall name the Lessor as an additional insured. At all times mentioned herein, the Lessee shall, upon receipt of their insurance policy(s), immediately provide the Lessor with a copy of same.

Notwithstanding anything herein to the contrary, Lessor and Lessee and all parties claiming under them, hereby mutually release and discharge the other from all claims and liabilities arising from or caused by any hazard covered by insurance on the leased premises or covered by insurance in connection with the property or on activities conducted at the leased premises regardless of the cause of the damage or loss. This mutual release shall apply only to the extent that such loss or damage is covered by insurance and only so long as the applicable insurance policies contain a clause to the effect that this release shall not affect the right of the insured to recover under such policies.

Lessee understands Lessor will not provide any insurance insuring the Lessee's sign located on the premises and it shall be the obligation of the Lessee to provide its own insurance for such coverage.

VII. Sub-Lease/Assignment

The Lessee shall not assign this lease or sublet the premises to another party or parties without the express written consent of the Lessor, except Lessee may assign this lease to a wholly owned subsidiary of the Lessee or to an entity into which the Lessee is merged.

VIII. Mechanic's Lien

Lessee will not permit any mechanic's lien or other liens to be placed upon the real estate or building on which the leased premises are located and shall not do any act or thing to create a mechanic's lien or claim for lien against said premises.

IX. Termination

Both Lessor and Lessee shall have the right to terminate this lease agreement upon sixty (60) days written notice to the non-moving party. Upon termination of this agreement Lessee agrees to remove its sign and restore the property to its original condition, normal wear and tear excepted, and quit and deliver up the possession of said premises to the Lessor. All costs associated with the restoration of the leased premises shall be incurred by Lessee.

X. Default

Failure on the part of the Lessee to remedy any default with respect to any provision, covenants, or conditions of this lease to be kept or performed by Lessee within thirty (30) days after notice shall at the option of the Lessor cause the forfeiture of this lease and the Lessor shall have the following remedy:

Thirty (30) days after notice of such default, Lessee will quit and deliver up possession of said premises to Lessor, and remove its sign and landscaping and other improvements from the premises. Should Lessee not surrender said premises, Lessor may re-enter and take possession of

said premises and all improvements thereon, without being liable to any prosecution for said re-entry.

XI. Abandoned Property

Any property of the Lessee or any improvement of the leased premises not removed from the leased premises upon termination of this lease, whether by expiration or otherwise, shall be deemed abandoned and may be handled, removed and disposed of by Lessor at the risk, cost, and expense of the Lessee, and the Lessor shall in no event be responsible for any property so left on or about the leased premises, or for the value, preservation, or safekeeping thereof.

XII. Eminent Domain

In the event the leased premises or any substantial part thereof shall be taken by any public authority or for any public use, then this lease may be terminated at the election of either party, such election to be made by giving written notices to the other party after the date of election accrues.

Further the Lessor reserves and the Lessee assigns to the Lessor, all rights to damages accruing on account of any taking under the power of eminent domain or by reason of any act of any public authority for which such damages are payable excepting however, any settlement, separate award, or compensation made to compensate Lessee for its lease hold estate or cost of relocation.

XIII. Notice

All notices and demands required by this lease agreement shall be in writing and shall be delivered by hand or by certified mail, return receipt requested, addressed to the parties herein at the addresses set forth hereafter or at such other address as may be designated in writing:

City of O'Fallon
255 South Lincoln
O'Fallon, IL 62269
Attn: City Clerk

American Freedom Mortgage

O'Fallon, IL 62269_

XIV. Lessor/Lessee's Representations

The Lessor and Lessee each represent and warrant to the other it has full power and authority to enter into this lease.

XV. Miscellaneous

No waiver of any forfeiture by acceptance of rent or otherwise shall waive any subsequent cause of forfeiture or breach of any condition of this lease.

If either party incurs attorney fees, expenses or costs in enforcing this lease, or in any action arising out of this lease, the prevailing party shall be entitled to recover all such reasonable attorney fees and expenses from the other party.

This agreement shall inure to the benefit of and be binding upon the respective parties, their heirs, successors and assigns.

IN WITNESS WHEREOF, we have placed our hands and seal the day and first above written.

CITY OF O'FALLON,

American Freedom Mortgage

By: _____
Mayor

By: _____
Authorized Agent

ATTEST:

ATTEST:

City Clerk

"LESSOR"

"LESSEE"

