



City of Chicago



O2022-3796

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 11/16/2022

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Lease agreement with WELBIC IV Chicago 2701 LLC for portion of warehouse facility, loading dock, offices, employee parking lot and offices for housing City emergency response-type vehicles at 2315 W 27th St/2701 S Western Ave

Committee(s) Assignment: Committee on Housing and Real Estate

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OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

November 16, 2022

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Assets, Information and Services, I transmit herewith an ordinance authorizing the execution of a new lease agreement with Welbic IV Chicago 2701 LLC.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Lori E. Lightfoot".

Mayor

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1: On behalf of the City of Chicago, as Tenant, the Commissioner of the Department of Assets, Information & Services is authorized to execute a Lease with WELBIC IV CHICAGO 2701 LLC, a Delaware limited liability company, as Landlord, for a portion of the warehouse, loading dock, office space and parking lot located at 2315 W. 27th Street/2701 S. Western Avenue, Chicago, such Lease to be approved as to form and legality by the Corporation Counsel in substantially the following form:

2315 W. 27th Street/2701 S. Western Avenue
Lease No. 12074

SECTION 2: This Ordinance shall be effective from and after the date of its passage and approval.

LEASE

THIS LEASE (the "Lease") is made and entered into this _____ day of October, 2022 (the "Execution Date"), by and between **WELBIC IV CHICAGO 2701 LLC**, a Delaware limited liability company (hereinafter referred to as "Landlord") and the **CITY OF CHICAGO** (hereinafter referred to as "Tenant").

RECITALS

WHEREAS, Landlord is the owner of the real property located at 2701 South Western Avenue, Chicago, Cook County, Illinois (the "Property"), consisting of an approximately 120,590 square foot footprint warehouse building containing ancillary offices space (the "Building") that is divided into multiple and is situated on 4.5 acre parcel with shared parking; and

WHEREAS, Landlord is marketing the easternmost unit of the Property as available for lease; and

WHEREAS, Tenant desires to lease garage space to house emergency response and similar vehicles and has determined that the easternmost unit of the Property will be suitable for Tenant's use upon completion on certain desired improvements to the space; and

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord, the Premises (as hereinafter defined), upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. GRANT

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described Premises:

Approximately 35,956 rentable square feet of warehouse, loading dock, and first and second floor office space located at 2315 W. 27th Street, Chicago, Cook County, Illinois as more particularly set forth on Exhibit B.

Tenant shall also enjoy use of Tenant's Prorata Share (as herein defined) of the Property's parking lot for use by Tenant's employees in the spaces adjacent to the Premises as shown on Exhibit B. Tenant agrees to comply with Landlord's reasonable rules and regulations related to parking.

SECTION 2. TERM

2.1 Term. The term of this Lease ("Term") shall commence on the day Landlord tenders possession of the Premises to Tenant (the "Commencement Date") after the Substantial Completion of the Buildout (excluding Item #4)(as hereinafter defined) of the Premises, and shall end one hundred twenty-six (126) months thereafter, unless sooner terminated as set forth in this Lease. Landlord shall use its best efforts to tender possession of the Premises to Tenant no later than December 15, 2022. "Lease Year" shall be defined as each period of twelve (12) consecutive months within the Term, subject to the following. The first Lease Year shall commence on the Commencement Date. If the Commencement Date is the first day of a calendar month, the first Lease Year shall end on the day immediately preceding the day which is the first anniversary of the Commencement Date. If the Commencement Date is not the first day of a calendar month, the first Lease Year shall end on the last day of the month in which the first anniversary of the Commencement Date occurs. The second Lease Year shall commence on the day immediately following the last day of the first Lease Year and each subsequent Lease Year shall commence on the anniversary of such preceding Lease Year.

2.2 Option to Extend the Term. Tenant shall have the option to extend the Term for an additional sixty (60) months (the "Option Term") by providing twelve (12) months' advance written notice to Landlord prior to the end of the Term. Such rental rate shall be at the then existing Market Rent (as hereinafter defined) so long as it is not less than the Base Rent that is in effect at the end of the Term. "Market Rent" shall mean an amount equal to the market rent (including escalations) payable (net) for similar industrial space in the neighborhood in which the Premises is located as of the beginning of the applicable Option Term.

2.3 Tenant Termination. Due to Tenant's limited authority to enter into leases without City Council approval, Tenant shall have the right to terminate the Lease 180 days after the Commencement Date (as hereinafter defined) solely in the event that continuation of the lease Term is not approved by the City Council. Tenant shall diligently pursue City Council approval. After the first 180 days from the Commencement Date and provided Tenant is not in default, Tenant will have the right to terminate this lease at any time after the end of the 72nd month by providing 12 months' advance written notice to Landlord. In the event of termination by Tenant, Tenant must reimburse Landlord for all unamortized broker's commission paid in connection with this Lease.

2.4 Termination by Tenant During the Option Term. Provided Tenant is not in default, in the event that Tenant exercises its option to extend the Term, Tenant shall have the right to terminate this Lease without penalty by providing 12 months' advance written notice to Landlord.

SECTION 3. RENT, TAXES AND UTILITIES.

3.1 Base Rent. Tenant shall pay Base Rent for the Premises in the amount of ten and 25/100 dollars (\$10.25) per square foot on an annual basis, subject to a 3.5% annual base rent escalation. Tenant shall make payments on a monthly basis to Landlord according to the following Base Rent schedule:

Lease Year	Monthly Base Rent	Annual Base Rent	Annual Base Rent / s.f.
1	\$30,712.42	\$368,549.00	\$10.25
2	\$31,787.35	\$381,448.22	\$10.61
3	\$32,899.91	\$394,798.90	\$10.98
4	\$34,051.41	\$408,616.86	\$11.36
5	\$35,243.20	\$422,918.45	\$11.76
6	\$36,476.72	\$437,720.60	\$12.17
7	\$37,753.40	\$453,040.82	\$12.60
8	\$39,074.77	\$468,897.25	\$13.04
9	\$40,442.39	\$485,308.65	\$13.50
10	\$41,857.87	\$502,294.46	\$13.97
11*	\$43,322.90	\$259,937.38*	\$14.46
*(6 months only)		*(6 months)	

All charges, costs and sums required to be paid by Tenant to Landlord under this Lease in addition to Base Rent shall be deemed "Additional Rent" and Base Rent and Additional Rent shall hereinafter collectively be referred to as "Rent". Tenant's covenant to pay Rent shall be independent of every other covenant in this Lease. Tenant will pay to Landlord a late charge of ten percent (10%) as Additional Rent on any amount owing to Landlord hereunder which is not paid within thirty (30) days when due ("Late Charge"). The Late Charge will represent a fair and reasonable estimate of the additional cost and expenses Landlord will incur because of Tenant's late payment.

Rent shall be prorated on a per diem basis if the Commencement Date is not the first day of the month or if the Term of this Lease shall be terminated on any day other than the last day of the month.

Rent shall be paid on or before the first day of the month during the Term. Landlord understands that Tenant's budget office does not provide funding until mid-February, and Tenant shall be granted until March 1 of a given calendar year to pay January and February Rent without being deemed in default of its obligation to pay Rent.

Rent shall be paid to Landlord at the location designated on Tenant Notice attached hereto as Exhibit D, or at such place as Landlord may from time to time, hereby designate in writing to Tenant.

3.2 Taxes, Other Levies, and Operating Expenses.

A. Tenant shall pay, as Additional Rent, Tenant's Prorata Share of all real estate taxes (on an accrual basis for real estate taxes), duties, assessments, and other levies assessed against the Building in any year of the term, which for 2021 (payable in 2022) are estimated to be \$2.28 per square foot. Such Additional Rent shall be prorated to reflect the actual term of the Lease during the first and last Lease Years. Should the State of Illinois or any political subdivision thereof, or other governmental authority having jurisdiction over the Building, specifically impose a tax, assessment, charge or fee or specifically increase a then existing tax, assessment

charge or fee which Landlord shall be required to pay, either by way of substitution for such real estate taxes or impose an income or franchise tax or tax on Rents in addition to or as a substitution for a general tax levied against the Building, such taxes, assessments, charges or fees shall be deemed to constitute a real estate tax hereunder to the extent such taxes are in substitution therefore or in addition thereto. In the case of special taxes or assessments which may be payable in installments, only the amount of each installment and interest thereon paid during a calendar year shall be included in taxes for that year. In addition, Tenant shall pay to Landlord, as Additional Rent, Tenant's Prorata Share of Landlord's reasonable costs and expenses (including reasonable attorney's fees) in contesting or attempting to reduce any taxes.

B. Tenant shall pay, as Additional Rent, in every year of the Term Tenant's Prorata Share of all building and property management operating expenses and insurance which in 2022 are estimated to be \$0.60 per square foot. Expenses to be reimbursed by Tenant shall include without limitation, management fees, gardening and landscaping, fire alarm services, insurance (fire, flood, extended coverage, Rent loss, umbrella, public liability, environmental, and property damage), repairs and replacement of paving, curbs, sidewalks, landscaping, drainage, and lighting facilities, as may from time to time, be necessary, painting, caulking, lighting, sanitary control, removal of snow, trash, rubbish, garbage, and other refuse and any out-of-pocket construction management fees (that do not exceed ten percent (10%) of the cost of the respective construction work) paid by Landlord to its property management company with respect to the Building in any year of the Term.

C. It is intended that the Additional Rent described in Subparagraphs A and B above shall commence as of the Commencement Date and shall be paid as nearly as possible in equal monthly installments during the term of the Lease. Accordingly, Landlord may notify Tenant of Landlord's reasonable estimate of the amount for which Tenant will be obligated hereunder and on the first day of the month after Landlord so notifies Tenant that Additional Rent is due hereunder, Tenant shall pay Landlord a sum equal to 1/12 of such Additional Rent multiplied by the number of months which has passed during the year. Thereafter, Tenant shall pay 1/12th of such Additional Rent on the first day of each ensuing month including months in the succeeding year until a new determination has been made. Landlord will submit invoices and such backup data to Tenant as Landlord may determine to be reasonably necessary from time to time to substantiate the computation and allocation of Additional Rent.

D. For all purposes of this Lease, "Tenant's Prorata Share" shall be 27.46%.

3.3 Utilities. Tenant shall pay when due all charges for gas, electricity, light, heat, and telephone or other communication service, and all other utility services used in or supplied to the Premises. Landlord shall sub-meter the Premises for Tenant's utilities if they are not already on a separate meter, with the exception of the water and sewer meter. Tenant shall pay Landlord, as Additional Rent, Tenant's Prorata Share of water and sewer charges.

3.4 Reimbursement of Tenant Buildout Costs. After the initial 180 days of the term, if continuation of the Term is approved by City Council, Tenant shall be entitled to a rent credit of 1/10th of the cost of the Buildout commencing on the first day of the second Lease Year and continuing on the first day of each lease year so long as the Term of the lease is not terminated

and Tenant is not in default. Notwithstanding the foregoing, in no instance shall Tenant be entitled to more than the Buildout Deposit pursuant to Section 4.1.

SECTION 4. TENANT IMPROVEMENTS

4.1 Landlord's Buildout Obligation. At Tenant's sole cost and expense, up to the maximum amount of \$135,000.00 of hard and soft construction costs, Landlord shall build out the Premises to accommodate Tenant's use in conformance with the specifications attached hereto as Exhibit C (the "Buildout"). The Buildout shall include all electrical, plumbing, carpentry work, and mechanical components. The Buildout will be in full compliance with all building and construction code requirements of the City of Chicago and other applicable laws, including all local, state, and federal laws. Tenant shall be responsible for installation of its own low voltage wiring for telecommunication and all information technology infrastructure. Upon Lease execution, Tenant shall provide a 50% up-front deposit to Landlord for Buildout construction costs, and shall tender the remaining 50% upon Substantial Completion (as defined in Section 4.2) of the Buildout (collectively the "Buildout Deposit"). Landlord shall be entitled to retain the Buildout Deposit should this Lease be terminated at any time after execution to the extent such funds have been used or are owed for hard or soft costs related to the Buildout. Other than as set forth in this Section 4.1, Landlord shall deliver the Premises to Tenant in its as-is current condition. Tenant's acceptance of the Premises shall be deemed approval of the condition and waiver of claims otherwise.

4.2 Buildout Completion. Substantial Completion of the Buildout is a condition precedent to Tenant's occupancy of the Premises and shall apply only to Buildout Items #1, 2 and 3 listed in Exhibit C. Buildout Item # 4 shall be completed after the Commencement Date, if request by Tenant in writing Punch list items that do not affect Tenant's ability to operate in the Premises that have yet to be complete shall not be a bar to reaching Substantial Completion. Landlord and Tenant shall arrange for a final inspection of the Premises upon Substantial Completion of the Buildout. Upon the final inspection, Tenant shall approve the satisfactory completion of the Buildout by Landlord, such approval not to be unreasonably withheld, and Landlord shall deliver possession of the Premises to Tenant.

SECTION 5. CONDITION AND ENJOYMENT OF PREMISES, ALTERATIONS AND ADDITIONS, SURRENDER.

5.1 Condition of Premises Upon Delivery of Possession. Landlord covenants that the Premises shall, at the time of delivery of possession to Tenant:

- (a) Comply in all respects with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments, ("Law") which may be applicable to the Premises or to the use or manner of use of the Premises;
- (b) Contain no environmentally hazardous materials.

Landlord's duty under this Section of the Lease shall survive Tenant's acceptance of the Premises.

5.2 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the Rent and upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

5.3 Landlord's Duty to Maintain Premises and Right of Access. Unless otherwise provided in this Lease and subject to reimbursement for Operating Expenses as set forth herein, Landlord shall, at Landlord's expense, keep the electrical, plumbing, and building envelope (exclusive of inside surfaces) in a condition of thorough repair and good order (ordinary wear and tear and damage due to fire or other casualty excepted), free from water infiltration, and in compliance with all applicable provisions of the Municipal Code of the City of Chicago, including but not limited to those provisions in Title 13 ("Building and Construction"), Title 14 ("Electrical Equipment and Installation"), Title 15 ("Fire Prevention") and all applicable landscape ordinances, except as to damage arising from the negligence of Tenant. Landlord reserves the right to the exclusive use of the roof and exterior walls which Landlord is so obligated to repair. If Landlord shall refuse or neglect to make needed repairs within ten (10) days after mailing of written notice thereof sent by Tenant, unless such repair cannot be remedied within ten (10) days, and Landlord shall have commenced and is diligently pursuing all necessary action to remedy such repair, Tenant is authorized to make such repairs and, with respect to repairs costs that are Landlord's responsibility, to deduct the cost thereof from rents accruing under this Lease. Landlord shall have the right of access to the Premises for the purpose of inspecting and making repairs to the Premises, provided that except in the case of emergencies, Landlord shall first give notice to Tenant of its desire to enter the Premises and will schedule its entry so as to minimize any interference with Tenant's use of Premises to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors or as otherwise necessary in the operation or protection of the Premises. Should Landlord fail to uphold its maintenance obligations hereunder and such failure is not cured within thirty (30) days after written notice of such failure shall have been received by Landlord (subject to the extension set forth in the last sentence of this Section), Tenant may cure such failure within twenty (20) days after delivery of a further demand to Landlord to cure such failure, and Landlord shall reimburse Tenant the reasonable documented costs incurred by Tenant in curing such failure. Notwithstanding the foregoing, Tenant shall not have the right to cure any failure if the failure of performance is incapable of being cured through reasonable diligence within said thirty (30) days, Landlord commences the cure within such thirty (30) day period, Landlord diligently and continuously works to effect such cure to its completion, and Landlord completes the cure within an additional period of time not exceeding ninety (90) days, subject to Force Majeure.

5.4 Tenants Duty to Maintain Premises. Except as set forth as Landlord's obligation in Section 5.3 above, Tenant shall be solely responsible for and shall take good care of the Premises and the equipment and fixtures therein (including, but not limited to, replacement of parts and components of heating and air conditioning equipment and by maintaining records of semi-annual maintenance checks by a qualified technician) and shall keep the same in good working order and condition, including particularly, but not limited to, protecting water pipes, heating and air conditioning equipment, plumbing, windows, doors, frames, glass, elevators and

dock bumpers, fixtures, appliances, and sprinkler system from becoming frozen or being damaged, and shall keep the Premises clean and sightly. At the expiration of the term, Tenant shall surrender the Premises Broom Clean, in as good condition as the reasonable use thereof will permit. All damage or injury to the Premises not caused by fire or other casualty, all violations of any codes, laws or ordinances, respecting the Premises arising out of Tenant's acts or omissions, and all damage to glass, windows, walls, ceilings, flooring and doors shall be promptly repaired and corrected by Tenant. Tenant shall be responsible for maintenance of the heating, ventilation, and air conditioning (HVAC) systems after expiration of any manufacturer's or installer's warranty. Tenant may elect to have Landlord undertake any needed repairs or maintenance of the HVAC system on Tenant's behalf, with such costs being reimbursable to Landlord by Tenant.

5.5 Accessibility. Other than as related to Tenant's Permitted Use (as hereinafter defined and for which Tenant shall be responsible with compliance for), Landlord is responsible for ensuring that the Premises is delivered in compliance with all applicable Laws regarding accessibility standards for persons with disabilities or environmentally limited persons, including the following: the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., and the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, the Architectural Barriers Act Pub. L, 90-480 (1968), and the Uniform Federal Accessibility Standards; and the Illinois Environmental Barriers Act, 410 ILCS 25/L et seq, and all regulations promulgated thereunder, see Illinois Administrative Code, Title 71, Chapter 1, Section 400.110.

5.6 Use of the Premises. Tenant shall not use the Premises in a manner other than for storage of vehicles and specialty equipment on the first floor and general non-public office use on the second floor (the "Permitted Use") or that would violate any Law. Tenant further covenants not to do or suffer any waste or damage, comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Premises or to the use or manner of use of the Premises, disfigurement or injury to any building or improvement on the Premises, or to fixtures and equipment thereof.

5.6 Alterations and Additions. Tenant shall have the right to make such alterations, and improvements on the Premises as it shall deem necessary. Provided, however, that any such alterations and improvements shall be in full compliance with the applicable Law and provided that Tenant has obtained the prior written consent of Landlord. Landlord shall not unreasonably withhold consent.

SECTION 6. ASSIGNMENT, SUBLEASE, AND LIENS.

6.1 Assignment and Sublease. Tenant shall not assign this Lease in whole or in part, or sublet the Premises or any part thereof, without the written consent of Landlord. Landlord shall not unreasonably withhold consent.

6.2 Tenant's Covenant Against Liens. Tenant shall not cause or permit any lien or encumbrance, whether created by act of Tenant, operation of law or otherwise, to attach to or be

placed upon Landlord's title or interest in the Premises. Any liens or encumbrances created by Tenant shall attach to Tenant's interest only.

SECTION 7. INSURANCE AND INDEMNIFICATION.

7.1 Insurance. The Landlord shall procure and maintain at all times, at Landlord's own expense, during the term of this Lease, the insurance coverages and requirements specified below, insuring all of Landlord's operations conducted in or about the Premises related to this Lease.

The kinds and amounts of insurance required are as follows:

(a) Workers Compensation and Employers Liability Insurance. Workers Compensation and Employers Liability Insurance, in accordance with the laws of the State of Illinois, or any other applicable jurisdiction, covering all Landlord's employees at the Premises and Employer's Liability coverage with limits of not less than \$500,000 each accident or illness. This provision shall also apply to Landlord's employees, agents or clients hired for work on the Premises.

(b) Commercial Liability Insurance. (Primary and Umbrella). Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence, for bodily injury, personal injury, and property damage liability. Coverage extensions shall include the following: All premises and operations, products/completed operations, defense, separation of insureds, and contractual liability (with no limitation endorsement). The City of Chicago, its employees, elected officials, agents, and representatives are to be named as additional insureds on a primary, non contributory basis for any liability arising directly or indirectly from the Lease.

(c) Automobile Liability Insurance. (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Landlord shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence, for bodily injury and property damage.

(d) All Risk Property Insurance. All risk property insurance coverage shall be maintained by the Landlord for full replacement value to protect against loss, damage to or destruction of property.

The Landlord shall be responsible for all loss or damage to personal property (including but not limited to materials, equipment, tools and supplies), owned or rented, by the Landlord.

7.2 Other Terms of Insurance. The Landlord will furnish the City of Chicago, Department of Assets, Information & Services, Office of Real Estate Management, 2 North LaSalle Street, Suite 200, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date

occurring during the term of this Lease. The Landlord shall submit evidence on insurance prior to Lease execution. The receipt of any certificates does not constitute agreement by the Tenant that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all Lease requirements. The failure of the Tenant to obtain certificates or other insurance evidence from Landlord shall not be deemed to be a waiver by the Tenant. The Landlord shall advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance shall not relieve Landlord of its obligation to provide Insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Lease, and the Tenant retains the right to terminate the Lease until proper evidence of insurance is provided.

The insurance shall provide for 60 days prior written notice to be given to the Tenant in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by Landlord.

The Landlord agrees that insurers shall waive their rights of subrogation against the City of Chicago its employees, elected officials, agents or representatives.

The Landlord expressly understands and agrees that any coverages and limits furnished by Landlord shall in no way limit the Landlord's liabilities and responsibilities specified within the Lease documents or by law.

The Landlord expressly understands and agrees that any insurance or self-insurance programs maintained by the City of Chicago shall apply in excess of and not contribute to insurance provided by the Landlord under the lease. Tenant expressly understands and agrees that any coverages maintained by Landlord do not insure Tenant improvements in the Premises nor its interest in any of its personal property and trade fixtures located on or within the Premises, including, without limitation, its office furniture, equipment and supplies.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The City of Chicago, Office of Risk Management maintains the right to reasonably modify, delete, alter or change these requirements, as long as they do not exceed, or are more stringent, than the above requirements.

7.3 Tenant Self-Insurance. Tenant is self-insured for its liability exposure and shall remain a self-insured entity throughout the Term of this Lease. Tenant shall provide a letter of self-insurance to Landlord at the prior to the Commencement Date of this Lease. Landlord shall not be liable for any loss or damage to any merchandise, fixtures, equipment or personal property of Tenant in or about the Premises, regardless of the cause of such loss or damage and shall not be required to repair or replace such personal property in the event of a casualty loss. Unless such loss is due to Landlord's willful and wanton conduct.

7.4 Mutual Indemnification. Landlord and Tenant shall indemnify and hold each other harmless against all liabilities, judgment costs, damages, and expenses (“Losses”) which may accrue against, be charged to, or be recovered from either party by reason of any negligent performance of or failure to perform any of their obligations under this Lease; provided, however, for the first 180 days after the Commencement Date or until the ordinance authorizing the City to enter into this Lease is approved, whichever first occurs (the “Temporary Lease Period”), Tenant’s obligation to indemnify hereunder remains subject to appropriation. During the Temporary Lease Period, Tenant shall be responsible for all Losses which may accrue against, be charged to, or be recovered from Landlord by reason of Tenant’s negligent performance of or failure to perform any of its obligations under this Lease.

SECTION 8. DAMAGE OR DESTRUCTION.

8.1 Damage or Destruction. If the Premises are damaged or destroyed by fire or other casualty to such extent that Tenant cannot continue, occupy or conduct its normal business therein, or if the Premises do not meet all Municipal Building and Fire Code provisions and are therefore rendered untenable, Tenant shall have the option to declare this Lease terminated as of the date of such damage or destruction by giving Landlord written notice to such effect. If Tenant exercises this option, the rent shall be apportioned as of the date of such damage or destruction and Landlord shall forthwith repay to Tenant all prepaid rent.

SECTION 9. INTENTIONALLY OMITTED.

SECTION 10. HOLDING OVER.

10.1 Holding Over. If Tenant retains possession of the Premises or any part thereof after the termination of the Term by lapse of time or otherwise, Tenant shall pay Landlord Rent at one hundred five percent (105%) of the Rent due for the month immediately prior thereto as specified in Section 3.1 for each month (or any part of a month in which event Rent shall be prorated) Tenant thus remains in possession (“Holdover Rent”), and in addition thereto, if the period of holding over exceeds sixty (60) days, shall pay Landlord actual damages reasonably incurred by reason of Tenant’s retention of possession. In addition to actual damages reasonably incurred by reason of Tenant’s retention of possession, if the period of holding over exceeds ninety (90) days, the Holdover Rent shall increase to one hundred twenty-five percent (125%) of the Rent due for the month immediately prior to the holding over. Such holding over shall constitute a month-to month tenancy for the first ninety (90) days and thereafter a tenancy at sufferance, in any case at the Holdover Rent stated hereinabove and in accordance with all the other terms and conditions (with the exception of those stated in this Section 10) as stated in this Lease. The provisions of this section shall not operate as a waiver of Landlord’s rights of reentry or any other right hereunder

SECTION 11. ADDITIONAL RESPONSIBILITIES.

11.1 Roof. Landlord shall at all times maintain the roof in a watertight condition so as to prevent water infiltration into the Premises.

11.2 Water Service. Landlord shall ensure there is water service to the Premises and shall provide a hot water heater for supplying hot water to the Premises.

11.3 Plumbing. Landlord shall maintain plumbing to the Building and Tenant shall maintain plumbing within the Premises in good operable condition, excluding damage caused by acts of vandalism or negligence attributable to Tenant, Tenant's agents or Tenant's clients. Tenant may elect, at the Tenant's expense, to have Landlord provide plumbing maintenance within the Premises.

11.4 Fire Extinguishers. Landlord shall provide upon the Commencement Date and Tenant shall maintain after the Commencement Date fire extinguishers in the Premises at all times as required by code. Provided, however, that Landlord shall not be responsible for replacement of fire extinguishers that are vandalized or stolen from the Premises. Tenant may elect, at the Tenant's expense, to have Landlord maintain and or replace fire extinguishers in the Premises.

11.5 Engineering Service. Landlord shall use commercially reasonable efforts to procure, at Tenant's expense, engineering service for maintenance of the Premises (which may be done through third party vendors, including all structural, mechanical, plumbing, and electrical components (excluding low voltage which shall be Tenant's responsibility), including providing periodic preventative maintenance, unless otherwise specified in this Lease as Tenant's responsibility. Upon Tenant's written request to Landlord for such service, Landlord will use commercially reasonable efforts to get a quote for such service and deliver the same to Tenant. Should Tenant accept the quote, Tenant shall pay the cost thereof directly to the vendor performing the work or to Landlord (at Landlord's election) and shall remain liable for any amounts related thereto. Engineering service as used herein shall not be construed to mean cleaning, washing, or sweeping of any kind, or moving of furniture or replacing of light bulbs, etc., but shall refer strictly to service for the maintenance of the physical plant.

11.6 Pest Control Service. Subject to reimbursement for Operating Expenses as set forth herein, Landlord shall provide and pay for pest control service for the Property when necessary. Provided, however, that Tenant shall assume this responsibility for Tenant's Premises or in the event that pest control services are necessitated by Tenant's custodial negligence.

11.7 Snow Removal. Subject to reimbursement for Operating Expenses as set forth herein Landlord shall provide prompt removal of snow and ice from sidewalk which immediately abut demised Premises.

11.8 Economic Disclosure Statement Updates. Upon the City's request throughout the Term, Tenant shall provide the City with any material updates to the information previously submitted in Tenant's Economic Disclosure Statement.

11.9 Compliance with City Requirements. Landlord covenants and agrees to abide by, and contractually obligate and cause its contractors to abide by, the terms set forth in Exhibit A attached hereto.

SECTION 12. ADDITIONAL RESPONSIBILITIES OF TENANT.

12.1 Plate Glass. Tenant shall replace any broken or damaged plate glass during Term which is not caused by acts or negligence of Landlord.

12.2 Custodial Services. Tenant shall Provide and pay for nightly custodial services which shall be construed as cleaning, washing, emptying wastepaper baskets, replacement of light bulbs, or sweeping.

12.3 Signage. At Tenant's option, Tenant may choose to place graphic lettering at Tenant's entrances. The placement and maintenance of such graphic lettering shall be at Tenant's sole expense. Any such signage shall be subject to approval by Landlord which shall not be unreasonably withheld.

12.4 Security Service. Tenant may elect to pay for monthly alarm service, at Tenant's sole discretion.

12.5 Repairs for Tenant Negligence, Vandalism, or Misuse. Subject to approval as set forth herein, Tenant shall assume all responsibility for any repairs or replacements to the Premises necessitated by the negligence, vandalism, or misuse of the Premises or equipment therein by Tenant's employees, agents, representatives, clients, invitees, agents, or contractors (collectively, "Tenant Parties"). In such case, Landlord shall notify Tenant in writing of such damage. At Tenant's option, Tenant may perform such repairs with service providers suitable to Tenant and at Tenant's sole cost without further setoff or deduction. In the alternative, Tenant may direct Landlord in writing to perform said repairs subject to full reimbursement to Landlord by Tenant of all costs associated with such repairs excluding any overhead and/or profit. Any repairs to the Premises effectuated by Landlord under this section shall only be performed by Landlord upon written approval from the Department of Assets, Information & Services.

12.6 Illegal Activity. Tenant, or any of its agents or employees, shall not perform or permit any practice that is injurious to the Premises or unreasonably disturbs other Tenants, is illegal, or increases the rate of insurance on the Premises.

12.7 Hazardous Materials. Tenant shall keep out of Premises materials which cause a fire hazard or safety hazard and Tenant shall comply with reasonable requirements of Landlord's fire insurance carrier; not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances.

12.8 Rules and Regulations. Tenant agrees to observe and comply with any reasonable rules and regulations (the "Rules and Regulations") applicable to all tenants and occupants of

Landlord's and such other reasonable rules and regulations as Landlord shall make and adopt by Landlord from time to time. Landlord shall uniformly apply such rules and regulations and shall not discriminate against Tenant in the enforcement of any such Rules and Regulations.

SECTION 13. DEFAULT AND REMEDIES.

In the event: (a) Tenant fails to pay any Rent (whether Base Rent or Additional Rent or any other sum due hereunder) within thirty (30)) days of the date when due; (b) Tenant fails to comply with any other term, provision, condition or covenant of this Lease for thirty (30) days after notice thereof specifying the items in default; (c) Tenant abandons or vacates the Premises; (d) any petition is filed by or against Tenant under any section or chapter of the Federal Bankruptcy Code as amended, or under any similar law or statute of the United States or any state thereof; (e) Tenant becomes insolvent or makes a transfer in fraud of creditors; (f) Tenant makes any assignment for benefit of creditors; or (g) a receiver is appointed for Tenant or any of the assets of Tenant, then in any of such events Tenant shall be in default and, Landlord shall have the option to do any one or more of the following in addition to and not in limitation of any other remedy permitted by law; to enter upon the Premises or any part thereof either with or without the process of law, and to expel, remove and put out Tenant or any other persons who might be thereon, together with all personal property found therein; and, Landlord may terminate this Lease or it may, without terminating this Lease, terminate Tenant's right to possession and relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to repair, renovate, remodel, redecorate, alter and change the Premises. At the option of Landlord, Rents received by Landlord from such reletting shall be applied first to the payment of any indebtedness from Tenant to Landlord other than Rent due hereunder; second, to payment of any costs and expenses of such reletting including, but not limited to, attorney's fees, advertising fees and brokerage fees, alterations and changes in the Premises; third, to the payment of Rent due and payable hereunder and interest thereon, and if after applying said rentals there is any deficiency in the Rent and interest to be paid by Tenant under this Lease, Tenant shall pay any such deficiency to Landlord and such deficiency shall be calculated and collected by Landlord monthly. No such re entry or taking possession of said Premises shall be construed as an election of Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach and default.

Should Landlord at any time terminate this Lease as a result of any default of Tenant hereunder, in addition to any other remedy Landlord may have, Landlord may recover from Tenant a sum, which at the time of such termination of this Lease, represents the then present value of the aggregate amount of Base Rent and all Additional Rent under Article 4 which would have been payable by Tenant (conclusively presuming the average monthly Additional Rent under Article 4 to be the same as if it were payable for the year, or if less than 365 days have lapsed since the commencement of this Lease, the partial year, immediately preceding such termination) for the period commencing with such termination of this Lease and ending with the date contemplated as the expiration date hereof, as if this Lease had not so terminated. Landlord shall have the right

to seek redress in the courts at any time to correct or remedy any default of Tenant by injunction or otherwise, without such action constituting or being deemed a termination of this Lease, and Landlord, whether this Lease has been or is terminated or not, shall have the absolute right by court action or otherwise to collect any and all amounts of unpaid Rent or any other sums due from Tenant to Landlord under this Lease which were or are unpaid at the date of termination. In case it should be necessary for Landlord to bring any action under this Lease, to consult with an attorney concerning or for the enforcement of any Landlord's rights hereunder, the Tenant agrees in each and every such case to pay to Landlord reasonable attorney's fees.

The rights and remedies of the Landlord under this Lease, as well as those provided or accorded by law, shall be cumulative, and none shall be exclusive of any other rights or remedies hereunder allowed by law. A waiver by Landlord of any breach or breaches, default or defaults of Tenant hereunder shall not be deemed or construed to be a continuing waiver of such breach or default nor a waiver of or permission, for any subsequent breach or default, and it is agreed that the acceptance by Landlord of any installment of Rent subsequent to the date the same should have been paid hereunder, shall in no manner alter or affect the covenant and obligation of Tenant to pay subsequent installments of Rent promptly upon the due date thereof. No receipt of money by Landlord after the termination in any way of this Lease shall reinstate, continue or extend the term.

In the event of any default by Landlord, Tenant (except in the event of emergencies) will give Landlord written notice specifying such default with particularity, and Landlord (except in the event of emergencies) shall have thirty (30) days thereafter in which to cure such default (or such additional time as is reasonably required to correct any such default). If the default is not cured within thirty (30) days after Landlord receives the written notice (or such longer period permitted herein), then Tenant at its election may cure such default and any reasonably necessary sums expended by Tenant in curing such default shall be paid by Landlord to Tenant within thirty (30) days of written demand delivered to Landlord supported by reasonable documentation, and shall bear interest at twelve percent (12%) per annum, not to exceed the maximum rate allowed by law, and if not paid within such period, elect to bring suit to recover from Landlord the sums due from Landlord to Tenant.

SECTION 14. MISCELLANEOUS.

14.1 Notice. All notices, demands and requests which may be or are required to be given demanded or requested by either party to the other shall be in writing. All notices, demands and requests by Landlord to Tenant shall be delivered by national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid addressed to Tenant as follows:

City of Chicago
Department of Assets, Information & Services
Office of Real Estate Management

2 North LaSalle - Suite 200
Chicago, Illinois 60602

With Copy to:

City of Chicago
Department of Law
Real Estate & Land Use Division
121 N. LaSalle Street, Suite 600
Chicago, Illinois 60602

or at such other place as Tenant may from time to time designate by written notice to Landlord and to Tenant at the Premises. All notices, demands, and requests by Tenant to Landlord shall be delivered by a national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to Landlord as follows:

Welbic IV Chicago 2701 LLC
c/o DarwinPW Realty
970 N. Oaklawn Avenue, Suite 100
Elmhurst, Illinois 60126

or at such other place as Landlord may from time to time designate by written notice to Tenant. Any notice, demand or request which shall be served upon Landlord by Tenant, or upon Tenant by Landlord, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder three (3) business days after the time such notice, demand or request shall be mailed.

14.2 Partial Invalidity. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law.

14.3 Governing Law. This Lease shall be construed and be enforceable in accordance with the laws of the State of Illinois.

14.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Lease. This Lease contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

14.5 Captions and Section Numbers. The captions and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Lease nor in any way affect this Lease.

14.6 Binding Effect of Lease. The covenants, agreements, and obligations contained in this Lease shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

14.7 Time is of the Essence. Time is of the essence of this Lease and of each and every provision hereof.

14.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

14.9 Authorization to Execute Lease. The parties executing this Lease hereby represent and warrant that they are the duly authorized and acting representatives of Landlord and Tenant respectively and that by their execution of this Lease, it became the binding obligation of Landlord and Tenant respectively, subject to no contingencies or conditions except as specifically provided herein.

14.10 Force Majeure. When a period of time is provided in this Lease for either party to do or perform any act or thing (except for the payment of rent), the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the party is so delayed. In no event shall Tenant be allowed any Force Majeure delays or extensions under this Section 14.10 with respect to any obligation to pay Rent or any other monies as and when due under this Lease.

14.11 Condemnation. If the whole or any substantial part of the Premises are taken or condemned by any competent authority for any public use or purpose, or if any adjacent property or street shall be so condemned or improved in such a manner as to require the use of any part of the Premises, the term of this Lease shall, at the option of Landlord or the condemning authority, be terminated upon, and not before, the date when possession of the part so taken shall be required for such use or purpose, and Landlord shall be entitled to receive the entire award without apportionment with Tenant. Rent shall be apportioned as of the date of Tenant's vacating as the result of said termination.

14.12 No Brokers. The Department of Assets, Information & Services did not engage any real estate brokers, tenant representatives, or other finders. Tenant warrants to Landlord that no broker, tenant representative, or other finder (a) introduced Tenant to Landlord, (b) assisted Tenant in the negotiation of this Lease, or (c) dealt with Tenant on Tenant's behalf in connection with the Premises or this Lease, except for DarwinPW Realty, as Landlord's broker, and Tenant covenants to pay, hold harmless and (following the Temporary Lease Period) indemnify Landlord from and against any and all costs, expense or liability for any compensation, commissions or charges claimed by any other broker or agent with respect to this Lease arising out of any acts of Tenant and during the Temporary Lease Period, Tenant shall responsible for all costs, expense and liability for any compensation, commissions or charges claimed by any

other broker or agent with respect to this Lease arising out of any acts of Tenant. Under no circumstances shall Tenant make any payments due hereunder to any broker(s). Tenant has been advised of and hereby acknowledges that the principals and/or affiliates of Landlord are also the principals and/or affiliates of DarwinPW Realty, the broker for Landlord. Landlord has made this disclosure to comply with Section 10-27 of the Illinois Real Estate License Act.

14.13 Amendments. From time to time, the parties hereto may amend this Lease with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of said Lease Agreement, including but not limited to expansion or contraction of Tenant's Premises. Provided, however, that such Amendment(s) shall not serve to extend the Lease term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such Amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both Landlord and Tenant. Such Amendment(s) shall only take effect upon execution by both parties. Upon execution, such Amendment(s) shall become a part of this Lease and all other provisions of this Lease shall otherwise remain in full force and effect.

14.14 Bankruptcy: Neither this Lease nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the term of this Lease or any renewal thereof.

14.15 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

14.16 Subordination. This Lease shall also be subject and subordinate to any existing or future mortgage or deed of trust placed upon the Premises or the Building. Tenant hereby agrees to execute from time to time any and all instruments in writing which may be requested by Landlord to subordinate Tenant's rights under this Lease to the lien of any such mortgage or deed of trust.

14.17 Estoppel Certificate. Tenant agrees at any time and from time to time, upon not less than ten (10) days prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified, and stating the modifications), (ii) the date to which the rental and other charges have been paid in advance, if any, (iii) that Landlord is not in default under any term of this Lease (or if any default exists, Tenant will specify), and (iv) that Tenant is in possession of the Premises and containing such other information or agreements as may be requested, it being intended that any such statement delivered pursuant to this Section, may be relied upon by any prospective purchaser of the fee, or mortgagee or assignee of any mortgage upon the fee, of the Premises.

14.18 Adjustment. Should any common area located within the Premises need to be reconfigured as a result of orders, regulations, directions, rules, laws, ordinances or requirements of any and all Governmental authorities, including but not limited to safety accessibility issues

and life safety requirements, then the square footage and pro-rata share of the Premises as stated herein may be altered by Landlord to reflect such reconfiguration(s) accordingly. Should Landlord be notified by such authorities of any required reconfiguration(s), then Landlord shall be obligated to notify Tenant of such adjustment(s).

14.19 No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Base Rent herein stipulated and Additional Rent shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

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IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LANDLORD:

**WELBIC IV CHICAGO 2701 LLC
a Delaware limited liability company**

By: _____

Name: _____

Its: _____

TENANT:

CITY OF CHICAGO, an Illinois Municipal Corporation
**BY: THE DEPARTMENT OF ASSETS, INFORMATION &
SERVICES**

By: Sandra Blakemore

Commissioner

**APPROVED: OFFICE OF PUBLIC SAFETY
ADMINISTRATION**

By: _____
Executive Director

APPROVED AS TO FORM AND LEGALITY:
BY: THE DEPARTMENT OF LAW

By: _____
Assistant Corporation Counsel

EXHIBIT A

CITY REQUIREMENTS

1. **Conflict of Interest and Governmental Ethics.**

(a) **Conflict of Interest.** No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as defined in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises; nor shall any such official, employee, or member participate in making or in any way attempt to use his or her position to influence any City governmental decision or action with respect to this Lease.

(b) **Duty to Comply with Governmental Ethics Ordinance.** The City and Landlord shall comply with Chapter 2-156 of the Municipal Code, "Governmental Ethics," including but not limited to section 2-156-120, which states that no payment, gratuity, or offer of employment shall be made in connection with any City of Chicago contract as an inducement for the award of that contract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

2. **Business Relationships.** Landlord acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (b) that it has read such provision and understands that pursuant to such Section 2-156-030 (b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as described in Section 2-156-080 of the Municipal Code), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) notwithstanding anything to the contrary contained in this Lease, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Lease shall be grounds for termination of this Lease and the transactions contemplated hereby. Landlord hereby represents and warrants that no violation of Section 2-145-030 (b) has occurred with respect to this Lease or the transactions contemplated hereby.

3. **Patriot Act Certification.** Landlord represents and warrants that neither Landlord nor any Affiliate (as hereafter defined) thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. As used in this Section, an "Affiliate" shall be deemed to be a person

or entity related to Landlord that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Landlord, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

4. Prohibition on Certain Contributions-Mayoral Executive Order No. 2011-4. Landlord agrees that Landlord, any person or entity who directly or indirectly has an ownership or beneficial interest in Landlord of more than 7.5 percent (“Owners”), spouses and domestic partners of such Owners, Landlord’s contractors (i.e., any person or entity in direct contractual privity with Landlord regarding the subject matter of this Lease) (“Contractors”), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent (“Sub-owners”) and spouses and domestic partners of such Sub-owners (Landlord and all the other preceding classes of persons and entities are together the “Identified Parties”), shall not make a contribution of any amount to the Mayor of the City of Chicago (the “Mayor”) or to the Mayor’s political fundraising committee (a) after execution of this Lease by Landlord, (b) while this Lease or any Other Contract (as hereinafter defined) is executory, (c) during the Term of this Lease or any Other Contract, or (d) during any period while an extension of this Lease or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

Landlord represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached Landlord, or the date Landlord approached the City, as applicable, regarding the formulation of this Lease, no Identified Parties have made a contribution of any amount to the Mayor or to the Mayor’s political fundraising committee.

Landlord agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor’s political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor’s political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to the Mayor’s political fundraising committee.

Landlord agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Notwithstanding anything to the contrary contained herein, Landlord agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Lease or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Lease, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Lease, and under any Other Contract, at law and in equity.

This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Landlord intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the execution of this Lease, the City may elect to decline to execute this Lease.

For purposes of this provision:

(a) “Bundle” means to collect contributions from more than one source, which contributions are then delivered by one person to the Mayor or to his political fundraising committee.

(b) “Other Contract” means any other agreement with the City to which Landlord is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

(c) “Contribution” means a “political contribution” as defined in Chapter 2-156 of the Municipal Code, as amended.

(d) Individuals are “domestic partners” if they satisfy the following criteria:

- (i) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (ii) neither party is married; and
- (iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (v) two of the following four conditions exist for the partners:
 - (1) The partners have been residing together for at least 12 months.
 - (2) The partners have common or joint ownership of a residence.
 - (3) The partners have at least two of the following arrangements:
 - (A) joint ownership of a motor vehicle;
 - (B) joint credit account;

- (C) a joint checking account;
- (D) a lease for a residence identifying both domestic partners as tenants.

(4) Each partner identifies the other partner as a primary beneficiary in a will.

(e) “Political fundraising committee” means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code, as amended.

5. Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code, Landlord warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the “Waste Sections”). During the period while this Lease is executory, Landlord’s, any general contractor’s or any subcontractor’s violation of the Waste Sections, whether or not relating to the performance of this Lease, constitutes a breach of and an event of default under this Lease, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Chief Procurement Officer. Such breach and default entitles the City to all remedies under the Lease, at law or in equity. This section does not limit Landlord’s, general contractor’s and its subcontractors’ duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Lease. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Lease, and may further affect Landlord’s eligibility for future contract awards.

6. Failure to Maintain Eligibility to Do Business with the City. Failure by Landlord or any controlling person (as defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of this Lease and the transactions contemplated thereby. Landlord shall at all times comply with Section 2-154-020 of the Municipal Code.

7. Cooperation with Office of Inspector General. It is the duty of Landlord and any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such grantee, subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Landlord represents and warrants that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that Landlord will inform its Contractors and Subcontractors of this provision and require their compliance.

8. 2014 Hiring Plan Prohibitions.

(a) The City is subject to the June 16, 2014 “City of Chicago Hiring Plan”, as amended (the “2014 City Hiring Plan”) entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United States District Court for the Northern

District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(b) Landlord is aware that City policy prohibits City employees from directing any individual to apply for a position with Landlord, either as an employee or as a subcontractor, and from directing Landlord to hire any individual as an employee or as a subcontractor. Accordingly, Landlord must follow its own hiring and contracting procedures, without being influenced by the City or City employees. Any and all personnel provided by Landlord under this Lease are employees or subcontractors of Landlord, not employees of the City. This Lease is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Landlord.

(c) Landlord will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Lease, or offer employment to any individual to provide services under this Lease, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Lease, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to Landlord by a City employee or City official in violation of paragraph (ii) above, or advocating a violation of paragraph (iii) above, Landlord will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("OIG Hiring Oversight"), and also to the head of the relevant City department utilizing services provided under this Lease. Landlord will also cooperate with any inquiries by OIG Hiring Oversight.

EXHIBIT B
PREMISES

23.15 W. 27th Street, Chicago, Illinois (highlighted in yellow)

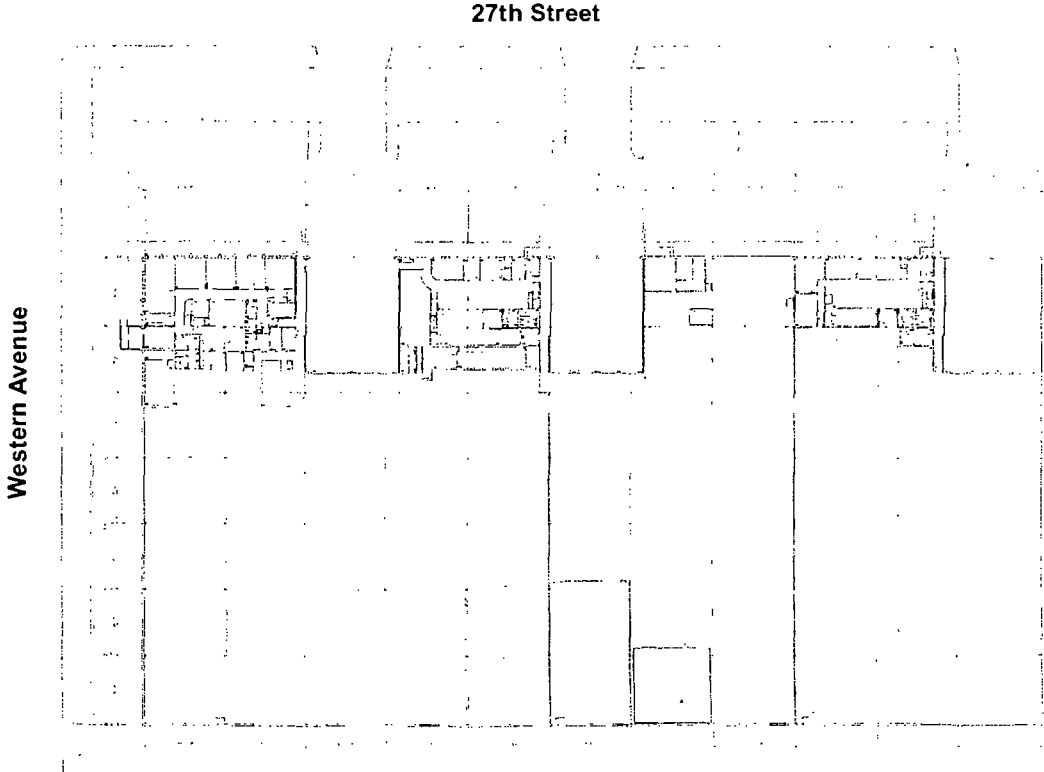
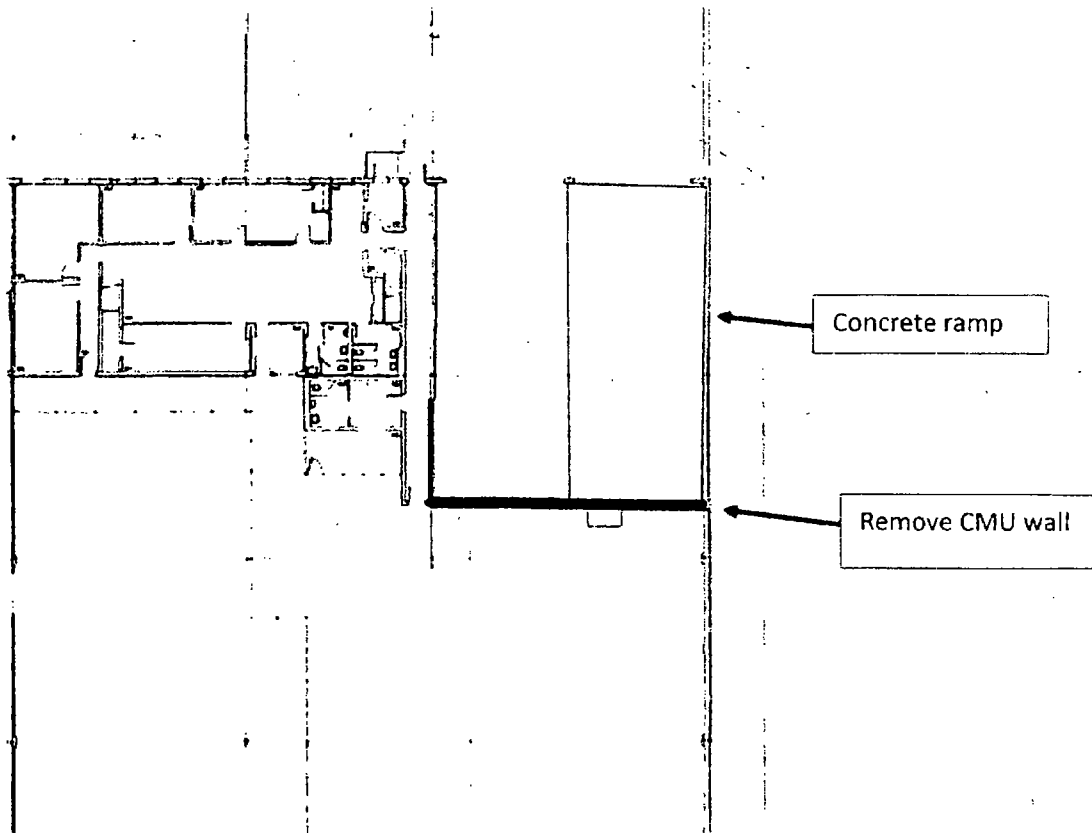
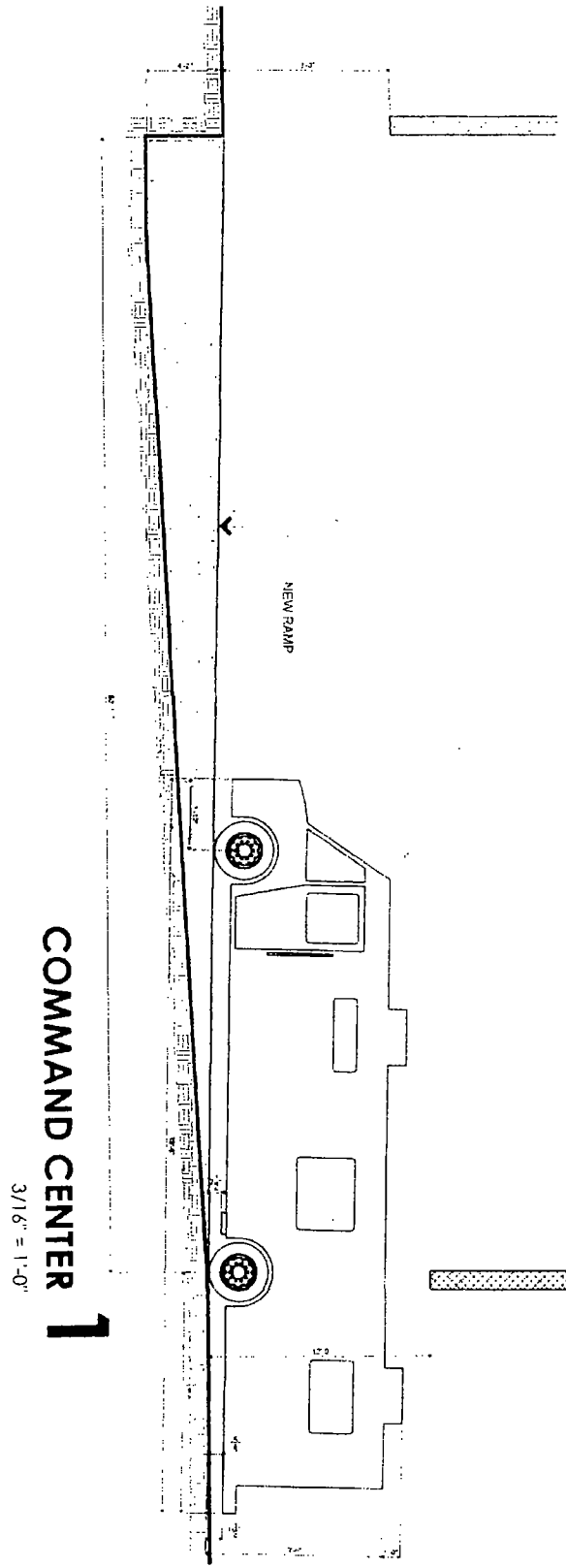
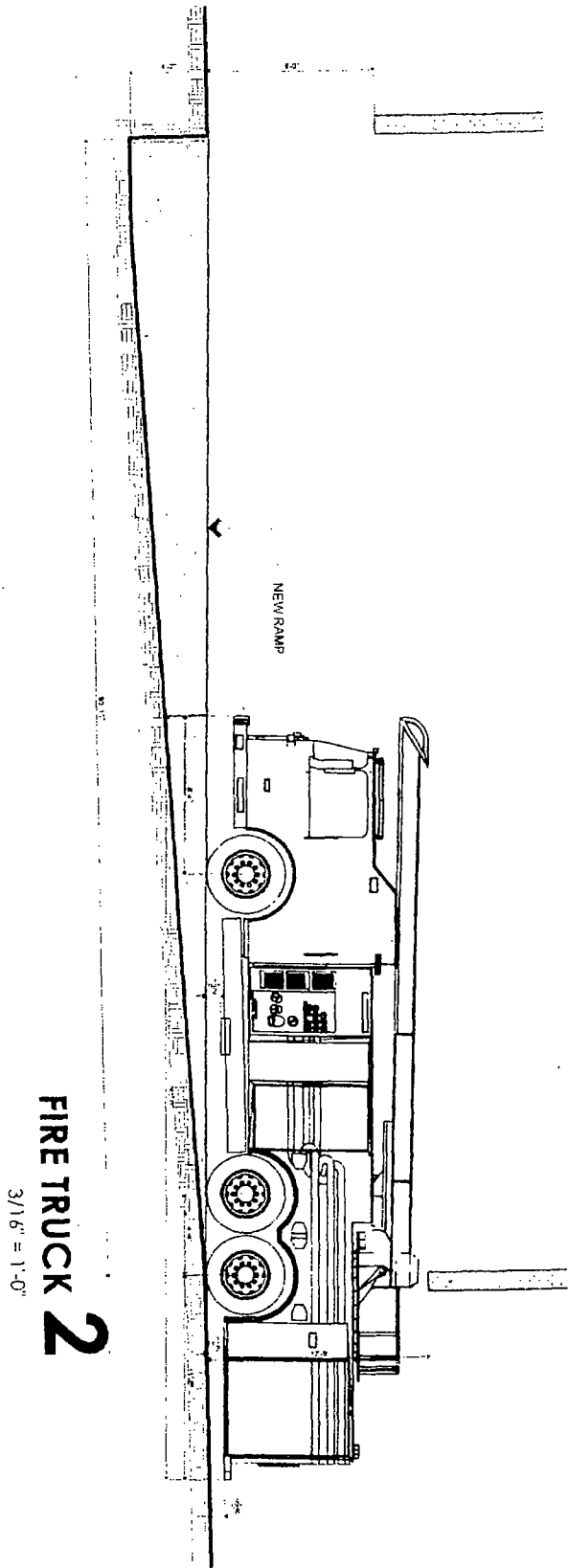


EXHIBIT C
BUILDOUT

1. Install a new concrete ramp within the two east interior docks (see below sketch). The new ramp will have a 12" safety curb with guard rail adjacent to the remaining two west interior docks. The new ramp will accommodate access to the warehouse floor for the emergency vehicles as depicted in the attached three drawings.
2. Remove the interior CMU dock wall for easier access.
3. Install a silcock in the remaining interior dock.
4. Install a shower within the existing bathroom. This item is optional and only at the requested by Tenant in writing delivered to Landlord and signed by the Commissioner of Assets, Information and Services.







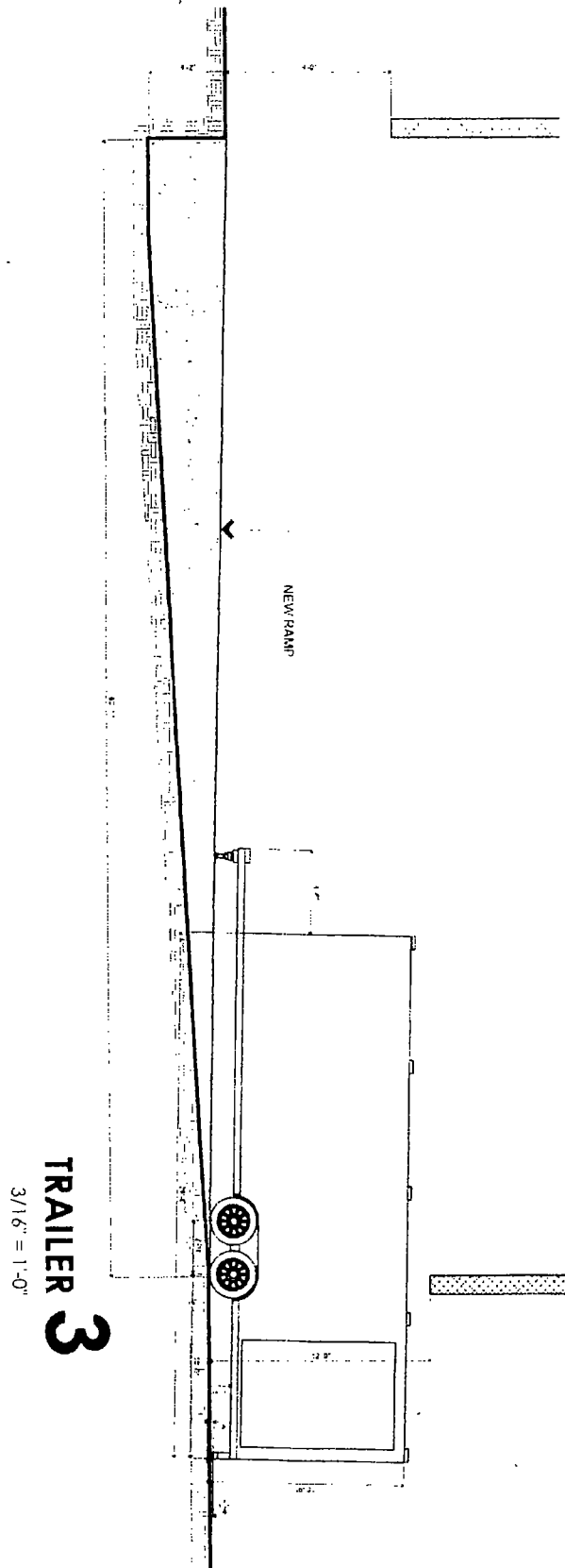


EXHIBIT D
TENANT NOTICE

Your undersigned Landlord under the Lease hereby unconditionally and irrevocably authorizes, directs and instructs you, effective immediately, to send all payments of rent due under the Lease (including without limitation base rent, any amounts due for operating expenses and real estate taxes, and, if applicable, rent due as a percentage of sales receipts) and all other sums payable by you under the Lease directly to the following address:

<u>REGULAR MAIL TO LOCKBOX</u>	<u>OVERNIGHT DELIVERY TO LOCKBOX</u>
Welbic IV LLC PO Box 850570 Minneapolis, MN 55485-0571	Lockbox Services #0310570 Welbic IV LLC 1801 Parkview Dr. 1 st Floor Shoreview, MN 55126

OR ELECTRONIC PAYMENT AS FOLLOWS:

Wells Fargo Bank, N.A.
San Francisco, California
ABA #: 121000248
Account #: 4127555928
Account Name: Welbic IV LLC
FBO Wells Fargo Bank, N.A.
Loan #: 31-0932458

Please note that all payments should be made payable to:

Welbic IV Chicago 2701 LLC

Remit all payments as detailed above.

You are to continue making all payments due under the Lease as directed in this letter until you receive written instructions to do otherwise from Wells Fargo Bank, National Association (together with its successors and assigns, "Lender").

These payment instructions are provided to you pursuant to a deposit account arrangement between your Landlord and Lender. Please note that Lender is neither a mortgagee-in-possession nor a receiver of rents, and Lender has not assumed any obligations of your Landlord under the Lease. Therefore, you should continue to send all communications regarding the Lease or Landlord issues in the manner specified in your Lease and not to Lender. Lender has no obligation with respect to any such notice, and notice to Lender will not be deemed effective notice to your Landlord under the Lease.