



# City of Chicago



O2020-3956

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 7/22/2020

**Sponsor(s):** Lightfoot (Mayor)

**Type:** Ordinance

**Title:** Lease agreement with Pilsen-Little Village Community Mental Health Center, Inc. d.b.a. Pilsen Wellness Center, Inc. for use of City-owned property at 2938 E 89th St for community health clinic

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



OFFICE OF THE MAYOR  
CITY OF CHICAGO

LORI E. LIGHTFOOT  
MAYOR

July 22, 2020

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 ordinances authorizing the execution of lease agreements.

Your favorable consideration of these ordinances 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 Landlord, the Commissioner of the Department of Assets, Information & Services is authorized to execute a Lease Agreement with Pilsen-Little Village Community Mental Health Center, Inc. d/b/a Pilsen Wellness Center, Inc., as Tenant, for use of property located at 2938 East 89th Street; such Lease Agreement to be approved as to form and legality by the Corporation Counsel in substantially the following form:

**LEASE**

**THIS LEASE** (the "**Lease**") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 (the "**Commencement Date**") by and between, the **CITY OF CHICAGO**, an Illinois municipal corporation and home rule unit of government, acting by and through its Department of Assets, Information & Services ("**Department**"), and having its principal offices at 121 N. LaSalle Street, Chicago, IL 60602, ("**City**") and **PILSEN-LITTLE VILLAGE COMMUNITY MENTAL HEALTH CENTER INC. D/B/A PILSEN WELLNESS CENTER, INC.**, an Illinois nonprofit corporation ("**Tenant**"), having offices located at 2319 South Damen Avenue, Chicago, Illinois 60608..

**RECITALS**

**WHEREAS**, the City is the owner of the real property located at 2938 East 89<sup>th</sup> Street, Chicago, Cook County, Illinois, 60617, consisting of approximately 14,452 square feet, as legally described on **Exhibit A** attached hereto (the "**Property**"); and

**WHEREAS**, the Property is improved with a vacant, 2-story building with basement, comprised of approximately 18,112 square feet (the "**Building**," and together with the Property, the "**Premises**"); and

**WHEREAS**, the Building was constructed in approximately 1900 for use as a police station and was most recently occupied by the City's South Chicago Health Center; and

**WHEREAS**, the Building has been vacant since approximately 2015 and has no present municipal use; and

**WHEREAS**, the Tenant is a provider of community based health and support services, with a focus on mental health, that is seeking to establish a community clinic in the South Chicago community area and has approached the City to propose the use of the Premises for its new clinic; and

**WHEREAS**, the City has agreed to lease to Tenant, and Tenant has agreed to lease from the City, the Premises to be used as Tenant's community clinic and for associated community services (the "**Permitted Use**"), 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. INCORPORATION OF RECITALS.** The recitals set forth above constitute an integral part of this Lease and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

**SECTION 2. LEASE OF PREMISES.** The City hereby leases to Tenant, and Tenant hereby leases from the City, the Premises, upon the terms and conditions hereinafter provided.

This Lease is subject to all easements, encroachments, covenants and restrictions of record and not shown of record and such other title defects as may exist on the Commencement Date. Any rights not specifically granted to Tenant by and through this Lease are reserved exclusively to the City.

**SECTION 3. TERM.**

3.1 Term. The term of this Lease (“**Term**”) shall commence on the Commencement Date, and shall end on December 31, 2026, unless sooner terminated as set forth in this Lease.

3.2 Early Termination. Either the City or the Tenant may terminate this Lease for any reason without penalty by providing the other with prior written notice of at least thirty (30) days at any time after the Commencement Date.

**SECTION 4. RENT, TAXES, UTILITIES, NET LEASE.**

4.1 Rent. The consideration for this Lease is: (a) base rent in the amount of One Dollar (\$1.00) for the Term; (b) Tenant’s promise to remediate the Property in accordance with Section 5.2; (c) Tenant’s promise to use, operate and maintain the Premises at no expense to the City for the Permitted Use; and (d) Tenant’s promise to abide by and fully comply with the other provisions and conditions of this Lease. The term “**Rent**” as used herein means the base rent of \$1.00 plus all other payments due under this Lease of any kind or nature.

4.2 Utilities. Tenant shall be responsible for supplying and paying for all utility services to the Premises. Tenant shall pay when due all charges for gas, electricity, light, heat, water, sewer, power, telephone or other communication service, and all other utility services used in, or supplied to, the Premises, and shall contract for the same in its own name. City shall have no responsibility for providing or paying for any utilities supplied to the Premises, and shall not be liable for any interruption or failure in the supply of any such utility services. The City makes no representations or warranties with respect to the capacity of the current utility facilities for Tenant’s intended use of the Premises. Tenant will also procure, or cause to be procured, without cost to the City, any and all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance upon the Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying any such service to and upon the Premises. The provisions of this Section 4.2 shall survive the expiration or earlier termination of this Lease

4.3 Taxes and Other Levies. Tenant acknowledges that the Premises are exempt from property taxes. Tenant shall pay when due any leasehold, real estate and other property taxes assessed or levied on the Premises where attributable to Tenant’s use of the Premises. Tenant shall notify the appropriate taxing body that Tenant is occupying the Premises. The appropriate taxing body shall determine the appropriate taxes, if any, that are to be assessed on the Premises as a result of Tenant’s occupancy. Tenant shall thereafter contact the appropriate taxing body to ascertain the tax amount, if any, assessed on the Premises. Tenant shall pay such amounts and Tenant shall provide City with proof of such payment within ten (10) days of such payment. Tenant further acknowledges that real estate taxes are one (1) year in arrears in Cook County and

that as a result Tenant shall be responsible for satisfaction of leasehold, real estate and other property taxes assessed or levied on the Premises on account of Tenant's use for at least one year after Tenant vacates the Premises. Tenant's failure to pay any such taxes shall constitute an Event of Default under this Lease. Notwithstanding the foregoing, nothing herein shall preclude Tenant from contesting any charge or tax levied against the Premises. The failure of Tenant to pay such taxes during the pendency of the contest shall not constitute a default under this Lease. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Lease.

4.4 Net Lease. This is a completely net lease. Except as may be otherwise specifically provided in this Lease to the contrary, Tenant shall pay any and all costs and expenses of any kind relating to the Premises or arising from Tenant's use or operation of the Premises.

## **SECTION 5. CONDITION OF PREMISES.**

5.1 Satisfaction with Condition. Tenant acknowledges that it is fully familiar with the condition of the Premises and has, prior to the Commencement Date, made such inspections as it desires of the Premises and all factors relevant to its use. Tenant accepts the risk that any inspection may not disclose all material matters affecting the Premises. Tenant agrees to accept the Premises in their "as is," "where is" and "with all faults" condition on the Commencement Date without any covenant, representation or warranty, express or implied, of any kind, as to any matters concerning the Premises, including, without limitation: (a) the structural, physical or environmental condition of the Premises; (b) the suitability of the Premises for any purpose whatsoever; (c) the state of repair of the Premises or the condition of soil, groundwater, or any other physical characteristic of the Premises; and (d) compliance of the Premises with any applicable Laws, including, without limitation, zoning and building codes and Environmental Laws. Tenant acknowledges that it is relying solely upon its own inspection and due diligence activities and not upon any information provided by or on behalf of the City or its agents or employees with respect thereto. The City is not responsible for any patent or latent defects and has no obligation to perform any alterations, repairs or improvements to the Premises. Tenant agrees that it is Tenant's sole responsibility and obligation to perform any remedial activities and take such other action as is necessary to put the Premises in a condition suitable for its intended use. Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were suitable for Tenant's intended purposes as of the date thereof.

5.2 Tenant's Environmental Remediation Obligations. Tenant shall be responsible, at its own cost and expense, for environmental remediation of the Premises in conformance with the environmental requirements attached hereto as **Exhibit B**. Upon completion of remediation and Tenant's notice to City thereof, the Department, through its Bureau of Environmental Health and Safety ("**EHS**") shall certify whether the remediation has been completed in accordance with the City's environmental requirements prior to Tenant's occupancy of the Premises. EHS shall notify Tenant if remediation does not meet the City's environmental requirements and shall specify what actions should be taken to be in conformance.

5.3 Preparation of Premises for Permitted Use. Tenant shall be responsible, at its own cost and expense, for any Alterations (as defined in Section 8) that are needed to bring the Premises to a condition that is suitable for the Permitted Use. Tenant shall obtain the City's approval for any Alterations as required by Section 8 of this Agreement and shall comply with Section 6.5 of this Agreement regarding permitting for any Alterations.

5.4 Signage. Tenant may not place any signage on the exterior of the Building without the Department's prior written approval.

## **SECTION 6. USE OF THE PREMISES.**

6.1 Permitted Use. Tenant covenants that Tenant shall use the Premises for the Permitted Use, and for no other purpose.

6.2 Nonprofit Status. Tenant shall retain its nonprofit status during the Term of this Lease.

6.3 Compliance with Laws. Tenant shall not use or occupy the Premises, or permit any portion of the Premises to be used or occupied, in a manner that would violate any Laws that may be applicable to the Premises or to the use, occupancy, repair, rehabilitation or improvement of the Premises. Contract provisions that are required to be included in this Lease by any such Laws shall be deemed included. As used in this Lease, the term "Laws" means all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations, certificate of occupancy or other governmental requirements, now or hereafter in effect, as amended or supplemented from time to time, including without limitation, all applicable provisions of the Municipal Code, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

6.4 Non-Discrimination. Tenant shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the use or occupancy of the Premises or any part thereof.

6.5 Permits and Licenses. Tenant shall obtain, at its sole expense, any and all permits or licenses that may be required in connection with its operations. Tenant shall notify the Department of any such permits or licenses. Failure to obtain a required license or permit shall constitute an Event of Default under this Lease. Tenant understands that this Lease shall in no way act as a substitute for any other permitting or approvals that may be required to undertake any activities on the Premises.

6.6 Prohibited Uses Generally. Tenant shall not use the Premises in any manner that would: (a) create excessive noise or disturb neighboring properties, (b) otherwise constitute a public or private nuisance, (c) damage or waste the Premises or appurtenances thereto, (d) give rise to a claim of adverse possession or usage by any third party, and/or (e) cause a fire or safety

hazard or increase the rate of insurance on the Premises. Tenant shall comply with reasonable requirements of City's risk management department as may be requested from time to time.

6.7 No Religious or Political Use. Tenant shall not use or permit the Premises to be used for any religious or political purposes.

6.8 No Alcohol or Illegal Drugs. Without exception, Tenant shall not permit the consumption of alcoholic beverages or illegal drugs of any kind on the Premises.

6.9 Competing Parking Facility. Tenant shall not operate the Premises for parking purposes or in a manner that would cause the Premises to be deemed a "Competing Parking Facility" under the Chicago Metered Parking System Agreement dated December 4, 2008, as amended on June 5, 2013, by and between the City of Chicago and Chicago Parking Meters, LLC.

6.10 No Tailgating. Tenant shall not permit tailgating on the Premises.

6.11 Hazardous Materials. Tenant shall not permit any Hazardous Materials on the Premises, except those that are used, stored or otherwise maintained for cleaning, along with other supplies ordinarily used in the operation of Tenant's programs, so long as Tenant's use, storage and maintenance of such Hazardous Materials is in compliance with all applicable Environmental Laws and manufacturer's recommended standards and procedures, and such Hazardous Materials are present only in such quantities as are reasonably required by Tenant for operations conducted on the Premises. Tenant shall be solely responsible for any Hazardous Materials used, stored, or released in, on or about the Premises, and shall indemnify, defend and hold harmless the City from and against any Claims arising from such use, storage, disposal or release of Hazardous Materials.

As used in this Lease, the following terms shall have the following meanings:

(a) "Claims" means any and all claims, suits, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, sums paid in settlement of claims, arbitration or mediation awards, interest, fines, penalties, debts, liens, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, and costs of litigation (including costs of experts and consultants and court costs).

(b) "Environmental Laws" means any and all Laws relating to any Hazardous Materials and to the regulation and protection of human health, safety, the environment and natural resources, now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Resource Conservation and Recovery Act of 1980, 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et*



*seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, any and all rules, regulations, orders and decrees now or hereafter promulgated under any of such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*

(c) **“Hazardous Materials”** means any substance, whether solid, liquid or gaseous, which is listed, defined or regulated as a “hazardous substance,” “hazardous waste” or “solid waste,” or otherwise classified as hazardous or toxic, in or pursuant to any Environmental Laws; or which is or contains asbestos, radon, any polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, or motor fuel or other petroleum hydrocarbons; or is a hazard to the environment or to the health or safety of persons.

6.12 Compliance with City Agreements. If the City and Tenant enter into any agreements in the future governing funding of Tenant’s operations, or if any such agreements currently exist, Tenant’s default under such agreements then in effect beyond any applicable notice and cure periods contained therein shall constitute an Event of Default under this Lease. In addition to any rights and remedies available to the City under such other agreements, the City may pursue any rights and remedies available under this Lease.

6.13 Compliance with City Requirements. Tenant covenants and agrees to abide by, and contractually obligate and cause its contractors to abide by, the terms set forth in Exhibit Chereto.

6.14 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 (“EDS”). Failure to provide such information on a timely basis shall constitute an Event of Default under this Lease.

## **SECTION 7. MAINTENANCE AND REPAIR; CITY’S RIGHT TO INSPECT.**

7.1 Tenant’s Duty to Maintain Premises. Tenant shall, at its sole expense, operate and maintain or cause others to operate and maintain the Premises in a state of good order, condition and repair and in compliance with all applicable Laws during the Term of this Lease. Without limiting the generality of the foregoing, Tenant shall, at its sole expense:

(a) make all structural and non-structural repairs, restorations and replacements to the exterior and interior of the Premises, including without limitation, the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, the roof, outer walls, windows, and the fixtures and appurtenances to the Premises as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations and replacements are the fault or not the fault of Tenant, its agents, employees, invitees, visitors, or contractors, including repairs;

(b) without limiting the generality of subsection (a) above, make all repairs necessitated by vandalism or misuse of the Premises, equipment therein and appurtenances thereto;

(c) promptly remove all snow, ice, litter, debris and weeds from the Premises and any and all sidewalks abutting the Premises and entrances;

(d) remove graffiti, and keep all portions of the Premises in a clean, orderly and lawful condition;

(e) at all times exercise due diligence in protecting the Premises against damage or destruction by fire and other causes;

(f) provide all security for the Premises;

(g) provide and pay for all custodial service, scavenger service, building maintenance and grounds maintenance for the Premises;

(h) provide and pay for exterminator service whenever necessary;

(i) provide and pay for heating and air conditioning to the Premises whenever heating and air conditioning are necessary for the comfortable occupancy of the Premises;

(j) provide and maintain adequate first aid equipment to serve the potential needs of Tenant's employees, invitees, visitors, agents and contractors in their use of the Premises;

(k) provide and maintain portable fire extinguishers of appropriate size, type, and distribution to adequately protect the Premises, smoke detectors, and carbon monoxide detectors; and

(l) perform preventive maintenance as is customarily performed by prudent property owners.

7.2 Right of Access. Without limiting any other rights reserved or available to the City under this Lease, at law or in equity, the City reserves for itself and its agents, representatives and employees, the right to enter upon the Premises for the purpose of: (a) inspecting the Premises, provided that the City shall give Tenant prior written notice of at least two (2) days (except in the case of emergency, where no notice is required), and (b) curing any failure by Tenant to perform under this Lease. Whenever the City exercises its cure rights, Tenant shall reimburse the City for all reasonable costs and expenses thereof, including, without limitation, reasonable attorney's fees, within fifteen (15) days after delivery of a written demand. If Tenant fails to pay the City any sum within fifteen (15) days after written demand therefor, such amount shall bear interest at the rate of twelve percent (12%) per annum from the date due until the date paid. Nothing herein shall imply any duty on the part of the City to do any such

work, and performance thereof by the City shall not constitute a waiver of Tenant's default in failing to perform the same.

**SECTION 8. ALTERATIONS AND ADDITIONS.** Tenant shall not make any alterations, additions and/or improvements ("**Alterations**"), including any fencing or land grading, in or to the Premises without the prior written consent of the commissioner of the Department, which consent may be granted or withheld in the commissioner's sole discretion; provided, however, consent is not required for strictly cosmetic, non-structural improvements to the interior of the Premises costing less than \$10,000.00 in the aggregate in any twelve (12) month period during the Term. Prior to commencement of construction of any Alterations, Tenant shall deliver to the City evidence that it has funding to complete all Alterations and any required building permits and other governmental authorizations covering the Alterations. Tenant shall make all Alterations at its sole cost and expense and shall promptly pay for any work done (or materials furnished therefor) in, on or about the Premises. During construction of the Alterations, Tenant shall require its contractors to maintain insurance in accordance with the insurance requirements set forth in **Exhibit D** attached hereto. All Alterations shall (a) be completed in accordance with plans approved by the City, subject to a firm outside date for completion which shall be reasonably determined by the City, based on the extent and nature of the Alterations, at the time the City consents to the same, (b) be carried out in a good, workmanlike and prompt manner, (c) comply with all applicable Laws, (d) be performed only by bondable, licensed contractors, and (e) be subject to monitoring and inspection by the City or its employees, agents or contractors. Upon completion of any Alterations, Tenant shall deliver to the City a reproducible copy of the "as built" drawings of the Alterations and CAD files. All Alterations (expressly including all light fixtures; heating and ventilation units; floor, window, and wall coverings; and electrical wiring), except Tenant's furniture, moveable trade fixtures, equipment and other personal property (collectively, "**Personal Property**"), shall become the property of the City at the expiration or termination of this Lease without any obligation on the City's part to pay for any of the same. At the City's request, Tenant shall execute a deed or bill of sale in favor of the City, with respect to such Alterations. Notwithstanding the foregoing, Tenant shall remove all or any portion of such Alterations on the expiration or termination of this Lease if the City specifically so directs in writing.

**SECTION 9. ASSIGNMENT, SUBLEASE, AND LIENS**

9.1 Assignment and Sublease. Tenant may not assign this Lease in whole or in part by operation of law or by any process or proceeding of any court or otherwise, nor sublease all or any part of the Premises, without the City's prior written consent, which the City may grant or withhold in its sole and absolute discretion. Any assignment or sublease, without the City's prior written consent, at the City's option, shall be void. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to the City.

9.2 Tenant's Covenant against Liens and other Encumbrances. 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 City's title or interest in the Premises. All liens and encumbrances created by Tenant shall attach to Tenant's interest only. In case of any such lien

attaching, Tenant shall immediately pay and remove such lien or furnish security or indemnify City in a manner satisfactory to the City in its sole discretion to protect City against any defense or expense arising from such lien. Except during any period in which Tenant appeals any judgment or obtains a rehearing of any such lien, or in the event judgment is stayed, Tenant shall immediately pay any judgment rendered against Tenant, with all proper costs and charges, and shall have the lien released and any judgment satisfied. If Tenant fails to pay and remove any lien or contest such lien in accordance herewith, the City, at its election, may pay and satisfy same, and all sums so paid by the City, with interest from the date of payment at the rate set at 12% per annum.

**SECTION 10. INSURANCE.** At all times during the Term, Tenant and its contractors (as applicable) shall maintain coverage that meets the minimum requirements as set forth in **Exhibit D** hereto.

**SECTION 11. FULL LIABILITY; INDEMNIFICATION.**

11.1 Full Liability. Tenant assumes full legal and financial responsibility and liability for any and all use of the Premises by Tenant, Tenant's officers, agents, employees, contractors, subcontractors, licensees, invitees, and any other person entering the Premises during the Term.

11.2 Indemnification. Tenant agrees to indemnify, defend (with counsel reasonably acceptable to the City) and hold the City, its officers, officials, agents and employees, completely harmless from and against any and all Claims for death or injury to any person, including Tenant's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising out of or incidental to Tenant's performance or non-performance of this Lease, or the acts or omissions of Tenant's officers, agents, employees, contractors, subcontractors, licensees, invitees, and any other person entering the Premises, except to the extent caused by the negligence or willful misconduct of City, its agents and employees. Upon notice from the City of any Claims which the City believes to be covered hereunder, Tenant shall timely appear in and defend all suits brought upon such Claims and shall pay all costs and expenses incidental thereto, but City shall have the right, at its option and at its own expense, to participate in the defense of any suit, without relieving Tenant of any of its obligations hereunder. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Lease and those allowed under applicable Laws. This Section shall survive the expiration or earlier termination of this Lease.

**SECTION 12. DAMAGE OR DESTRUCTION.**

12.1 If the Premises are rendered substantially untenable by fire or other casualty, and if such damage cannot, in the City's sole judgment, be materially restored within ninety (90) days after the date of such damage (taking into account the time necessary to effectuate a satisfactory settlement with any insurance company and using normal construction methods without overtime or other premium), then the City or Tenant may terminate this Lease, by notice given to the other within sixty (60) days after the date of the damage. Any termination hereunder by reason of damage to the Premises shall be effective as of the date of the damage. The term "untenable" includes any material adverse effect on the Premises and Tenant's use thereof or

access thereto, including the inability of Tenant to lawfully occupy or use any part of the Premises by reason of any order of any governmental authority, whether or not the Premises are physically damaged. For purposes hereof, the Premises shall be deemed “materially restored” if they are in such condition as would not prevent or materially interfere with Tenant’s use of the same.

12.2 If this Lease is not terminated pursuant to Section 12.1, then Tenant shall proceed with all due diligence to repair and restore the Premises. If Tenant fails to complete such repairs and material restoration within ninety (90) days after the date of such fire or other casualty, the City may, at its option and as its sole remedy, terminate this Lease by delivering written notice to Tenant, whereupon the Lease shall end on the date of such notice as if the date of such notice were the date originally fixed in this Lease for the expiration of the Term; provided, however, that if construction is delayed because of changes in construction requested by the City or other causes beyond the reasonable control of Tenant, the period for restoration, repair or rebuilding shall be extended for the amount of time Tenant is so delayed. Tenant shall be solely responsible for and shall pay the amount of any deductible or self-insured retention under all applicable insurance policies and any underinsured amounts. The entire insurance award shall be held in escrow but available to Tenant to use for the repair and restoration of the Premises. If this Lease is terminated pursuant to Section 12.1, then the entire insurance award shall be paid to the City, except Tenant shall receive the portion of the insurance proceeds payable with respect to Tenant’s Personal Property.

**SECTION 13. CONDEMNATION.** If the whole or any part of the Premises are taken or condemned or purchased under threat of condemnation by any governmental authority, the Term of this Lease shall cease and terminate as of the date when the condemning authority takes possession of the Premises, and the City shall be entitled to receive the entire award, except Tenant shall receive the portion of the award payable with respect to Tenant’s Personal Property.

**SECTION 14. PERFORMANCE AND BREACH.**

14.1 Event of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” under this Lease:

(a) the failure of Tenant to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Tenant under this Lease, including without limitation, failure to maintain required insurance coverage(s), failure to maintain and operate the Premises in accordance with the terms of this Lease, failure to use the Premises for the Permitted Use, failure to comply with the provisions of Exhibit C (City Requirements), or failure to maintain its nonprofit corporate status;

(b) the making or furnishing by Tenant of any warranty, representation, statement, certification, schedule or report to the City (whether in this Lease, an Economic Disclosure Statement or another document) which is untrue or misleading in any material respect as of the date made;

(c) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any mechanic's, laborer's, material supplier's, or any other lien or encumbrance unauthorized by this Lease (unless bonded or insured over) upon the Premises, including any fixtures now or hereafter attached thereto, or the making or any attempt to make any levy, seizure or attachment thereof;

(d) the commencement of any proceedings in bankruptcy by or against Tenant or for the liquidation or reorganization of Tenant, or alleging that Tenant is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Tenant's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing, for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Tenant; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within one hundred eighty (180) days after the commencement of such proceedings;

(e) the appointment of a receiver or trustee for Tenant, for any substantial part of Tenant's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Tenant; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within one hundred eighty (180) days after the commencement thereof; and

(f) the dissolution of Tenant.

14.2 Cure. If Tenant defaults in the performance of its obligations under this Lease, Tenant shall have ten (10) business days after written notice of default from the City to cure the default, or forthwith for a default involving sanitary or safety conditions and maintaining insurance required under this Lease, or such longer period as is reasonably necessary to remedy such default provided Tenant promptly commences such cure and thereafter continuously and diligently pursues such remedy to completion, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises.

14.3 Remedies. If an Event of Default occurs, and is not cured in the time period provided for in Section 14.2 above, the City, in addition to any other rights and remedies available to it at law or in equity, shall have the right, without any further notice to Tenant, to terminate this Lease. Upon termination of the Lease, Tenant shall peaceably surrender possession and vacate the Premises immediately, and deliver possession thereof to the City in accordance with all of the requirements of this Lease with regard to termination, and Tenant hereby grants to the City the full and free right to enter into and upon the Premises and to repossess the Premises as the City's former estate and to expel or remove Tenant and any others who may be occupying the Premises, without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom and without relinquishing any right given the City hereunder or by operation of law. Tenant shall pay on demand all costs and expenses, including attorneys' fees and costs, incurred

by the City in recovering sums due hereunder, recovering possession of the Premises, or pursuing the City's rights and remedies against Tenant or any assignee, sublessee or other transferee.

14.4 Remedies Cumulative. All remedies contained in Section 14.3 shall be cumulative, and every remedy contained in Section 14.3 may be exercised by the City from time to time and so often as occasion may arise or as may be deemed expedient.

14.5 No Waiver. No waiver by the City with respect to any specific default by Tenant shall be deemed to be a waiver of the rights of the City with respect to any other defaults of Tenant, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing. The acceptance by the City of any payment due hereunder after the termination by the City of this Lease, shall not, in the absence of agreement in writing to the contrary by the City, be deemed to restore this Lease or Tenant's rights hereunder, as the case may be, but shall be construed as a payment on account, and not in satisfaction of damages due from Tenant to the City.

**SECTION 15. COVENANT OF QUIET ENJOYMENT**. The City 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 peaceably and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term.

**SECTION 16. SURRENDER OF PREMISES**.

16.1 Condition on Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to the City in the condition required by this Lease, with normal wear and tear and casualty excepted, and shall remove all Personal Property and dispose of all trash, wastes and debris in accordance with all applicable Laws, including without limitation, all applicable Environmental Laws (as hereinafter defined). If Tenant does not remove its Personal Property from the Premises as aforesaid, the City may, at its option, remove the same and deliver such property to any other place of business of Tenant or warehouse the same and restore the Premises pursuant to the requirements of this Lease, or the City may treat such Personal Property as being conveyed to the City with this Lease as through a bill of sale, without further payment or credit by the City to Tenant, or the City may sell, destroy, or otherwise dispose of such Personal Property without notice to Tenant or to any other person and without obligation to account for such property. Tenant agrees to pay for any removal, delivery, warehousing or disposal costs the City may incur, including without limitation, the cost of repairing any damage to the Premises, on demand, with interest accruing from the date of such City payment at the rate of 12% per annum. Tenant's obligation to observe and perform this covenant will survive the expiration or termination of this Lease.

16.2 Holding Over. Tenant shall have no right to occupy the Premises or any portion thereof after the expiration or earlier termination of this Lease, except in connection with the

removal of Tenant’s Personal Property under Section 16.1. Any such holding over by Tenant shall be construed to be a tenancy from month to month, and Tenant shall be liable for all damages, direct and consequential, incurred by the City as a result of such holdover. For each month or portion thereof Tenant retains possession of the Premises, or any portion thereof, after the expiration or termination of this Lease, Tenant shall pay the City an amount equal to the fair market rental value of the Premises at that time, as reasonably determined by the City. Acceptance of said rent shall not constitute a waiver by the City of any re-entry or other rights provided for under this Lease or by Law nor shall it be deemed an extension or renewal of the Term without a written election thereof by the City. During such holding over all provisions of this Lease shall remain in full force and effect.

**SECTION 17. MISCELLANEOUS.**

17.1 Notice. Any notice, request, demand or communication required or permitted to be given hereunder shall be sent in writing to the addresses set forth below by any of the following means: (a) personal service; (b) electronic mail; (c) overnight courier with electronic tracking; or (d) registered or certified U.S. Mail, postage prepaid, return receipt requested:

If to the City:                                      City of Chicago  
 Department of Assets, Information & Services  
 Bureau of Asset Management  
 Office of Real Estate Management  
 30 North LaSalle Street, Suite 300  
 Chicago, Illinois 60602

With a copy to:                                      City of Chicago  
 Department of Law  
 121 North LaSalle Street, Suite 600  
 Chicago, Illinois 60602  
 Attn: Real Estate and Land Use Division

If to Tenant:                                        Pilsen Wellness Center  
 2319 S. Damen Ave  
 Chicago, Illinois 60608  
 Attn: Executive Director

With a copy to:                                      \_\_\_\_\_  
 \_\_\_\_\_  
 Suite \_\_\_\_\_  
 Chicago, Illinois 606\_\_\_\_  
 Attn: \_\_\_\_\_

Any notice, request, demand or communication given pursuant to either clause (a) or clause (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by email, respectively, provided that such email transmission is confirmed as having occurred prior



to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, request, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, request, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, requests, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 19.1 shall constitute delivery.

17.2 Amendments. From time to time, the parties hereto may administratively amend this Lease with respect to any provisions reasonably related to Tenant's use of the Premises and/or City's administration of this Lease, including but not limited to the expansion or reduction of the Premises. Provided, however, that such amendment(s) shall not serve to extend the 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 City 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.

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

17.4 Binding Effect of Lease. This Lease and all terms, provisions, covenants and conditions contained in this Lease shall apply to, be binding upon and shall inure to the benefit of and be enforceable by each of the parties hereto and the respective successors and permitted assigns of the parties hereto.

17.5 Captions and Section Numbers. The titles of the sections, paragraphs and subparagraphs of this Lease are for convenience of reference only and are not to be considered in construing this Lease.

17.6 Confirmation of Dates. Promptly after the occurrence of any date relevant to the parties' rights or obligations under this Lease, the parties shall enter into a memorandum reasonably satisfactory to each of them (and in recordable form, if appropriate), memorializing such date. The failure of the parties to enter into any such memorandum shall not invalidate or in any way diminish the effectiveness of the actual date(s) to be set forth in the memorandum.

17.7 Construction. This Lease shall be subject to the following rules of construction, unless the context clearly indicates to the contrary:

- (a) The term “including” or “include” means “including, but not limited to.”
- (b) All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, singular or plural as the context may require.
- (c) Whenever the singular number is used in this Lease, the same shall include the plural and vice versa as the context may require.
- (d) Unless otherwise indicated, references to a section, schedule, or exhibit means a section, schedule, or exhibit of this Lease.

17.8 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument. A telecopy or facsimile signature of any party shall be considered to have the same binding effect as an original signature.

17.9 Covenants in Subcontracts. All obligations imposed on Tenant under this Lease pertaining to the maintenance and operation of the Premises are deemed to include a covenant by Tenant to insert appropriate provisions in all subcontracts covering work under this Lease and to enforce compliance of all subcontractors with the requirements of those provisions.

17.10 Entire Agreement. This Lease, together with all exhibits attached hereto, embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party, relative to the subject matter hereof which are not expressly set forth herein. This Lease is intended to be an integration of all prior and contemporaneous promises or agreements, conditions or undertakings between the parties and supersedes all previous written or oral agreements regarding the subject matter hereof.

17.11 Force Majeure. Whenever a period of time is provided in this Lease for either party to do or perform any act or thing, such 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.

17.12 Governing Law. This Lease shall be governed by, and construed and enforced in accordance with the internal laws of the State of Illinois, without regard to the choice of law provisions of the State of Illinois.

17.13 Jurisdiction, Venue and Forum. Each party irrevocably agrees that all judicial actions or proceedings in any way, manner or respect, arising out of or from or related to this Lease shall be litigated only in courts within Chicago, Illinois. Each party hereby consents to the jurisdiction of any local, state or federal court located within Chicago, Illinois, and hereby waives any objections each party may have based on improper venue or *forum non conveniens* to the conduct of any proceeding instituted hereunder. Neither party waives any right to seek a jury trial, if such right is available.

17.14 Limitation of Liability. No official or employee of the City shall be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Tenant from the City or any successor in interest or on any obligation under the terms of this Lease.

17.15 Limitation to Capacity as the Landlord. The parties acknowledge that all references to the "City" herein shall refer only to the City in its capacity as the landlord under this Lease. The term "City" and the duties and rights assigned to it under this Lease exclude any action, omission or duty of the City when performing its governmental functions. Any action, omission or circumstance arising out of the performance by the City of the City's governmental functions shall not cause or constitute a default by the City under this Lease or give rise to any rights or Claims against the City in its capacity as the landlord hereunder, it being acknowledged that Tenant's remedies for any injury, damage or other claim resulting from any such action, omission or circumstances arising out of the governmental functions of the City shall be governed by the laws and regulations concerning Claims against the City as a governmental authority.

17.16 Municipal Marketing Efforts. The City shall have the right, at the City's sole discretion, but not the obligation, to install a digital advertising sign on the Premises as part of the City's municipal marketing efforts, subject to the separate approval of City Council.

17.17 No Other Rights. This Lease does not give the Tenant any other right with respect to the Premises, including, but not limited to, closure of streets, sidewalks, or other public thoroughfares. Any rights not specifically granted to Tenant by and through this document are reserved exclusively to City. Execution of this Lease does not obligate the City in any manner and the City shall not undertake any additional duties or services including, but not limited to, custodial services, maintenance, security, or snow removal.

17.18 No Principal/Agent or Partnership Relationship. Nothing in this Lease shall be deemed or construed by the parties hereto, nor by any third party, as creating a relationship of principal and agent or of partnership or of joint venture between the parties hereto or otherwise, it being understood and agreed that no provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of independent contracting parties. Nothing in this Lease is intended nor shall be deemed to grant to either party any power, right or authority to bind or otherwise contractually obligate the other party.

17.19 Provisions Subject to Applicable Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable Laws, and all such rights, powers and remedies are intended to be limited to the extent necessary so that they shall not render this Lease invalid or unenforceable under any applicable Laws.

17.20 Recording. Either party may record this Lease or any amendment hereto in the Office of the Recorder of Deeds of Cook County, Illinois.

17.21 Rule of Construction Inapplicable. The parties to this Lease acknowledge and confirm that their respective attorneys have participated jointly in the review and revision of this Lease and that this Lease has not been written solely by counsel for one of the parties. The parties to this Lease therefore stipulate and agree that the rule of construction to the effect that any ambiguities are to or may be resolved against the drafting party shall not be employed in the interpretation of this Lease to favor either party against the other.

17.22 Severability. If any provision of this Lease or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

17.23 Survival. Each provision of this Lease containing rights and obligations that by their nature require the payment of money or the performance of obligations after the expiration or earlier termination of the Term shall survive any such expiration or earlier termination. Any express statement of survival contained in any section shall not be construed to affect the survival of any other section, which shall be determined under this section.

17.24 Third Party Beneficiaries. This Lease is not intended to confer upon any person or entity other than the parties hereto, any rights or remedies hereunder.

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

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

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

**LANDLORD:**

**CITY OF CHICAGO**,  
an Illinois municipal corporation and home rule unit of government

BY: DEPARTMENT OF ASSETS, INFORMATION & SERVICES

By: \_\_\_\_\_  
**Commissioner**

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

By: \_\_\_\_\_  
**Assistant Corporation Counsel**

**TENANT:**

**PILSEN-LITTLE VILLAGE COMMUNITY MENTAL HEALTH  
CENTER INC. D/B/A PILSEN WELLNESS CENTER, INC.**,  
an Illinois not-for-profit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

LOTS 24 THROUGH 27 IN BLOCK 23 OF SOUTH CHICAGO, A SUBDIVISION BY THE CALUMET & CHICAGO CANAL & DOCK CO. OF THE EAST HALF OF THE WEST HALF AND PARTS OF THE EAST FRACTIONAL HALF OF FRACTIONAL SECTION 6, NORTH OF THE INDIAN BOUNDARY LINE AND THAT PART OF FRACTIONAL SECTION 6, SOUTH OF THE INDIAN BOUNDARY LINE LYING NORTH OF THE MICHIGAN SOUTHERN R.R. AND FRACTIONAL SECTION 5, NORTH OF THE INDIAN BOUNDARY LINE, ALL IN TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 2938 East 89<sup>th</sup> Street

Property Index Number: 26-06-209-020-0000 and 26-06-209-021-0000

**EXHIBIT B**

**ENVIRONMENTAL REQUIREMENTS**

(TO FOLLOW)

**EXHIBIT C**

**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 Tenant shall comply with Chapter 2-156 of the Municipal Code of Chicago, "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.** Tenant acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (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 defined in Section 2-156-080 of the Municipal Code of Chicago), 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. Tenant 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.** Tenant represents and warrants that neither Tenant 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 Tenant that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Tenant, 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. Tenant agrees that Tenant, any person or entity who directly or indirectly has an ownership or beneficial interest in Tenant of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Tenant's contractors (i.e., any person or entity in direct contractual privity with Tenant 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 (Tenant 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 his political fundraising committee (a) after execution of this Lease by Tenant, (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.

Tenant represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached Tenant, or the date Tenant 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 his political fundraising committee.

Tenant 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 his political fundraising committee.

Tenant 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, Tenant 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 Tenant 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 Tenant is a party that is: (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (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 of Chicago, 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 of Chicago, as amended.

5. Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Tenant 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, Tenant’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 Tenant’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 Tenant’s eligibility for future contract awards.

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

7. Cooperation with Office of Inspector General. It is the duty of Tenant 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. Tenant represents and warrants that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that Tenant 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) Tenant is aware that City policy prohibits City employees from directing any individual to apply for a position with Tenant, either as an employee or as a subcontractor, and from directing Tenant to hire any individual as an employee or as a subcontractor. Accordingly, Tenant must follow its own hiring and contracting procedures, without being influenced by the City or City employees. Any and all personnel provided by Tenant under this Lease are employees or subcontractors of Tenant, 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 Tenant.

(c) Tenant 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 Tenant by a City employee or City official in violation of paragraph (ii) above, or advocating a violation of paragraph (iii) above, Tenant 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. Tenant will also cooperate with any inquiries by OIG Hiring Oversight.

**[End of City Requirements]**

## EXHIBIT D

### INSURANCE REQUIREMENTS

Tenant shall, at its sole expense, procure and maintain, or cause to be procured and maintained, during the Term of this Lease and on any earlier date Tenant or its contractors are permitted to enter onto the Premises, and until each and every obligation of Tenant contained in this Lease has been fully performed (including any time period following the expiration or termination date if Tenant is required to return to the Premises and perform any additional work), the following coverages and minimum limits of insurance, insuring all operations under this Lease, with insurance companies authorized to do business in the State of Illinois. For the purpose of this Exhibit D, the term “contractors” shall also include licensees occupying the Premises:

(a) Workers Compensation and Employers Liability Insurance. Tenant shall be insured (and shall require that each of its contractors and subcontractors are insured) against liability for workers’ compensation and employers’ risk as prescribed by applicable Law before commencing the performance of any Work on or about the Premises or otherwise in relation to this Lease. A waiver of subrogation in favor of City is required.

(b) Commercial General Liability Insurance. (Primary and Umbrella). Commercial General Liability insurance, insuring against any and all liability of the City and Tenant including, without limitation, coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form Property Damage, and Personal Injury, with limits of not less than \$5,000,000 Combined Single Limit for bodily injury and property damage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits. Such insurance will insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and damage to property set forth in Section 11 of this Lease. Such insurance will be noncontributing with any insurance which may be carried by the City and will contain a provision that City, although named as an insured, will nevertheless be entitled to recover under the policy for any loss, injury, or damage to the City, its agents, and employees, or the property of such persons. Such insurance policy shall include a Severability of Interest or Cross Liability clause such as “The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is brought, except with respect to the limits of the company’s liability.” 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, Tenant shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage.

(d) Coverage of the Premises. Insurance policies insuring against loss or damage to the Premises, in an amount consistent with what a prudent operator of a comparable property would carry providing replacement cost coverage for perils typically insured against in an Illinois standard form fire insurance policy, which in no event shall be less than those perils covered by ISO Causes of Loss-Special Form property insurance (formerly known as "All-Risk"). The replacement cost of the Premises shall be determined in accordance with the standard practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such insurance at the time the policy or policies are obtained. The policy shall list the City of Chicago as an additional insured and loss payee.

(e) All Risk Builders Risk Insurance. Before commencing any construction, including improvements, betterments or repairs, Tenant shall provide All Risk Builders Risk Insurance, at replacement cost, for all materials, supplies, equipment, machinery and fixtures that are or will be part of the Building. Coverage shall include but not be limited to the following: right to partial occupancy, earth movement, flood including surface water backup and sewer backup and seepage, vandalism and malicious mischief. The City of Chicago shall be named as an additional insured and loss payee. Said insurance shall remain in full force and effect until the improvements shall have been completed and fully insured as provided in this Exhibit D. For the avoidance of doubt, Tenant shall have no obligation to maintain All Risk Builders Risk Insurance during any period which there is no construction being performed on the Premises.

Other Terms of Insurance.

(a) Tenant will furnish the City of Chicago, Department of Assets, Information & Services, Office of Real Estate Management, Suite 300, 30 North LaSalle Street, 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. Tenant shall submit evidence on insurance prior to occupancy of the Premises. The receipt of any certificates does not constitute agreement by the City 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 City to obtain certificates or other evidence of insurance from Tenant shall not be deemed to be a waiver by the City. Tenant shall advise all insurers of the provisions in this Lease regarding insurance. Non-conforming insurance shall not relieve Tenant of its obligation to provide insurance as specified herein.

(b) The insurer shall provide the City prior written notice of at least sixty (60) days if the insurer elects to cancel insurance before the stated expiration date, or declines to renew in the case of a continuous policy, or materially reduces the coverage period by changing the retroactive date (if any), or the extended discovery period (if any), or reduces the stated limits other than by impairment of an aggregate limit, or materially reduces the scope of coverage.

(c) Any and all deductibles or self-insured retentions on referenced insurance coverages shall be borne by Tenant.

(d) To the maximum extent permitted by Law, and notwithstanding anything to the contrary contained in this Lease, Tenant hereby releases the City and its officers, employees and agents from any and all liability or responsibility (to Tenant or anyone claiming through or under Tenant by way of subrogation or otherwise) for any loss or damage to the extent that such loss or damage is covered, or is required to be covered under this Lease, even if such loss or damage is caused by the fault or negligence of the City or anyone for whom the City may be responsible. Tenant will notify its insurers of this agreement. For clarity, and without limiting the foregoing, all loss or damage resulting from risks that Tenant is required or has elected to insure shall be subject to this waiver of subrogation.

(e) Tenant expressly understands and agrees that any coverages and limits furnished by Tenant shall in no way limit Tenant's liabilities and responsibilities specified within this Lease or by law.

(f) Tenant expressly understands and agrees that any insurance or self-insurance programs maintained by the City shall apply in excess of and not contribute with insurance provided by Tenant under this Lease.

(g) 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.

(h) The City of Chicago, Department of Finance, Office of Risk Management, maintains the right at any time during the Term of this Lease to change the amounts and types of insurance required hereunder.

(i) If any of the required insurance coverages contain aggregate limits, or apply to other operations or tenancies outside this Lease, Tenant shall give the City prompt, written notice of any incident, occurrence, claim, settlement, or judgment against such insurance which in Tenant's best judgment may diminish the protection such insurance affords the City. Tenant shall further take immediate steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

(j) Tenant shall be responsible for all loss or damage to Tenant's Personal Property (including but not limited to materials, equipment, tools and supplies).

(k) Tenant's failure to procure or maintain required insurance shall constitute a material breach of this Lease under which the City may immediately terminate this Lease, or, at its discretion, procure or renew such insurance to protect its interest and pay any and all premiums in connection therewith, and recover all monies so paid from Tenant. If the City elects to terminate this Lease, Tenant agrees to promptly cease all operations and activities under this Lease and to peacefully surrender the Premises.

**[End of Insurance Requirements]**



**2938 E. 89<sup>th</sup> Street**  
**Lease No. 20369**

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