



# City of Chicago



SO2016-4170

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 5/18/2016

**Sponsor(s):** Emanuel (Mayor)

**Type:** Ordinance

**Title:** Lease agreement with 1001 Connecticut LLC for use of office space at 1001 Connecticut Avenue N.W.

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

## SUBSTITUTE 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 Fleet and Facility Management is authorized to execute a Lease with 1001 Connecticut, LLC as Landlord for use of approximately 1,712 square feet of office space located at 1001 Connecticut Avenue N.W., Suite 425, Washington D.C. for occupancy by the Mayor's Office; such Lease to be approved as to form and legality by the Corporation Counsel in substantially the form attached hereto as Exhibit A.

**SECTION 2:** On behalf of the City of Chicago as Occupant, the Commissioner of the Department of Fleet and Facility Management is authorized to execute a temporary Occupancy License with 1001 Connecticut, LLC as the Owner for use of approximately 4,059 square feet of office space located at 1001 Connecticut Avenue N.W., Suite 930, Washington D.C. for occupancy by the Mayor's Office while the build-out work is being completed at the leased space in Suite 425; such Occupancy License to be approved as to form and legality by the Corporation Counsel in substantially the form attached hereto as Exhibit B.

**SECTION 3:** This Ordinance shall be effective from and after the date of its passage and approval.

**EXHIBIT A**

LEASE

[Attached]

**EXHIBIT B**

**OCCUPANCY LICENSE**

[Attached]

EXHIBIT A

LEASE

[Attached]

THIS LEASE is made this \_\_\_\_ day of \_\_\_\_\_, 2016, between 1001 CONNECTICUT, LLC, a Delaware limited liability company ("Landlord"), and CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of local government ("Tenant").

WITNESSETH:

For and in consideration of the covenants herein contained and upon the terms and conditions herein set forth, the parties agree as follows:

1. Introductory Provisions.

(a) Fundamental Lease Provisions. Certain fundamental Lease provisions are presented in this section in summary form solely to facilitate convenient reference by the parties hereto:

|  |   |                    |                     |                    |
|--|---|--------------------|---------------------|--------------------|
| 1. <u>Leased Premises</u>  | Suite No 425  |                    |                     | [See Section 2(a)] |
| 2. <u>Building</u>   | 1001 Connecticut Avenue, NW<br>Washington, DC 20036   |                    |                     | [See Section 2(a)] |
| 3. <u>Rentable Area of Leased Premises</u>                         | 1,712 square feet   |                    |                     | [See Section 2(a)] |
| 4. (i) <u>Total Building Rentable Area</u>                         | 154,252 square feet   |                    |                     | [See Section 2(b)] |
| (ii) <u>Total Office Rentable Area</u>                             | 137,093 square feet   |                    |                     | [See Section 2(b)] |
| 5. (i) <u>Proportionate Share* of Total Building Rentable Area</u> | 1.11%   |                    |                     | [See Section 2(c)] |
| (ii) <u>Proportionate Share* of Total Office Rentable Area</u>     | 1.25%   |                    |                     | [See Section 2(c)] |
| 6. <u>Lease Commencement Date**</u>                                | Upon substantial completion of the Landlord's Work (as defined below), which date is estimated to be July 1, 2016 (the "Anticipated Commencement Date"). Landlord shall not order any materials or commence construction until the Lease has been fully executed and delivered. |                    |                     | [See Section 3(a)] |
| 7. <u>Lease Term</u>   | Five (5) years and three (3) months.  |                    |                     | [See Section 3(a)] |
| 8. <u>Rental Agent</u>   | Zuckerman Gravely Management, Inc.<br>Two Wisconsin Circle, Suite 1050<br>Chevy Chase, Maryland 20815   |                    |                     | [See Section 5(a)] |
| 9. <u>Minimum Annual Rent Basic Monthly Rent</u>                   | <u>Period</u>   | <u>Annual Rent</u> | <u>Monthly Rent</u> | [See Section 5(a)] |
|  | Lease Year 1  | \$78,752.00        | \$6,562.67          |                    |
|  | Lease Year 2  | \$80,917.68        | \$6,743.14          |                    |
|  | Lease Year 3  | \$83,142.92        | \$6,928.58          |                    |
|  | Lease Year 4  | \$85,429.35        | \$7,119.11          |                    |
|  | Lease Year 5  | \$87,778.65        | \$7,314.89          |                    |
|  | Partial Lease   | -----              | \$7,516.05          |                    |

Year 6

Notwithstanding the above, provided Tenant is not in default beyond any notice and cure period, Landlord hereby agrees to abate one hundred (100%) percent of the first three (3) installments of Monthly Rent in Lease Year One equal to \$19,688.00 (such three month period is hereinafter referred to as the "Rent Abatement Period").

- 10. Intentionally Deleted
- 11. Intentionally Deleted
- 12. Use of Leased Premises                      General office purposes                      [See Section 7]
  
- 13. Security Deposit                      \$6,562.67, all checks should be made payable to 1001 CONNECTICUT, LLC.                      [See Section 6]
  
- 14. Operating Expenses and Costs
  - (i) Minimum Operating Expenses                      Operating Expenses incurred during calendar year 2016                      [See Section 5(c)(ii)]
  - (ii) Minimum Operating Costs                      Operating Costs incurred during calendar year 2016                      [See Section 5(c)(iii)]
- 15. Minimum Real Estate Taxes                      Minimum Real Estate Taxes incurred during fiscal year 2016                      [See Section 5(c)(iv)]
  
- 16. Standard Building Operating Hours                      8:00 a.m. to 6:00 p.m. Monday-Friday  
8:00 a.m. to 1:00 p.m. Saturday                      [See Section 10(a)]
  
- 17. Building Holidays                      New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day                      [See Section 10(a)]
  
- 18. Address for Notices to Tenant before Occupancy of Leased Premises                      City of Chicago  
Department of Fleet and Facility Management  
Office of Real Estate Management  
30 North LaSalle - Suite 300  
Chicago, Illinois 60602                      [See Section 31(b)]  
  
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

19. Address for Notices to Tenant after Occupancy of Leased Premises                      City of Chicago                      [See Section 31(b)]  
 Department of Fleet and Facility Management  
 Office of Real Estate Management  
 30 North LaSalle - 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
20. Address for Notices to Landlord                      1001 CONNECTICUT, LLC                      [See Section 31(a)]  
 C/O  
 Zuckerman Gravely Management, Inc.  
 Two Wisconsin Circle, Suite 1050  
 Chevy Chase, Maryland 20815
- With a copy to:
- Douglas K. Hirsch, Esq.  
 Shulman, Rogers, Gandal, Pordy & Ecker, P.A.  
 12505 Park Potomac Avenue, 6<sup>th</sup> Floor  
 Potomac, MD 20854
21. Leasing Broker(s)                      Jones Lang LaSalle ("Landlord's Broker"); and                      [See Section 34]  
 CBRE ("Tenant's Broker").
22. Tenant's Resident Agent                      N/A

\* Subject to adjustment pursuant to Section 2(b).

(b) References and Conflicts. References appearing in Section 1(a) are intended to designate some of the other places in the Lease where additional provisions applicable to the particular fundamental Lease provisions appear. These references are for convenience only and shall not be deemed all inclusive. Each reference in this Lease to any of the fundamental Lease provisions contained in Section 1(a) shall be construed to incorporate all of the terms provided for under such provisions, and such provisions shall be read in conjunction with all other provisions of this Lease applicable thereto. If there is any conflict between any of the fundamental Lease provisions set forth in Section 1(a) and any other provisions of the Lease, the latter shall control.

(c) Exhibits. The following drawings and special provisions are attached hereto as exhibits and hereby made a part of this Lease:

- |            |  |
|------------|--|
| Exhibit A. | Floor Plan of Leased Premises              |
| Exhibit B. | Improvements                               |
| Exhibit C. | Rules and Regulations                      |
| Exhibit D. | Intentionally Deleted                      |
| Exhibit E. | Tenant Information Sheet                   |
| Exhibit F. | Move-In and Move-Out Rules and Regulations |
| Exhibit G. | Certificate of Commencement                |
| Exhibit H. | Disclosures and Affirmations               |



2. Premises.

(a) Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, in its as-is condition, subject to completion of the work set forth in Exhibit B the Leased Premises as specified in Section 1(a)1 located in the building specified in Section 1(a)2 (the "Building") and more fully described on the floor plan attached hereto as Exhibit A and made a part hereof. The Leased Premises shall consist of approximately the square footage of rentable floor space as specified in Section 1(a)3, and has been measured in accordance with the provisions of ANSI/BOMA Z65.1-1996, Standard Method for Measuring Floor Area in Office Buildings.

(b) Tenant's Proportionate Shares. Tenant's proportionate shares of certain expenses hereinafter made payable to Landlord as additional rent is specified in Sections 1(a)5(i) and 1(a)5(ii). Said computation is based upon the ratios of the Rentable Area of Leased Premises to the Total Building Rentable Area and the Rentable Area of Leased Premises to the Total Office Rentable Area. The Proportionate Shares shall be modified during the Lease Term in the event that the Total Building Rentable Area or the Total Office Rentable Area in the Building is modified.

3. Term.

(a) Lease Term. The term of this Lease (sometimes herein called the "Lease Term") shall begin as of the date possession of the Leased Premises is delivered to Tenant by Landlord with the "Landlord's Work" (as defined in Exhibit B attached hereto) having been substantially completed ("Lease Commencement Date"). Subject to sooner termination as herein provided, the Lease Term shall expire at the end of the period specified in Section 1(a)7 unless adjusted as described below ("Expiration Date"). After the Lease Commencement Date, Landlord shall deliver to Tenant a Certificate of Commencement in the form attached hereto as Exhibit G and made a part hereof, which certificate Tenant shall promptly execute and return to Landlord. Tenant's failure to execute and deliver the Certificate of Commencement shall not affect the Lease Commencement Date or the Expiration Date. The first "Lease Year" shall be the twelve (12) month period which commences on the Lease Commencement Date, provided, however, if the Lease Commencement Date is not on the first day of a calendar month, the first Lease Year shall commence on the Lease Commencement Date and shall expire on the last day of the twelve (12) month period which commences on the first day of the first full calendar month after the Lease Commencement Date. Each subsequent Lease Year shall be the twelve (12) month period commencing on the annual anniversary of the first day of the first full calendar month of the first Lease Year. The Leased Premises shall be deemed to have been substantially completed when the work and materials to be provided pursuant to Exhibit B [except for items of work and adjustment of equipment and fixtures that can be completed after the Leased Premises are occupied without causing substantial interference with Tenant's use of the Leased Premises (i.e., the "punch list" items)] have been completed, as reasonably determined by Landlord.

(b) Inability to Deliver Possession. If Landlord should be unable to deliver possession of the Leased Premises on the Anticipated Commencement Date because (i) on the Anticipated Commencement Date a prior tenant or occupant is holding over or retaining possession of the Leased Premises, or (ii) repairs, improvements, or decoration of the Leased Premises or the Building are not completed, or (iii) of any other reason, then Landlord shall not be subject to any liability for failure to give possession on the Anticipated Commencement Date. Under any of the aforesaid circumstances, the rent covenanted to be paid herein shall not commence and the Lease Commencement Date shall not occur until possession of the Leased Premises is tendered to the Tenant. No such failure to give possession of the Leased Premises to Tenant on the Anticipated Commencement Date shall in any other respect operate to affect the validity of this Lease or the obligations of the Tenant hereunder, nor shall the same be construed to modify the Lease Term, which in all events shall be the number of years and months set forth in Section 1(a)7; provided, however, that if Landlord shall not have tendered possession of the Leased Premises to Tenant within three (3) months after the Anticipated Commencement Date, then Landlord or Tenant may terminate this Lease by written notice to the other. In such event, Landlord shall refund any security deposit and advance rental payment theretofore paid by Tenant, and the parties shall thereupon be relieved of any and all liability hereunder. If permission is given to the Tenant to enter into possession of the Leased Premises prior to the Lease Commencement Date, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, and conditions of the provisions of this Lease.

(c) Acceptance of Leased Premises. Landlord shall deliver, and Tenant agrees to accept, possession of the Leased Premises in accordance with Exhibit B. Occupancy of the Leased Premises or any portion thereof by Tenant or anyone claiming through or under Tenant for the conduct of Tenant's or such other person's

business therein shall be conclusive evidence that Tenant and all parties claiming through or under Tenant (i) have accepted the Leased Premises or such portion (x) as suitable for the purpose for which the Leased Premises are leased hereunder, and (y) as complying with all requirements of Tenant with respect to the condition, order and repair thereof as required by the terms of this Lease, (ii) have accepted the common areas as being in good and satisfactory condition, and (iii) have waived any defects in the Leased Premises. Notwithstanding anything herein to the contrary, Landlord shall be responsible, at Landlord's sole cost and expense, for repair and maintenance of any hidden or latent defects in connection with Landlord's Work, provided Tenant notifies Landlord in writing of such defect within six (6) months of the Lease Commencement Date.

(d) Early Access. Tenant and its contractors shall be allowed access to the Leased Premises approximately fourteen (14) days prior to the Lease Commencement for the purpose of installing Tenant's communication and data equipment and associated wiring, and such installations shall not be considered the commencement of beneficial use of the Leased Premises by Tenant. Any and all installations and other related activity by Tenant or its contractors prior to the Commencement Date shall be coordinated with Landlord and its general contractor at least 48 hours in advance to insure that Tenant's work in and to the Premises does not interfere with the work being performed by Landlord and its contractors. Notwithstanding anything herein to the contrary, neither Tenant nor its agents shall have access to the Premises during such times specified by Landlord as times that Landlord or its general contractor reasonably determine are likely to cause delay or interference with the activities of or on behalf of Landlord in the Premises. All terms and conditions of this Lease, including, without limitation, the insurance, release and waiver of liability provisions hereof shall apply to and be effective during such period of occupancy by Tenant, except for Tenant's obligation to pay rent.

(e) Delay. If Landlord shall be delayed in completing the Landlord's Work as a result of (1) Tenant's failure to execute this Lease and/or select all finishes in connection with Landlord's Work by June 1 2016 or Tenant's failure to comply with any other requirements of this Lease, (2) Tenant's request for modifications to Exhibit A or the plans and specifications for Landlord's Work subsequent to the date such Exhibit A, plans and specifications are approved by Landlord, (3) Tenant's failure to pay when due any amount required pursuant to this Lease, (4) Tenant's request for long lead time materials, finishes or installations, (5) Tenant's failure to respond to requests for information from Landlord or its contractor within the reasonable time period indicated on such request [but never fewer than one (1) business day], or (6) the performance of any work, or the entry into the Leased Premises, by Tenant or any person or firm employed or retained by Tenant, then (i) such delay shall be a "Tenant Delay", and (ii) for purposes of determining the Lease Commencement Date, Landlord's Work shall be deemed to have been substantially complete as of the date that Landlord's Work would have been completed but for such Tenant Delay.

(f) Landlord's Right to Terminate. In the event Landlord elects to remodel or demolish the Building, Landlord shall have the right, upon nine (9) months prior written notice to Tenant (the "Termination Notice"), to terminate this Lease effective anytime on or after December 31, 2026. Landlord shall not send the Termination Notice before March 31, 2026.

(g) Tenant's Right to Terminate. Tenant shall have the right, at Tenant's sole option, to terminate this Lease after the last day of the 29<sup>th</sup> month of the Lease Term (the "Early Termination Date"). Such termination shall be effective only so long as (a) Tenant provides Landlord with written notice of termination on this Lease (the "Termination Notice") not later than nine (9) full months prior to the Early Termination Date (the "Termination Notice Date"), and (b) on or before the Termination Notice Date, Tenant pays to Landlord, in immediately available Federal funds, the "Termination Fee" (as hereinafter defined). As used herein, "Termination Fee" shall mean the sum of: (i) the product of (x) the monthly installment of Base Annual Rent and all Additional Rent that would be payable by Tenant for the entire calendar month in which the Early Termination Date occurs, multiplied by (y) two (2); and (ii) the then unamortized costs that were incurred by Landlord in connection with this Lease (collectively, the "Transaction Costs"), including, without limitation, the cost of designing, constructing and building the Leasehold Improvements, brokerage fees and commissions, attorneys' fees, and the value of any concessions that were granted to Tenant as part of the Lease. The Transaction Costs shall be amortized in equal monthly installments over the initial five (5) year, three (3) month term of this Lease. Payment of the Termination Fee shall be due fifty (50%) percent upon Tenant's written notice to Landlord and the remaining fifty (50%) percent thirty (30) days prior to the Early Termination Date. In the event Tenant shall exercise its option to terminate this Lease as aforesaid, Tenant shall surrender the Leased Premises to Landlord pursuant to the applicable provisions of this Lease on the Early Termination Date, and the parties shall thereupon be relieved of any further liability under this Lease. Notwithstanding the foregoing, at

Landlord's option, Tenant's exercise of the option to terminate shall become null and void in the event Tenant shall be in default under the Lease between the exercise of such option and the Early Termination Date.

(h) Option to Renew.

(i) Subject to the satisfaction of the conditions precedent set forth in Section (ii) below, Tenant shall have the one time right, at its option, to extend the term of this Lease for one (1) additional period of five (5) consecutive years, commencing on the first day after the expiration of the initial term. Such extension option shall be exercisable by Tenant giving written notice to Landlord of the exercise of such option at least nine (9) months, prior to the expiration of the then current term of this Lease; and, upon the exercise of such extension option, the expiration date of the term of this Lease shall automatically be extended accordingly. The initial base rent for such extension option period shall be 100% of the then current market rate. Landlord shall also provide Tenant with all concessions then being offered for renewal deals in the Washington, DC market area. Operating Expenses and Costs and Minimum Real Estate Taxes shall be updated with the then current base year. With respect to such extension option, in the event that (A) the Tenant shall fail to exercise the same strictly within the time period and in the manner set forth above, and/or (B) at the time hereinabove specified for the exercise of such option, all conditions precedent set forth in Section (ii) below shall not have been satisfied, then such extension option and any and all subsequent extension option that Tenant may otherwise have shall automatically expire and be absolutely void and of no force and effect. Should the Building be remeasured based on the then-current industry standards, prior to the extension option being exercised, Landlord reserves the right to make the necessary changes to Paragraphs 1(a)3 and 1(a)5 in this Lease.

(ii) The extension option granted to Tenant in Section (i) above shall be void and of no force and effect unless, at the time above specified for exercising such option, each and every one of the following conditions precedent shall have been fully satisfied: (A) This lease shall be in full force and effect; (B) Tenant shall be in possession of Leased Premises and shall be regularly conducting its normal operation therein; and (C) Tenant shall not be in default (beyond any applicable grace period granted in the Lease for curing the same) in the performance or observation of any of the terms; provisions, covenants and/or conditions of the Lease.

4. Permits. Tenant shall be responsible for obtaining all permits or licenses necessary for its lawful occupancy of the Leased Premises. This requirement shall not relieve Tenant of its liability for Minimum Annual Rent from the Lease Commencement Date in the event all of said permits have not been acquired prior thereto. Tenant shall provide Landlord with a copy of its Certificate of Occupancy within sixty (60) days of Landlord's delivery of possession.

5. Rent.

(a) Minimum Annual Rent.

(i) The Minimum Annual Rent reserved hereunder shall be as specified in Section 1(a)9 which shall be payable by Tenant to the Landlord at Landlord's address specified in Section 1(a)(20) above, or such other place as Landlord may designate, during each Lease Year of the Lease Term in equal monthly installments of Basic Monthly Rent each as specified in Section 1(a)9, due in advance, without notice or demand, and without set-off, deduction, recoupment or abatement of any kind, on the first day of each and every calendar month thereafter during the term, except that the first installment of Basic Monthly Rent shall be paid upon the execution hereof and shall be applied to the first installment of Basic Monthly Rent due hereunder (i.e., after the expiration of the Rent Abatement Period).

(ii) In the event that the Lease Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Basic Monthly Rent for such periods shall be computed on a per diem basis by dividing the Basic Monthly Rent by thirty (30). Rent shall be paid to Landlord (or its agent) as specified in Section 1(a)8, or to such other persons or at such other address as Landlord may designate from time to time.

(iii) Tenant represents that Tenant's budget office does not provide funding for January rent payments until the end of January of each year. Accordingly, notwithstanding anything to the contrary, so long as Tenant pays the Basic Monthly Rent and Additional Rent (as defined below) with respect to each January during the

Lease Term on the first day of the following February, then Tenant shall not be considered in default for failing to pay Basic Monthly Rent and/or Additional Rent on January 1<sup>st</sup>.

(b) Adjustments to Minimum Annual Rent. On the first day of the second Lease Year, and on the first day of each Lease Year thereafter during the Lease Term, the Minimum Annual Rent (then in effect) shall be increased in accordance with the provisions of Section 1(a)9 of this Lease.

(c) Additional Rent.

(i) General. Whenever it is provided by the terms of this Lease that Tenant is required to make any payment to Landlord other than of Minimum Annual Rent, such payment shall be deemed to be additional rent ("Additional Rent"). Unless otherwise expressly specified herein, Additional Rent shall be paid by Tenant with the installment of Basic Monthly Rent thereafter falling due, without notice or demand, and without set-off, deduction or abatement of any kind. Additional Rent shall include, but not be limited to:

(ii) Operating Expenses. Commencing on the anniversary of the Lease Commencement Date, and continuing throughout the Lease Term, Tenant shall pay to Landlord, as Additional Rent, its Proportionate Share of Total Building Rentable Area as set forth in Section 1(a)5(i) of any increase in the Operating Expenses incurred by Landlord in the operation of the Building during any calendar year over the Minimum Operating Expenses Amount specified in Section 1(a)14(i). As used herein, the "Operating Expenses" shall mean any and all expenses incurred by Landlord in connection with owning, managing, operating, maintaining, servicing, insuring and repairing the Building and the land hereunder and other related exterior appurtenances, including but not limited to: (1) wages and salaries of all employees engaged in the management, operation or maintenance of the Building, including taxes, insurance and benefits relating hereto; (2) all supplies, materials, equipment and tools used in the operation or maintenance of the Building; (3) cost of all maintenance and service agreements for the Building and the equipment therein, including but not limited to controlled access and energy management services, window cleaning, elevator maintenance, char and cleaning supplies; (4) cost of all insurance relating to the Building, including, without limitation, the cost of casualty, liability and rent loss insurance applicable to the Building and Landlord's personal property used in connection therewith; (5) general and special repairs and maintenance; (6) management fees; (7) legal, accounting, auditing and other professional fees; (8) the cost of any additional services not provided to the Building at the Lease Commencement Date of the Lease Term, but thereafter provided by Landlord in the prudent management of the Building including without limitation, the costs incurred to operate any shared conference facilities or other common area amenities; (9) reasonable reserves for replacements, repairs and contingencies; (10) intentionally deleted; (11) costs for utility services such as electricity, gas and/or oil, water and sewage, including the cost of heating and cooling the Building; (12) the cost of any capital improvements or alterations made to the Building after the Lease Commencement Date, that reduce other operating expenses, or which are required under any governmental law or regulation that was not applicable to the Building at the Lease Commencement Date, such cost to be amortized over such reasonable period as Landlord shall determine; together with interest on the unamortized balance at the rate paid by Landlord on funds borrowed for the purposes of constructing said capital improvements (or, in the event that Landlord elects not to borrow funds to construct such capital improvements, at the rate that the Landlord would have paid had it borrowed funds for the purpose of constructing said improvements); (13) transportation district fees, parking district fees, and the cost of other amenities required by law; (14) cost of Building office expenses, including telephone, rent, stationery and supplies; (15) costs of all elevator maintenance and operation; (16) cost of providing security; (17) cost of providing garbage and snow removal and pest control; (18) cost of decoration of common areas; (19) cost of landscaping; (20) costs and fees charged and/or assessed in connection with any business improvement district that is applicable to the Building. Notwithstanding anything in this Lease to the contrary, the preceding list is for definitional purposes only and shall not impose any obligation upon Landlord to incur such expenses or provide such services. Notwithstanding anything to the contrary herein, the cost of electricity, gas, water and sewer and char service for all calendar months during which the average percentage occupancy of the Building falls below one hundred percent (100%) shall be "grossed up" to amounts that approximate such costs as if the Building was one hundred percent (100%) occupied for those months. Notwithstanding the above, Operating Expenses shall not include the Operating Costs listed in the next paragraph below.

(iii) Operating Costs. Commencing on the anniversary of the Lease Commencement Date, and continuing throughout the Lease Term, Tenant shall pay to Landlord, as Additional Rent, its Proportionate Share of Total Office Rentable Area as set forth in Section 1(a)5(ii) of any increase in the Operating Costs incurred by

Landlord in the operation of the Building during any calendar year over the Minimum Operating Costs Amount specified in Section 1(a)14(ii). As used herein, the "Operating Costs" shall mean the cost of (1) char service, cleaning supplies and trash removal except to the extent such services are also provided to the retail tenants in the Building (and classified as Operating Expenses); (2) electricity, gas and/or oil for the Building (unless and to the extent shared by retail tenants and therefore classified as Operating Expenses); (3) elevator maintenance and operations except to the extent the elevators service the retail tenants in the Building (and therefore classified as Operating Expenses); and (4) certain of repairs and maintenance that benefit the rentable area of the office portion of the Building while providing no significant benefit to the rentable area of the retail portion of the Building. Notwithstanding anything in this Lease to the contrary, the preceding list is for definitional purposes only and shall not impose any obligation upon Landlord to incur such expenses or provide such services. Notwithstanding anything to the contrary herein, the cost of electricity, gas, water and sewer and char service for all calendar months during which the average percentage occupancy of the Building falls below one hundred percent (100%) shall be "grossed up" to amounts that approximate such costs as if the Building was one hundred percent (100%) occupied for those months.

Notwithstanding anything to the contrary contained herein, Operating Expenses and Operating Costs shall not include the following:

- (1) Payments of principal or other finance charges made on any debt, or the amortization of funds borrowed by Landlord;
- (2) Ground rent or other payments made under any ground lease or underlying lease (excepting amounts paid for Real Estate Taxes required thereunder);
- (3) All other expenses incurred in connection with negotiations with tenants or prospective tenants, brokers, prospective purchasers or mortgagees of the Building including also any costs or expense incurred by Landlord in order to complete the Initial Improvements;
- (4) Costs of painting, redecorating, or other services or work performed for the benefit of another tenant, prospective tenant or occupant (other than for common areas);
- (5) Salaries, wages, or other compensation paid to any partner, shareholder, officer, executive or director of Landlord for salary or other compensation;
- (6) Salaries, wages, or other compensation or benefits paid to employees above the grade level of property manager;
- (7) Costs of advertising and public relations and promotional costs associated with the promotion or leasing of the Building and costs of signs in or on the Building identifying the owners, leasing agent, property manager or any tenant at the Building;
- (8) Costs and expenses relating to administering the affairs of the ownership entity of Landlord which are unrelated to the maintenance, management or operation of the Building, including, but not limited to, maintaining Landlord's existence, either as a corporation, partnership or other entity;
- (9) Costs of repairs, restoration, replacements or other work occasioned by (A) fire, windstorm or other casualty (whether such destruction be total or partial) and (B) the exercise by governmental authorities of the right of eminent domain (whether such taking be total or partial);
- (10) Costs incurred in connection with disputes with tenants, other occupants, or prospective tenants, or costs and expenses incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;
- (11) Costs directly incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the Building; and



(12) All amounts which would otherwise be included in Operating Expenses and/or Operating Costs which are paid to any affiliate or subsidiary of Landlord, or any representative, employee or agent of same but only to the extent the costs of such services exceed the competitive rates for similar services of comparable quality rendered by persons or entities of similar skill, competence and experience.

(iv) Real Estate Taxes. Commencing on the anniversary of the Lease Commencement Date, Tenant shall pay to Landlord, as Additional Rent, its Proportionate Share as set forth in Section 1(a)5(i) of any increase in the Real Estate Taxes (as hereinafter defined) over the Minimum Real Estate Taxes specified in Section 1(a)15. The term "Real Estate Taxes" shall mean all taxes and assessments, general and special, ordinary and extraordinary, foreseen and unforeseen, now or hereafter assessed, levied or imposed upon the Building, and the land on which it is built, including, without limitation, vault fees and charges, arena taxes, front foot benefit charges and adequate public facility costs and assessments, together with (i) any tax, assessment, or other imposition in the nature of a real estate tax, (ii) any ad valorem tax on rent or any tax on income if imposed in lieu of or in addition to real estate taxes and assessments, and (iii) any taxes and assessments which may hereafter be substituted for real estate taxes, including by way of illustration only, any tax, assessment or other imposition (whether a business rental or other tax) now or hereafter levied upon Landlord for Tenant's use or occupancy of or conduct of business at the Leased Premises, or Tenant's improvements to or furniture, fixtures or equipment in the Leased Premises. In the event that Landlord elects to contest Real Estate Taxes, then reasonable expenses incurred by Landlord in obtaining or attempting to obtain a reduction of any Real Estate Taxes shall be added to and included in Real Estate Taxes. The Real Estate Taxes for any calendar year shall mean the Real Estate Taxes actually paid or due to be paid during such calendar year, whether such Real Estate Taxes relates to such calendar year or a fiscal year. Real Estate Taxes which are being contested by Landlord shall nevertheless be included for purposes of the computation of the liability of Tenant under this Section. Real Estate Taxes shall not include any federal, state or local tax or income or any inheritance, estate, succession, transfer, gift, franchise or corporation tax, nor shall real estate taxes include any interest or penalties. Landlord shall have no obligation to contest, object or litigate the levying or imposition of the Real Estate Taxes and may settle, compromise, consent to, waive, or otherwise determine in its discretion the Real Estate Taxes without consent or approval of Tenant.

(v) Landlord's Enforcement Costs. Additional Rent shall include any and all expenses incurred by Landlord, including reasonable attorneys' fees, for the collection of monies due from Tenant and the enforcement of Tenant's obligations under the provisions of this Lease. When Landlord, at Tenant's expense, performs an obligation of Tenant pursuant to the terms of this Lease, the costs and expenses (including overhead) incurred by Landlord in performance of such obligations shall be Additional Rent.

(d) Additional Rent Estimates and Adjustments.

(i) In order to provide for current monthly payments of Additional Rent, Landlord shall submit to Tenant before the beginning of each calendar year a written statement of Landlord's estimate of the amount of the increases described in Sections 5(c)(ii), 5(c)(iii) and 5(c)(iv) above, together with the amount of Tenant's Additional Rent which is estimated to result from such increases. Tenant shall pay each month one-twelfth (1/12th) of Tenant's Proportionate Shares [as described in Sections 1(a)5.(i) and (ii)] of Landlord's estimate of the increase in such year of (A) Operating Expenses over the Minimum Operating Expenses, (B) Operating Costs over the Minimum Operating Costs, and (C) Real Estate Taxes over the Minimum Real Estate Taxes. Landlord may revise its estimate of Operating Expenses, Operating Costs or Real Estate Taxes at any time during a calendar year by written notice to Tenant, setting forth such revised estimate and Tenant's Proportionate Shares of the estimated increases in Operating Expenses, Operating Costs and/or Real Estate Taxes. In such event, all monthly payments made by Tenant after such notice shall be in an amount calculated on the basis of such revised estimate. Tenant shall, in all cases, continue to make monthly payments of Operating Expenses, Operating Costs and Real Estate Taxes Based on the last estimate received from Landlord until it receives a revised or updated estimate.

(ii) If payment of Additional Rent begins on a date other than January 1st under this Lease, in order to provide for current payments of Additional Rent through December 31st of that partial calendar year, Landlord shall submit to Tenant a statement of Landlord's estimate of Tenant's Additional Rent for that partial year, stated in monthly increments, resulting from the charges described in Sections 5(c)(ii), 5(c)(iii) and 5(c)(iv) above. Tenant shall make the monthly incremental payments of estimated Additional Rent together with its installments of Basic Monthly Rent.

(iii) After the end of each calendar year, Landlord will as soon as reasonably practicable submit to Tenant a statement of the actual increases incurred in (a) Operating Expenses for the preceding calendar year over the Minimum Operating Expense Amount, (b) Operating Costs for the preceding calendar year over the Minimum Operating Costs Amount, and (c) Real Estate Taxes for the preceding calendar year over the Minimum Real Estate Taxes. Tenant shall pay Landlord the amounts indicated, if any, within thirty (30) days of Tenant's receipt of such statement. If the amounts paid by Tenant during the previous year exceeded Tenant's Proportionate Share of actual Operating Expenses, Operating Costs and/or Real Estate Taxes increases for the year, the excess shall be credited toward payment of the next installment of Basic Monthly Rent to be paid by Tenant after Tenant receives said statement from Landlord. If the amount paid by Tenant during the last calendar year of the Lease Term exceeds Tenant's Proportionate Share of actual Operating Expenses, Operating Costs and/or Real Estate Taxes increases for such year, Landlord shall pay Tenant the excess amount within thirty (30) days after Landlord's submission to Tenant of the aforesaid operating charge statement for such calendar year.

(iv) Within ten (10) days after receipt of Landlord's statement showing actual figures for the year, Tenant shall have the right to request a detailed statement of Operating Expenses and Operating Costs prepared by Landlord and copies of Real Estate Tax bills, which shall be supplied to Tenant within a reasonable time after Tenant's written request. No such request shall extend the time for payments as set forth in Section 5(c) or Section 5(d)(iii) above. Unless Tenant asserts specific error(s) and supports such errors, in writing, within fifteen (15) days after Landlord has complied with Tenant's request, Tenant shall waive the right to contest the statement of actual figures for the year submitted by Landlord. If it shall be determined that there is an error in Landlord's statement, Tenant shall be entitled to a credit for any overpayment. Any payment, refund or credit made pursuant to Section 5(c) or 5(d) shall be made without prejudice to any right of Tenant to dispute, or of Landlord to correct, any item(s) as billed pursuant to the provision hereof; provided, however, such right to correct or adjust rental payments shall terminate at the expiration of two (2) years after the date any payment shall have become due.

(e) Payment of Rent. In the event Minimum Annual Rent or Additional Rent is not paid when the same is due, a late charge equal to the greater of One Hundred Fifty Dollars (\$150.00) or five percent (5%) of the delinquent amount shall be assessed as liquidated damages for the additional administrative charges incurred by Landlord as a result of such late payment. In addition, if any Minimum Annual Rent or Additional Rent is not paid within five (5) days after the same is due, Landlord may, at its option, charge interest thereon at fifteen percent (15%) per annum or the highest legal rate, whichever is lower ("Default Rate") from the due date until the date received by Landlord. No payment by Tenant or receipt by Landlord of lesser amounts of rent than those herein stipulated shall be deemed to be other than on account of the earliest unpaid stipulated rent. No endorsement or statement on any check or any letter accompanying any check or payment as rent shall 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 provided in this Lease. If Landlord receives from Tenant (i) a bounced check, Tenant shall reimburse Landlord, as Additional Rent, for all costs incurred by Landlord in connection with such bounced check, and (ii) two or more returned or "bounced" checks in any twelve (12) month period, Landlord may require all future rent by cashier's or certified check.

(f) Survival of Rent Obligation. The obligation of Tenant with respect to the payment of outstanding Minimum Annual Rent or Additional Rent shall survive the termination of this Lease or assignment thereof.

6. Security Deposit. Tenant has deposited with Landlord simultaneously with the execution of this Lease, the amount stipulated in Section 1(a)13 as a deposit (the "Security Deposit") to secure the prompt performance of Tenant's obligations hereunder. The Security Deposit may be commingled with Landlord's general funds, if permitted by law. Landlord shall have the right, but shall not be obligated, to apply all or any portion of the Security Deposit to cure any default, in which event Tenant shall be obligated to deposit with Landlord the amount necessary to restore the Security Deposit to its original amount within five (5) days after written notice from Landlord. To the extent not forfeited or otherwise used as provided herein, and provided the Leased Premises are vacated in good condition, reasonable wear and tear excepted, as described in Section 15 of this Lease, the Security Deposit shall be returned, without interest, to Tenant within forty-five (45) days after the termination of this Lease.

Landlord shall deliver the Security Deposit to the purchaser or any assignee of Landlord's interest in the Leased Premises or the Building, whereupon Landlord shall be discharged from any further liability with respect to the Security Deposit. This provision shall apply also to any and all subsequent transferors of Landlord's interest in this

Lease. If Tenant fails to take possession of the Leased Premises as required by this Lease, the Security Deposit shall not be deemed liquidated damages and Landlord's use of the Security Deposit pursuant to this Section 6 shall not preclude Landlord from recovering from Tenant all additional damages incurred by Landlord.

7. Use of Leased Premises.

(a) Use. Tenant shall use and occupy the Leased Premises for the singular purpose specified in Section 1(a)(12) and for no other purpose whatsoever, and only in accordance with the uses permitted under applicable zoning and other municipal regulations. Tenant shall not use or permit the Leased Premises to be used for any other purpose or purposes without the prior written consent of Landlord, which consent may be granted or withheld in its sole and absolute discretion. Notwithstanding anything in this Lease to the contrary, in no event shall Tenant use or permit any party to use any portion of the Leased Premises for any of the following purposes: (i) training or instruction facility; (ii) classroom; (iii) data center; (iv) telemarketing or call center; (v) sales order center; or (vi) conference facility.

(b) Compliance. Tenant shall, at Tenant's sole expense, after Landlord has delivered the Leased Premises with all Improvements, as described below, having been substantially completed (i) comply with all laws, orders, ordinances, and regulations of federal, state, county and municipal authorities having jurisdiction over the Leased Premises, (ii) comply with any directive, order or citation made pursuant to law by any public officer requiring abatement of any nuisance or which imposes upon Landlord or Tenant any duty or obligation arising from Tenant's occupancy or use of the Leased Premises, or from conditions which have been created by or at the request or insistence of Tenant, or required by reason of a breach of any of Tenant's obligations hereunder or by or through other fault of Tenant ; (iii) comply with all insurance requirements applicable to the Leased Premises; and (iv) cause the Leased Premises to comply with the Americans With Disabilities Act of 1990, 42 U.S.C.12101 et seq., as amended from time to time (the "ADA") and all rules and regulations promulgated to further the purpose of the ADA. If Tenant receives notice of any such directive, order, citation or of any violation of any law, order, ordinance, regulation or any insurance requirement, Tenant shall promptly notify Landlord in writing of such alleged violation and furnish Landlord with a copy of such notice. Except as provided herein with respect to the Landlord's Work, in furtherance of the foregoing, and provided Tenant shall first have obtained Landlord's prior written consent in accordance with the provisions of Section 13 of the Lease (which Tenant agrees to promptly request), Tenant shall, at Tenant's sole cost and expense, make such changes, alterations, renovations or modifications to the Leased Premises in accordance with the provisions of Section 13 of the Lease (except for structural repairs) which are necessitated or required by any such law, ordinance, rule, regulation, directive or insurance requirement. Landlord, at its sole cost and expense (except to the extent properly included in Operating Expenses or Operating Costs), shall be responsible for correcting any violations of Title III of the Americans with Disabilities Act with respect to the Leased Premises and the Common Areas of the Building, provided that Landlord's obligation with respect to the Leased Premises shall be limited to violations that arise out of the Landlord Work and/or condition of the Leased Premises prior to the installation of any furniture, equipment and other personal property of Tenant. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law. Landlord, after the exhaustion of any and all rights to appeal or contest, will make all repairs, additions, alterations or improvements necessary to comply with the terms of any final order or judgment. Notwithstanding the foregoing, Tenant, not Landlord, shall be responsible for the correction of any violations that arise out of or in connection with any claims brought under any provision of the Americans with Disabilities Act other than Title III, the specific nature of Tenant's business in the Leased Premises (other than general office use), the acts or omissions of Tenant, its agents, employees or contractors, Tenant's arrangement of any furniture, equipment or other property in the Leased Premises, any repairs, alterations, additions or improvements performed by or on behalf of Tenant (other than the Landlord Work) and any design or configuration of the Leased Premises specifically requested by Tenant after being informed that such design or configuration may not be in strict compliance with the ADA.

(i) Legal. Tenant shall not use or permit the Leased Premises or any part thereof to be used in violation of any present or future applicable law, regulation or ordinance, or of the certificate of occupancy issued for the Building or the Leased Premises, and shall immediately discontinue any use of the Leased Premises which is declared by any governmental authority having jurisdiction to be in violation of law or said certificate of occupancy. Tenant will not use or permit the Leased Premises to be used for any purposes that interfere with the use



and enjoyment of the Building by Landlord or the other tenants, or which violate the requirements of any insurance company insuring the Building or its contents, or which, in Landlord's sole discretion, impair the reputation of the Building. Tenant shall refrain from and discontinue such use immediately upon receipt of written notice from Landlord.

(ii) Fire and Safety. Tenant shall not do, or permit anything to be done in the Leased Premises, or bring or keep anything therein, which will in any way increase the rate of fire insurance on the Building, or invalidate or conflict with fire insurance policies on the Building, fixtures or on property kept therein. Tenant agrees that any increases of fire insurance premiums on the Building or contents caused by the occupancy of Tenant and any expense or cost incurred in consequence of negligence or the willful action of Tenant, Tenant's employees, agents, servants, invitees, or licensees shall be deemed Additional Rent and paid as accrued.

(c) Environmental Protection. Tenant and Tenant's employees, contractors and agents shall not dispose of, generate, manufacture, store treat or use any oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous waste or hazardous substance including, without limitation, asbestos (hereinafter collectively referred to as "hazardous waste"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or in any other federal, state or local law governing hazardous substances (hereinafter collectively referred to as the "Act"), as such laws may be amended from time to time at, upon, under or within the Leased Premises or the Building or the land on which it is built, or into the plumbing or sewer or water system servicing the Leased Premises or the Building, nor shall Tenant, its employees or agents cause or permit the discharge, spillage, uncontrolled loss, seepage or filtration of any hazardous waste at, upon, under or within the Leased Premises or the Building or the land or into the plumbing or sewer or water system servicing the same. Tenant shall comply in all respects with the requirements of the Act and related regulations, and shall notify Landlord immediately in the event of its discovery of any hazardous waste at, upon, under or within the Leased Premises or the Building or the land, or of any notice by a governmental authority or private party alleging that a disposal of hazardous waste on or near the Leased Premises may have occurred. Tenant further agrees to provide Landlord full and complete access to any documents or information in Tenant's possession or control relevant to the question of the generation, treatment, storage or disposal of hazardous waste on or near the Leased Premises.

(d) Indemnification. Tenant shall indemnify Landlord against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims, and demands, including, without limitation, diminution in the value of the land, the Leased Premises or the Building, damages for the loss or restriction on use of rentable or usable space or of any amenity of the land, the Leased Premises or the Building, damages arising from any adverse impact on marketing of space on the land or in the Leased Premises or the Building and reasonable attorneys' fees, arising out of Tenant's violation of or default in the covenants of this Section 7. The provisions of Sections 7(b) and (c) and this Section 7(d) shall survive the expiration of the Lease Term. This indemnification of Landlord by Tenant also shall include, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision because of hazardous waste present in the soil or ground water on or under the land or the Building. Without limiting the foregoing, if the presence of any hazardous waste on the land, the Leased Premises or the Building caused or permitted by Tenant results in any contamination of the land, the Leased Premises or the Building, Tenant shall promptly take all actions at its sole expense as are necessary to return the land, the Leased Premises and/or the Building to the condition existing prior to the introduction of any such hazardous waste to the land, the Leased Premises and/or the Building; provided that Landlord's written approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the land, the Leased Premises or the Building.

(e) Moving and Deliveries. No freight, furniture or other bulky matter of any description shall be received into the Building or carried in the elevators, except at times and by routes authorized by Landlord. Tenant shall give Landlord at least forty-eight (48) hours telephonic notice prior to moving any freight, furniture or other bulky material into or out of the Building. All moving of furniture, material and equipment shall be under the direct control and supervision of Landlord, who shall, however, not be responsible for any damage to or charges for moving same. Tenant shall promptly remove from the public areas within or adjacent to the Building any of Tenant's property delivered or deposited there, and shall be responsible for any damage to the Building or the Leased Premises caused by its moving and deliveries. Landlord may repair any such damage at Tenant's expense, and Tenant shall pay the cost therefor to Landlord upon demand as Additional Rent.

(f) Excessive Floor Load. Landlord shall have the right to prescribe the weight and method of installation and position of safes or other heavy fixtures or equipment. Tenant will not, without Landlord's prior written approval, install in the Leased Premises any fixtures, equipment or machinery that will place a load upon the floor exceeding the designed floor load capacity. Tenant shall be liable for all damage done to the Building by installing or removing a safe or any other article of Tenant's office equipment, or due to its being in the Leased Premises. Landlord shall repair any such damage at Tenant's expense, and Tenant shall pay the cost therefor to Landlord upon demand, as Additional Rent.

8. Taxes on Tenant's Property. Tenant shall be liable for, and shall pay at least ten (10) days before delinquency, all taxes levied against any personal property or trade fixtures placed by Tenant in or about the Leased Premises. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed value of the Leased Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, and if Landlord, after written notice to Tenant, pays the taxes Based upon such increased assessments (which Landlord shall have the right to do regardless of the validity thereof, but under protest if requested by Tenant), Tenant shall upon demand repay to Landlord a sum equal to the taxes levied against Landlord or the portion of such taxes resulting from such increase in the assessment; provided that, in any such event, Tenant shall have the right, at Tenant's sole cost and expense, to bring suit to recover the amount of any such taxes so paid under protest, and any amount so recovered shall belong to Tenant.

9. Rules and Regulations. Tenant covenants on behalf of itself, its employees, agents, licensees and invitees to comply with the rules and regulations set forth in Exhibit C, which is attached hereto and made a part hereof (the "Rules and Regulations"). Landlord shall have the right, in its sole discretion, to make reasonable additions and amendments to the Rules and Regulations from time to time and Tenant covenants that Tenant, its employees, agents, licensees and invitees will comply with additions and amendments to the Rules and Regulations upon Landlord's provision to Tenant of a written copy of the same. Any default by Tenant, or any other party set forth above, of any of the provisions of the Rules and Regulations as set forth in Exhibit C, or as amended from time to time, shall be considered to be a default under the terms of this Lease (subject to the applicable notice and cure period provided in Section 19 below). Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or any amendments or additions thereto, against any other tenant. Landlord shall have no liability to Tenant or any other party for violations of the Rules and Regulations by any party whatsoever. If there is any inconsistency between this Lease and the Rules and Regulations, the Lease shall govern.

10. Utilities and Services.

(a) Building Standard Services and Utilities. Landlord shall furnish sufficient electric current for routine and normal requirements for lighting and typical office equipment and machinery, such as personal computers, small copiers and similar items, subject to the limitations of Section 10(d) and shall furnish water for lavatory and drinking purposes, lavatory supplies, and nightly cleaning and janitorial services Monday through Friday [exclusive of the Building Holidays specified in Section 1(a)17], all without additional cost to Tenant. Landlord further agrees to furnish heating and cooling during the appropriate seasons of the year, during the Standard Building Operating Hours and on the days set forth in Section 1(a)16, exclusive of the Building Holidays specified in Section 1(a)17, with holidays falling on Saturday observed both on said day and on the preceding Friday, and holidays falling on Sunday observed on the following Monday.

(b) Overtime Services. Should Tenant require heating and cooling services beyond the hours stipulated in Section 10(a), Landlord will furnish such additional service at the then-prevailing hourly rate, as established by Landlord from time to time, provided that Tenant gives Landlord no less than twenty-four (24) business hours advance written notice of the need therefor.

(c) Interruption of Service. In no event shall Landlord be liable to Tenant for any interruption or failure in the supply of any utilities to the Leased Premises and the Building. Landlord reserves the right to interrupt service of the heat, plumbing, air conditioning, cooling, electric, and sewer and water systems, when necessary, by reason of accident, or of repairs, alterations or improvements which in the judgment of Landlord are desirable or necessary to be made, until such repairs, alterations or improvements shall have been completed (Landlord shall use commercially reasonable efforts to notify Tenant in advance of any such planned interruptions); and Landlord shall have no responsibility or liability for failure to supply heat, plumbing, air conditioning, cooling, electric, and sewer and

water service, or other service or act for the benefit of Tenant, when prevented from so doing by strikes, accidents or by any other causes beyond Landlord's reasonable control, or by orders or regulations of any federal, state, county, or municipal authority, or by any failure to receive suitable fuel supply, or inability despite exercise of reasonable diligence to obtain the regularly-used fuel or other suitable substitute; and Tenant agrees that Tenant shall have no claim for damages nor shall there be any abatement of Minimum Annual Rent in the event that any of said systems or service shall be discontinued or shall fail to function for any reason. If any public utility supplying any utility to the Building, or any law, order or regulation of any federal, state county or municipal authority requires that Landlord or Tenant must reduce or maintain a certain level of consumption of electricity or any other utility or interior temperature for the Leased Premises or the Building, which affects the normal business hours or the provision of any utility the Leased Premises or the Building, Landlord and Tenant shall each adhere to and abide by such requirement without any reduction in rent or in any of Tenant's other obligations hereunder. Despite the foregoing, in the event that as a result of Landlord's negligence or intentional misconduct (i) the services to be provided by Landlord under this Lease shall not be furnished for more than five (5) consecutive business days, and (ii) Tenant, in its reasonable business judgment, determines that it is unable to use and occupy the Leased Premises (or any part thereof) as a result thereof, then the Minimum Annual Rent Tenant is obligated to pay hereunder shall abate with respect to that part of the Leased Premises which Tenant does not use and occupy, commencing as of the day such interruption in services and/or utilities began until the date on which such services and/or utilities are restored, unless the failure to furnish such services and utilities is caused by Tenant's acts or omissions.

(d) Excessive Electrical Usage.

(i) Tenant will not install or operate in the Leased Premises any heavy duty electrical equipment, over occupancy, or machinery, without obtaining the prior written consent of Landlord. Landlord may require, as a condition of its consent to the installation of such equipment or machinery, payment by Tenant, as Additional Rent, for such excess consumption of electricity as may be occasioned by the operation of said equipment, over occupancy, or machinery. Landlord may make periodic inspections of the Leased Premises at reasonable times to determine that Tenant's electrically operated equipment and machinery complies with the provisions of this Section and Section 10(e).

(ii) If Landlord reasonably determines that Tenant's electrical consumption in the Leased Premises is excessive, then Landlord shall have the right to require that one or more separate meters or submeters be installed to record the consumption or use of electricity, or to cause a reputable independent electrical engineer to survey and determine the quantity of electricity consumed by such excessive use. The cost of any such survey or meters and of installation, maintenance and repair thereof shall be paid by Tenant. Tenant agrees to pay Landlord (or the utility company, if direct service is provided by the utility company), promptly upon demand therefor, for all such electricity consumption as shown by said meters, or a flat monthly charge determined by the survey, as applicable, at the rates charged for such service by the local public utility company. If Tenant's cost of electricity based on meter readings is to be paid to Landlord, Tenant shall pay a service charge related thereto (not to exceed five percent (5%) of such cost).

(e) Excessive Heat Generation. Landlord shall not be liable for its failure to maintain comfortable atmospheric conditions in all or any portion of the Leased Premises, due to heat generated by any equipment or machinery installed by Tenant (with or without Landlord's consent) that exceeds generally-accepted engineering design practices for normal office purposes. If Tenant desires additional cooling to offset excessive heat generated by such equipment or machinery, Tenant shall pay for auxiliary cooling equipment and its operating costs, including without limitation electricity, gas, oil and water, or for excess electrical consumption by the existing cooling system, as appropriate.

(f) Security. In the event that Landlord, in the exercise of its sole and absolute discretion, elects to undertake any security measures, such security measures: (i) shall be for the protection of the Building only, and (ii) shall not be relied upon by Tenant to protect Tenant, its property, its employees and/or their property.

11. Landlord's Right of Entry. Landlord, its agents, employees and contractors shall have the right to enter the Leased Premises at all times, upon reasonable prior notice to Tenant (except in the event of an emergency or in connection with Section 11(b) below, in which event no notice shall be required) (a) to make inspections or to make repairs to Leased Premises or other premises as Landlord may deem necessary; (b) to perform nightly cleaning

of the Leased Premises; (c) to exhibit the Leased Premises to prospective tenants; and (d) for any purpose whatsoever relating to the safety, protection or preservation of the Building. Landlord shall use reasonable efforts to minimize interference to Tenant's business when making repairs, but Landlord shall not be required to perform the repairs at any time other than during normal working hours. Landlord shall have the right to enter the Leased Premises to install energy savings devices, including, without limitation, installing energy efficient/motion censored light switches.

12. Maintenance and Repairs.

(a) Landlord Responsibilities. Landlord shall make structural repairs to the Leased Premises necessary for safety and tenantability, and shall maintain in good condition and repair the common areas and all Building equipment serving the Leased Premises, and the cost of all such repairs or maintenance shall be included in Basic Operating Charges unless necessitated by the act or omission of Tenant, its agents, employees, licensees, invitees or contractors, in which event Tenant shall pay such cost to Landlord, as Additional Rent, promptly upon demand. Tenant agrees to report immediately in writing to Landlord any defective condition in or about the Leased Premises known to Tenant which Landlord is required to repair, and a failure to so report shall make Tenant liable to Landlord for any expense, damage or liability resulting from the failure to report such defects. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect. Landlord reserves the right at any time and from time to time, as often as Landlord deems desirable, without the same constituting an actual or constructive eviction and without incurring any liability to Tenant or otherwise affecting Tenant's obligations under this Lease, to make changes, alterations, additions, improvements, repairs, relocations or replacements in or to the Building and the fixtures and equipment thereof. Landlord shall use reasonable efforts not to disturb Tenant's business operations when making repairs to the Leased Premises or the Building. Nothing contained herein shall be deemed to relieve Tenant of any duty, obligation or liability with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any government or other authority and nothing contained herein shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision or repair of the Building, or any part thereof, other than as expressly provided in this Lease.

(b) Tenant Responsibilities. Tenant will keep the Leased Premises and the fixtures and equipment therein in good order and in a clean, safe and sanitary condition, will take good care thereof and will suffer no waste or damage thereto. At the expiration or other termination of the Lease Term, Tenant will surrender the Leased Premises broom clean and in the same order and condition in which they were on the Lease Commencement Date, ordinary wear and tear excepted. All repairs and maintenance required to be performed by Tenant shall be made or performed immediately upon the occurrence of the necessity therefor, and shall be made or performed in a first class manner, using first class materials, by a contractor approved by Landlord and bonded unless waived by Landlord, and shall be made or performed in accordance with (i) all laws and all applicable governmental codes and requirements, and (ii) insurance requirements. Maintenance and repair of equipment such as kitchen fixtures, auxiliary air-conditioning equipment, private bathroom fixtures and any other type of special equipment, together with related plumbing or electrical services, whether installed by Tenant or by Landlord on behalf of Tenant, shall be the sole responsibility of Tenant, and Landlord shall have no obligation in connection therewith. If Tenant refuses or neglects to promptly commence and complete repairs or maintenance necessary to satisfy the provisions of this Section, the Landlord may, but shall not be required to, make and complete said repairs or maintenance and Tenant shall pay the cost therefor (including overhead) to Landlord upon demand, as Additional Rent.

(c) ADA Notification. Within ten (10) days after receipt, Tenant shall advise Landlord in writing, and provide copies of (as applicable) any notices alleging violation of the ADA relating to any portion of the Building or of the Leased Premises, any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Building or of the Leased Premises, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Building or of the Leased Premises.

13. Alterations or Improvements by Tenant.

(a) Tenant shall not make any alterations, additions, or improvements, structural or otherwise (collectively, "Alterations") in the Leased Premises, without the prior written consent of Landlord. **Tenant acknowledges that the Building, in some areas, contains non-friable asbestos containing materials and**



therefore particular care and specialized procedures must be taken during any alterations, decorations, additions or improvements to the Leased Premises to insure that any asbestos containing materials not be disturbed. Tenant shall not install any equipment of any nature whatsoever which may affect the insurance rating of the Building, or which may necessitate any changes, replacements or additions to the water system, plumbing system, heating system, air-conditioning system or the electrical system of the Leased Premises, without the prior written consent of Landlord. Tenant shall pay all costs to make such changes, replacements or additions. Any approved Alterations shall be made by licensed and bonded contractors and mechanics approved by Landlord, in accordance with (i) the applicable laws and ordinances of any public authority having jurisdiction over the Building, (ii) the building code and zoning regulations of any such authority, and (iii) any rules and regulations established from time to time by the Underwriters Association of the local area. Prior to commencing construction of any approved Alteration, Tenant shall obtain any necessary building permits and shall deliver copies of such permits to Landlord. Landlord, in Landlord's sole discretion, may require as a condition precedent to the commencement of construction of any Alteration that Tenant: (I) furnish evidence to Landlord that Tenant and Tenant's contractors carry insurance as specified in Sections 27(a)(i) and 27(a)(iii) hereof and such additional insurance as Landlord may reasonably require, and (II) deliver partial and final lien waivers and releases from any general contractor and any subcontractors performing work. All Alterations shall be performed in a good and workmanlike manner using only new and first-class quality furnishings, fixtures, equipment and materials to assure that the Leased Premises is constructed and maintained in a first-class, modern and attractive condition. All Alterations shall be performed without interference with the work or business operations of Landlord or of the other tenants of the Building. Tenant and Tenant's contractors shall be responsible for the transportation, safe-keeping and storage of materials and equipment used in the performance of Alterations and for the removal of waste and debris resulting from the performance of Alterations (it being agreed that prior to removal, all such materials, equipment, waste and debris shall be stored safely by Tenant within the Leased Premises). Tenant will defend, indemnify and hold Landlord harmless from and against any and all expenses, liens, claims or damages, including attorneys' fees, for injury to person or property which may or might arise, directly or indirectly, by reason of the making of any Alterations. If any Alteration is effected without the prior written consent of Landlord, Landlord may remove or correct the same and Tenant shall be liable for any and all expenses of this work. All rights given to Landlord herein shall be in addition to any other right or remedy of Landlord contained in this Lease. Tenant hereby agrees that all Alterations made in, to, or on the Leased Premises shall, unless otherwise provided by written agreement, be the property of Landlord and shall remain upon and be surrendered with the Leased Premises on the Expiration Date or other termination of this Lease. At Landlord's request, any or all Alterations to the Leased Premises made during the Lease Term shall be removed by Tenant at its sole cost, and the Leased Premises shall be restored to their original condition by the Expiration Date, ordinary wear and tear excepted. Should Tenant fail to remove the same, Landlord may cause the same to be removed at Tenant's expense and Tenant hereby agrees to reimburse Landlord for the cost of such removal together with any and all damages which Landlord may suffer and sustain by reason of the failure of Tenant to remove the same.

(b) Low Voltage Cabling.

(i) The provisions of this Section 13(b) shall apply only to any new low-voltage control voice, data, video, audio, and other low-voltage control transport system cabling and/or cable bundles installed by Tenant after the date of this Lease in or serving the Leased Premises. The provisions of this Section 13(b) shall not apply to any such cabling and/or cable bundles in or serving the Leased Premises and installed prior to the date of this Lease.

(ii) All low-voltage control voice, data, video, audio, and other low-voltage control transport system cabling and/or cable bundles installed by Tenant in or serving the Leased Premises shall be (i) plenum rated and/or have a composition makeup suited for its environmental use in accordance with NFPA 70/National Electrical Code; (ii) labeled every three (3) meters with the Tenant's name and origination and destination points; (iii) installed in accordance with all EIA/TIA standards and the National Electric Code; and (iv) installed and routed in accordance with a routing plan showing "as built" or "as installed" configurations of cable pathways, outlet identification numbers, locations of all wall, ceiling and floor penetrations, riser cable routing and conduit routing if applicable, and such other information as Landlord may request. The routing plan shall be available to Landlord and its Agents at the Building upon request.

(iii) Notwithstanding any provision of this Lease to the contrary, Landlord, at the expiration or earlier termination of the term of this Lease, may elect to require Tenant to remove all or any part of the voice, data,

video, audio, and other low-voltage control transport system cabling and/or cable bundles installed by Landlord or Tenant in connection with the Tenant Work or any subsequent Alterations made by in or to the Leased Premises and to repair any damage caused by the removal of such cabling, wiring and/or conduit. Removal of any such cabling, wiring and/or conduit and repair of the Leased Premises shall be at Tenant's sole cost and expense, and Tenant agrees, at Landlord's election, (i) to remove all such cabling, wiring and/or conduit and repair any damage caused by said removal, or (ii) pay Landlord, as additional rent, for all costs incurred by Landlord to undertake such removal and repairs.

14. Common Areas.

(a) Common Areas Defined. In this Lease, "common areas" means all areas, facilities and improvements provided, from time to time, in the Building for the mutual convenience and use of tenants or other occupants of the Building, their respective agents, employees, and invitees and shall include, if provided, but shall not be limited to, the lobbies and hallways, the public restrooms, the parking areas and facilities, access roads, driveways, retaining walls, sidewalks, walkways, landscaped areas, and exterior lighting facilities.

(b) Landlord's Control. Landlord shall, as between Landlord and Tenant, at all times during the term of the Lease have the sole and exclusive control, management and direction of the common areas, and may at any time and from time to time during the term exclude and restrain any person from use or occupancy thereof, excepting, however, Tenant and other tenants of Landlord and bona fide invitees of either who make use of said areas in accordance with the rules and regulations established by Landlord from time to time with respect thereto. The rights of Tenant in and to the common areas shall at all times be subject to the rights of others to use the same in common with Tenant, and it shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation. Landlord may at any time and from time to time close all or any portion of the common areas to make repairs or changes or to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, to close temporarily any or all portions of the said areas to discourage noncustomer parking, and to do and perform such other acts in and to said areas as, in the exercise of good business judgment, Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their employees, agents, and invitees.

(c) Changes and Additions. Landlord reserves the right at any time and from time to time, as often as Landlord deems desirable, without the same constituting an actual or constructive eviction and without incurring any liability to Tenant or otherwise affecting Tenant's obligations under this Lease, to make changes, alterations, additions, improvements, repairs, relocations or replacements in or to the Building and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages, stairways and other common facilities thereof, and to change the name by which the Building is commonly known and/or the Building's address. Landlord reserves the right from time to time to install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building, above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Leased Premises which are located in the Leased Premises or located elsewhere outside the Leased Premises, and to expand and/or build additional stories on the Building. Prior to Landlord entering the Leased Premises, Landlord shall provide reasonable prior notice to Tenant (except in the event of an emergency) in accordance with Section 11 of this Lease. Nothing contained herein shall be deemed to relieve Tenant of any duty, obligation or liability with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any government or other authority and nothing contained herein shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision or repair of the building, or any part thereof, other than expressly provided in this Lease. Notwithstanding the foregoing, in the exercise of any of Landlord's rights granted pursuant to this Section 14(c), Landlord agrees to use commercially reasonable efforts to minimize interference with Tenant's business operations.

15. Surrender and Inspection.

(a) Surrender. Upon the Expiration Date or other termination of the term of this Lease, Tenant shall quit and surrender the Leased Premises to the Landlord in as good order and condition as when received, ordinary wear and tear excepted, and Tenant shall remove all of its property from the Leased Premises by the

Expiration Date or other termination of this Lease: Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease.

(b) Inspection. Tenant shall have the right to be present at time of final inspection of the Leased Premises to determine if any damages were done thereto. The notice of Tenant's desire to be present at the final inspection of the Leased Premises shall be given at least fifteen (15) days prior to the date of moving. Upon receipt of such notice, Landlord shall notify Tenant of time and date when the Leased Premises are to be inspected. The inspection shall occur within five (5) days before or five (5) days after Tenant's date of moving, said inspection date to be designated by Landlord. Tenant shall be deemed to have been advised of its rights under this Section by execution of this Lease.

(c) Fixtures and Personal Property Remaining. If Tenant does not remove Tenant's furniture, equipment, machinery, trade fixtures, floor coverings and all other items of personal property of every kind and description from the Leased Premises prior to the Expiration Date, then Tenant shall be conclusively presumed to have conveyed the same to Landlord under this Lease as a bill of sale without further payment or credit by Landlord to Tenant.

16. Tenant Holding Over. In the event that Tenant, without the consent of Landlord, shall hold over the expiration of the term hereby created, then Tenant shall become a Tenant of sufferance only, at a monthly rent which is 150% of the Basic Monthly Rent applicable to the last month of the Lease Term, and otherwise subject to the terms, covenants and conditions herein specified. Tenant expressly agrees to hold Landlord harmless from all loss and damages, direct and consequential, which Landlord may suffer in defense of claims by other parties against Landlord arising out of the holding over by Tenant, including, without limitation, any attorneys' fees, which may be incurred by Landlord in defense of such claims. Acceptance of rent by Landlord subsequent to the expiration of the Lease Term shall not constitute consent to any holding over. Landlord shall have the right to apply all payment received after the expiration date of this Lease toward payment for use and occupancy of the Leased Premises subsequent to the expiration of the Lease Term and toward any other sums owed by Tenant to Landlord. Landlord, at its option, may forthwith re-enter and take possession of the Leased Premises without process, or by any legal process in force.

17. Covenant Against Assignment and Subletting.

(a) Consent. Tenant will not sublet the Leased Premises or any part thereof or transfer possession or occupancy thereof to any person, firm or corporation, or transfer or assign this Lease, without the prior written consent of Landlord, which consent shall be granted or withheld by Landlord in the exercise of its sole and absolute discretion. Despite the foregoing, Landlord's consent to a proposed assignment of this Lease or proposed subletting of the entire Leased Premises shall not be unreasonably withheld, conditioned, or delayed, provided, however, that it shall not be unreasonable for Landlord to withhold its consent on the basis that (i) the proposed assignee's or subtenant's net worth and/or net income is unacceptable to Landlord, or (ii) the proposed assignee or subtenant is a party by whom any suit or action could be defended on the ground of sovereign immunity, or (iii) the proposed assignee's or subtenant's proposed use of the Leased Premises is not in keeping with a first class office building, or (iv) the proposed assignee or subtenant is a tenant or occupant of the Building. Tenant shall not encumber the Lease or any interest therein nor grant any franchise, concession license or permit arrangement with respect to the Leased Premises or any portion thereof. No subletting or assignment hereof shall be affected by operation of law or in any other manner unless with the prior written consent of Landlord, which consent shall be granted or withheld by Landlord in the exercise of its sole and absolute discretion. A sale, transfer, assignment or other conveyance of a general partnership or joint venture, or a transfer of more than a twenty percent (20%) stock interest, if Tenant is a corporation, or a transfer of more than a twenty percent (20%) membership interest in Tenant if Tenant is a limited liability company, shall be an assignment for purposes hereof. Tenant shall not modify, extend or amend a sublease previously consented to by Landlord without obtaining Landlord's consent thereto.

(b) Assignment. In the event Tenant desires to assign this Lease, Tenant shall give to Landlord written notice of Tenant's desire to do so, which notice shall be accompanied by the "Required Information" (as hereinafter defined). Within thirty (30) days of receipt of said notice and the Required Information, Landlord shall have the right to terminate this Lease on a date to be agreed upon by Landlord and Tenant. If Landlord exercises its right terminate this Lease, Tenant agrees that Landlord shall have access to the Leased Premises thirty (30) days prior to

the effective termination date for remodeling or redecorating purposes, or to show the Leased Premises to prospective tenants.

(c) Subletting. In the event Tenant desires to sublet all or any part of the Leased Premises, Tenant shall give to Landlord written notice of Tenant's desire to do so, which notice shall be accompanied by the Required Information. Within thirty (30) days of receipt of said notice and Required Information, Landlord shall have the right (i) to terminate this Lease on a date to be agreed upon by Landlord and Tenant; or (ii) with Tenant's consent, to terminate this Lease and to enter into a new lease with Tenant for that portion of the Leased Premises Tenant desires to retain, upon terms to be mutually agreed upon; or (iii) to sublease from Tenant at the same rental rate then being paid by Tenant and subsequently to relet that portion of the Leased Premises. If Landlord exercises its right to terminate this Lease or to sublet a portion of the Leased Premises, Tenant agrees that Landlord shall have access to all of or such portion of the Leased Premises thirty (30) days prior to the effective termination or sublease commencement date for remodeling or redecorating purposes, or to show the same to prospective tenants.

(d) Required Information. If Tenant should desire to assign this Lease or sublet the Leased Premises (or any part thereof), Tenant shall give Landlord written notice no later than thirty (30) days in advance of the proposed effective date of such proposed assignment or sublease, which notice shall specify the following information (such information shall be collectively referred to as the "Required Information"): (i) the name, current address and business of the proposed assignee or sublessee, (ii) the amount and location of the space within the Leased Premises proposed to be so subleased, (iii) the proposed effective date and duration of the assignment or subletting, and (iv) the proposed rent and other consideration to be paid to Tenant by such assignee or sublessee. Such notice shall be accompanied by a certified check payable to Landlord in the amount of Five Hundred and 00/100 Dollars (\$500.00) to reimburse Landlord for its administrative costs in processing Tenant's request. Tenant also shall promptly supply Landlord with financial statements and other information as Landlord may reasonably request to evaluate the proposed assignment or sublease.

(e) Fees; Documents. Tenant agrees to reimburse Landlord for reasonable legal fees incurred by Landlord in connection with any proposed assignment or subletting (not to exceed \$2,000.00 on any one occasion). Tenant shall deliver to Landlord copies of all documents executed in connection with any proposed assignment or subletting, which documents shall be in form and substance reasonably satisfactory to Landlord and which documents, (i) in the case of permitted assignment, shall require such assignee to assume performance of all terms of this Lease on Tenant's part to be performed, and (ii) in the case of permitted subletting shall require such sublessee to comply with all terms of this Lease on Tenant's part to be performed. No acceptance by Landlord of any Basic Monthly Rent or any other sum of money from any assignee, sublessee or other category of transferee shall be deemed to constitute Landlord's consent to any assignment, sublease, or transfer.

(f) No Release. Any attempted assignment or sublease by Tenant in violation of the terms and provisions of this Section 17 shall be void and shall constitute a material breach of this Lease. In the event Landlord consents to any assignment or sublease on one occasion, such consent shall not affect Tenant's obligation to comply with the provisions of Section 17 of this Lease with respect to any future assignment or sublease.

(g) Tenant Liability. In the event of any subletting of all or any portion of the Leased Premises or assignment of this Lease by Tenant, with or without Landlord's consent, Tenant shall remain primarily liable to Landlord for the payment of the rent stipulated herein and for the performance of all other covenants and conditions contained herein. At the time Tenant requests Landlord's consent to an assignment of this Lease, Tenant may submit a written request to Landlord to release Tenant from liability under this Lease as of the date of the assignment, and Landlord shall respond to such request, which approval to release Tenant from liability shall be granted or withheld in Landlord's sole and absolute discretion.

(h) Additional Consideration. Landlord shall be entitled to any and all consideration received by Tenant in the aggregate from any assignment of the Lease and/or any subletting of the Leased Premises over and above the rent and charges due to Landlord from Tenant under the terms of this Lease.



18. Intentionally Deleted.

19. Default. Each of the following shall be deemed a default by Tenant and a breach of this Lease:

- (a) A failure by Tenant to pay when due Minimum Annual Rent or Additional Rent herein reserved, which failure is not cured within five (5) days after written notice to Tenant;
- (b) A failure by Tenant in the performance of any other term, covenant, agreement or condition of this Lease on the part of Tenant to be performed which continues for ten (10) days after written notice from Landlord, provided, however, if such failure cannot reasonably be cured prior to the expiration of such ten (10) day period, Tenant shall not be deemed in default if it commences to cure such failure prior to the expiration of such ten (10) day period and diligently prosecutes such cure to completion;
- (c) Intentionally deleted;
- (d) An assignment or encumbrance of Tenant's interest in this Lease or the Leased Premises or a subletting of any part of the Leased Premises in violation of Section 17;
- (e) Intentionally deleted;
- (f) Intentionally deleted;
- (g) Tenant's causing or permitting the Leased Premises to be vacant, or an abandonment of the Leased Premises by Tenant;
- (h) Any material misrepresentation by Tenant to Landlord in connection with the negotiation or execution of this Lease;
- (i) A default by Tenant under any other lease or sublease for any other space in the Building, which has resulted in the termination of said lease; and
- (j) Tenant's admission in writing of its inability to pay its debts when due or that it is insolvent.

Notwithstanding anything to the contrary in Section 19(a) above, Landlord shall not be required to give Tenant more than one (1) such notice in any twelve (12) month period. Notwithstanding anything to the contrary in Section 19(b) above, Landlord shall not be required to give Tenant more than one (1) such notice relating to the same type of default in any twelve (12) month period.

20. Landlord's Rights Upon Tenant's Default. Upon default by Tenant of any of the terms or covenants of this Lease, Landlord shall be entitled to remedy such default as follows:

(a) Right to Cure. Landlord shall have the right, immediately or at any time thereafter, without further notice to Tenant (unless otherwise provided herein), to enter the Leased Premises, without terminating this Lease or being guilty of trespass, and do any and all acts as Landlord may deem necessary, proper or convenient to cure such default, for the account and at the expense of Tenant, any notice to quit or notice of Landlord's intention to re-enter being hereby expressly waived, and Tenant agrees to pay to Landlord as Additional Rent all damage and/or expense incurred by Landlord in so doing, including interest at the Default Rate, from the due date until the date payment is received by Landlord.

(b) Re-Entry. Landlord shall have the right to enter upon and take possession of the Leased Premises without terminating this Lease, in accordance with applicable laws, and remove Tenant, any occupant and any property therefrom, without being guilty of trespass and without relinquishing any right of Landlord against Tenant, and, if Landlord elects, relet the Leased Premises on such terms as Landlord deems advisable.

(c) Termination. Landlord shall have the right to terminate this Lease and Tenant's right to possession of the Leased Premises and take possession of the Leased Premises and remove Tenant, any occupant and any property therefrom, in accordance with applicable laws, without being guilty of trespass and without relinquishing any rights of Landlord against Tenant, any notice to quit, or notice of Landlord's intention to re-enter being hereby expressly waived. Landlord shall be entitled to recover damages from Tenant in an amount equal to the amount herein covenanted to be paid as Minimum Annual Rent during the remainder of the Lease Term, said Minimum Annual Rent and Additional Rent for the full term then remaining having been fully accelerated at the option of Landlord, together with (i) all expenses of any proceedings (including, but not limited to, legal expenses and reasonable attorneys' fees) which may be necessary in order for Landlord to recover possession of the Leased Premises, (ii) the expenses of the re-renting of the Leased Premises (including, but not limited to, any commissions paid to any real estate agent, advertising expense and the costs of such alterations, repairs, replacements and decoration or re-decoration as Landlord, in its sole judgment, considers advisable and necessary for the purpose of re-renting the Leased Premises), and (iii) interest computed at the Default Rate from the due date until paid; provided, however, that there shall be credited against the amount of such damages all amounts received by Landlord from such re-renting of the Leased Premises and such amounts shall be refunded to Tenant. Landlord shall in no event be liable in any way whatsoever for failure to re-rent the Leased Premises or, in the event that the Leased Premises are re-rented, for failure to collect the rent thereof under such re-renting. No act or thing done by Landlord shall be deemed to be an acceptance of a surrender of the Leased Premises, unless Landlord shall execute a written agreement of surrender with Tenant. Tenant's liability hereunder shall not be terminated by the execution of a new lease of the Leased Premises by Landlord. In the event Landlord does not exercise its option to accelerate the payment of Minimum Annual Rent and Additional Rent as provided hereinabove, then Tenant agrees to pay to Landlord, upon demand, the amount of damages herein provided after the amount of such damages for any month shall have been ascertained; provided, however, that any expenses incurred by Landlord shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be maintained each month or at other times by Landlord against Tenant to recover the damages then due, without waiting until the end of the term of this Lease to determine the aggregate amount of such damages. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or being dispossessed for any cause, or in the event of Landlord obtaining possession of the Leased Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

(d) Distress. Upon any default by Tenant in the payment of Minimum Annual Rent or Additional Rent, Landlord shall have the right, upon written notice to Tenant, fifteen (15) days after payment of such sum was due, to institute an action of distress therefor, and, upon distress, in Landlord's discretion, this tenancy shall terminate. In the event of such termination, the provisions of Section 20(c) shall be applicable.

(e) Intentionally deleted.

(f) Landlord's Remedies Cumulative. All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. For the purposes of any suit brought or Based hereon, this Lease shall be construed to be a divisible contract, to the end that successive actions may be maintained on this Lease as successive periodic sums mature hereunder.

(g) Attorneys' Fees. In the event that Landlord incurs any fees or expenses to interpret or enforce the provisions of this Lease, including, without limitation, attorneys' fees and litigation costs, then Tenant shall pay to Landlord such fees and expenses on demand as Additional Rent.

(h) Mitigation of Damages.

(i) Both Landlord and Tenant shall each use commercially reasonable efforts to mitigate any damages resulting from a default of the other party under this Lease.

(ii) Landlord's obligation to mitigate damages after a default by Tenant under this Lease shall be satisfied in full if Landlord undertakes to lease the Leased Premises to another tenant (a "Substitute Tenant") in accordance with the following criteria: (a) Landlord shall have no obligation to solicit or entertain negotiations with any other prospective tenants for the Leased Premises until Landlord obtains full and complete possession of the Leased Premises including, without limitation, the final and unappealable legal right to relet the Leased Premises free

of any claim of Tenant; (b) Landlord shall not be obligated to offer the Leased Premises to a prospective tenant when other premises in the Building suitable for that prospective tenant's use are (or soon will be) available; (c) Landlord shall not be obligated to lease the Leased Premises to a Substitute Tenant for a rental less than the current fair market rental then prevailing for similar office uses in comparable buildings in the same market area as the Building, nor shall Landlord be obligated to enter into a new lease under other terms and conditions that are unacceptable to Landlord under Landlord's then current leasing policies for comparable space in the Building; (d) Landlord shall not be obligated to enter into a lease with any proposed tenant whose use would: (1) violate any restriction, covenant or requirement contained in the lease of another tenant of the Building; (2) adversely affect the reputation of the Building; or (3) be incompatible with the operation of the Building as a first class building; (e) Landlord shall not be obligated to enter into a lease with any proposed Substitute Tenant which does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Leased Premises in a first class manner; (f) Landlord shall not be required to expend any amount of money to alter, remodel or otherwise make the Leased Premises suitable for use by a proposed Substitute Tenant unless: (1) Tenant pays any such sum to Landlord in advance of Landlord's execution of a substitute lease with such tenant (which payment shall not be in lieu of any damages or other sums to which Landlord may be entitled as a result of Tenant's default under this Lease); or (2) Landlord, in Landlord's sole discretion, determines that any such expenditure is financially justified in connection with entering into any such substitute lease.

(iii) Upon compliance with the above criteria regarding the releasing of the Leased Premises after a default by Tenant, Landlord shall be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and Tenant waives and releases, to the fullest extent legally permissible, any right to assert in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord, unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Section 20(h).

(iv) Tenant's right to seek damages from Landlord as a result of a default by Landlord under the Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of Tenant's officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

## 21. Lender Requirements.

(a) Subordination. Tenant agrees that this Lease is subject and subordinate to any and all ground or underlying leases and to the lien of any first mortgages or deeds of trust now on or which at any time may be made a lien upon the Building, or any part thereof, and to all advances, renewals, modifications, consolidations, replacements and extensions made or hereafter to be made upon the security thereof. This subordination provision shall be self-operative and no further instrument of subordination shall be required. Tenant agrees to execute and deliver, upon request, such further instrument or instruments confirming this subordination as shall be desired by Landlord or by any mortgagee or proposed mortgagee or by any ground lessor. Tenant further agrees that, at the option of the holder of any first mortgage or of the trustee under any first deed of trust, this Lease may be made superior to said first mortgage or first deed of trust by the insertion therein of a declaration that this Lease is superior thereto. At the option of any landlord under any ground or underlying lease to which the Lease is now or may hereafter become subject or subordinate, Tenant agrees that neither the cancellation nor termination of such ground or underlying lease shall by operation of law or otherwise, result in cancellation or termination of this Lease or the obligations of Tenant hereunder and Tenant covenants and agrees to attorn to such landlord or to any successor to Landlord's interest in such ground or underlying lease, and, in that event, this Lease shall continue as a direct lease between Tenant and such landlord or its successor; and, in any case, such landlord or successor under such ground or underlying lease shall not be bound by any prepayment on the part of Tenant of any rent for more than one (1) month in advance, so that rent shall be payable under this Lease in accordance with its terms, from the date of the termination of the ground or underlying lease, as if such prepayment had not been made; and provided, further, not be bound by this Lease or any amendment or modification of this Lease unless prior to the termination of such ground or underlying lease, a copy of this Lease or amendment or modification thereof, as the case may be, shall have been delivered to such landlord or successor by Tenant.

(b) Attornment. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any deed of trust to secure debt given by Landlord and covering the Leased Premises, the party secured by any such deed of trust shall have the right to recognize this Lease and, in the event of any foreclosure sale under such deed of trust, this Lease shall continue in full force and effect at the option of the party secured by such deed of trust or the purchaser under any such foreclosure sale. If such party elects to recognize this Lease, then (x) Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the owner and landlord under this Lease, and (y) such party, as Landlord: (i) shall recognize Tenant's rights to continue to occupy the Leased Premises and exercise and enjoy all of its rights to continue to occupy the Leased Premises and exercise and enjoy all of its rights hereunder, and so long as Tenant complies with the terms and provisions of this Lease; (ii) shall not be bound by payments of Minimum Annual Rent or Additional Rent more than one (1) month in advance of their due date; (iii) shall have no obligation for the return of any security deposit not actually received by such party; (iv) shall not be bound by any amendment or modification to the Lease to which such party has not consented in writing; (v) shall not be subject to any claim, defense or setoff which could be asserted against any predecessor Landlord; and (vi) shall have no liability for any default by any predecessor Landlord.

(c) Notice of Default. Tenant agrees to give any mortgagee(s) and/or trust deed holder(s), by certified or registered mail, postage prepaid, return receipt requested, a copy of any notice of any failure by Landlord to fulfill any of its obligations under this Lease, provided that prior to such notice Tenant has been notified in writing (by way of notice of assignment of rents and leases, or otherwise) of the addresses of such mortgagee(s) and/or trust deed holder(s). Tenant further agrees that the mortgagee(s) and/or trust deed holder(s) shall have such time as may be necessary to cure such failure as long as any mortgagee(s) and/or trust deed holder(s) has commenced and is diligently pursuing the remedies necessary to cure such failure (including, but not limited to, time to take possession and/or commence foreclosure proceedings, if necessary, to effect such cure). Notwithstanding anything herein to the contrary, so long as any mortgagee(s) and/or trust deed holder(s) has commenced and is diligently pursuing the remedies necessary to cure such failure (including, but not limited to, taking possession and/or commencing foreclosure proceedings, if necessary, to effect such cure), Tenant shall have no right to terminate this Lease as a result of any such failure by Landlord.

(d) Financing. In the event that any mortgage lender providing mortgage financing for the Building requires, as a condition of such financing, that modifications to this Lease be obtained, and provided that such modifications (i) are reasonable, (ii) do not adversely affect Tenant's use of the Leased Premises as herein permitted, and (iii) do not increase the rentals and other sums required to be paid by Tenant hereunder, then Landlord may submit to Tenant a written amendment to this Lease incorporating such required modifications, and, in the event Tenant does not execute and return to Landlord such written amendment within thirty (30) days after the same has been submitted to Tenant, then Landlord shall thereafter have the right, at its sole option, to terminate this Lease. Such option shall be exercisable by Landlord giving Tenant written notice of termination, immediately whereupon this Lease shall be terminated, and money or security therefor deposited by Tenant with Landlord shall be returned to Tenant, and both Landlord and Tenant shall thereupon be relieved from any and all further liability or obligation hereunder.

(e) Intentionally Deleted.

(f) Assignment of Rents. If, at any time and from time to time, Landlord assigns this Lease or the rents payable hereunder to the holder of any mortgage or deed of trust on the Leased Premises or the Building, or to any other party for the purpose of securing financing (the holder of any such mortgage and any other party such financing party are referred herein as the "Financing Party"), whether such assignment is conditional in nature or otherwise, the following provisions shall apply.

(i) Such assignment to the Financing Party shall not be deemed an assumption by the Financing Party of any obligations of Landlord hereunder unless such Financing Party shall, by written notice to Tenant, specifically otherwise elect.

(ii) Except as provided in (i) above, the Financing Party shall be treated as having assumed Landlord's obligations hereunder [subject to Sections 21(b) and 36 of this Lease,] only upon foreclosure of its mortgage or deed of trust (or voluntary conveyance by deed in lieu thereof) and the taking of possession of the Leased Premises from and after foreclosure.

(iii) Tenant hereby agrees to enter into such agreements or instruments as may, from time to time, be requested in confirmation of the foregoing.

22. Estoppel Certificates. Tenant agrees, at any time and from time to time, upon ten (10) business days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a written estoppel certificate (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, stating the nature of same), (ii) stating the Lease Commencement Date and the Expiration Date of the Lease Term, (iii) stating the amounts of Minimum Annual Rent and Additional Rent and the dates to which the Minimum Annual Rent and Additional Rent have been paid by Tenant, (iv) stating the amount of any Security Deposit, (v) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge, (vi) stating that Tenant has no right to setoff and no defense against payment of the Minimum Annual Rent or Additional Rent, (vii) stating the address to which notices to Tenant should be sent, and (viii) certifying such other matters related to the status of this Lease as may be reasonably requested by Landlord. Any such certificate delivered pursuant hereto may be relied upon by an owner of the Building, any prospective purchaser of the Building, any mortgagee or prospective mortgagee of the Building or of Landlord's interest therein, or any prospective assignee of any such mortgage. Failure to deliver the aforesaid certificate within the ten (10) business days shall be conclusive upon Tenant for the benefit of Landlord and any successor to Landlord that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate. Tenant shall be liable for any loss incurred by Landlord resulting from Tenant's failure to timely execute and deliver any estoppel certificate requested by Landlord, and shall reimburse Landlord for the amount of any such loss upon demand, as Additional Rent.

23. Damage by Fire or Other Casualty. If the Leased Premises shall be damaged by fire or other casualty:

(a) Except as otherwise provided in subparagraphs (b) and (d) hereof, Landlord, at Landlord's expense, shall promptly restore the Leased Premises, and Tenant, at Tenant's sole expense, shall promptly restore all leasehold improvements installed in the Leased Premises by Tenant or at Tenant's request and its own furniture, furnishings, trade fixtures and equipment. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of insurance on the part of Landlord, or on account of labor problems, or any other cause beyond Landlord's reasonable control. If the damage or destruction is such as to make the Leased Premises or any substantial part thereof untenable (in Landlord's reasonable judgment), and provided that such damage or destruction is not due in whole or part to the act or omission of Tenant or Tenant's agents, employees or invitees, the Minimum Annual Rent shall abate proportionately (Based on proportion of the number of square feet rendered untenable to the total number of square feet of the Leased Premises), from the date of the damage or destruction until the date the Leased Premises has been restored by Landlord.

(b) If the Leased Premises are substantially damaged or are rendered substantially untenable by fire or other casualty, or if Landlord's architect certifies that the Leased Premises cannot be repaired within ninety (90) working days of normal working hours, said period commencing with the start of the repair work, or if Landlord shall decide not to restore or repair the same, or if more than fifty percent (50%) of the rentable area of the Building is rendered untenable (even if the Leased Premises is undamaged) or if Landlord shall decide to demolish the Building or not to rebuild it, then Landlord may, within ninety (90) days after such fire or other casualty, terminate this Lease by giving Tenant a notice in writing of such decision, and thereupon the term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Leased Premises and surrender the same to Landlord. Upon the termination of this Lease under the conditions hereinbefore provided, Tenant's liability for Minimum Annual Rent and Additional Rent shall cease as of the day following the casualty.

(c) The proceeds payable under all casualty insurance policies maintained by Landlord on the Leased Premises shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds. Tenant agrees to look to Tenant's casualty insurance policies for the restoration and replacement of the leasehold improvements installed in the Leased Premises and Tenant's fixtures, equipment and furnishings in the Leased Premises.

(d) Notwithstanding anything to the contrary in this Section 23 or in any other provision of this Lease, any obligation (under this Lease or otherwise) of Landlord to restore all or any portion of the Leased Premises



shall be subject to Landlord's receipt of approval of the same by the mortgagee(s), if any, of Landlord (and any other approvals required by applicable laws), as well as receipt of such fire and other hazard insurance policy proceeds from the insurer or from any such mortgagee(s) as may have been assigned such proceeds; it being agreed that if Landlord has not received such approval(s) and proceeds within one hundred and eighty (180) days after any such casualty, then Landlord shall have the option to terminate this Lease, at any time thereafter, upon notice to Tenant.

(e) In the event the Leased Premises is damaged by fire or other casualty, such damage is not caused by Tenant or by its employees, contractors or agents and such damage is not repaired within two hundred seventy (270) days after the date of the damage, then Tenant shall have the right, exercisable upon written notice to Landlord within ten (10) days after the expiration of such two hundred seventy (270) day period, to terminate this Lease. In the event that Tenant timely delivers such notice of termination to Landlord, then, unless Landlord, within thirty (30) days after its receipt of such termination notice, delivers the Leased Premises to Tenant in substantially the same condition (excluding Tenant's fixtures, equipment and furnishings) that existed immediately prior to such damage, then this Lease shall terminate and the parties shall be relieved of all further liability hereunder. In the event Tenant fails to timely exercise such termination right, Tenant shall be deemed to have irrevocably waived its right to terminate this Lease on account of such damage.

24. Condemnation. In the event the whole or a substantial part of the Leased Premises or the Building shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to said authority to prevent such taking (collectively referred to herein as a "taking"), Landlord shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority, and the Minimum Annual Rent and Additional Rent shall be apportioned as of the date. For purposes of this section, a substantial part of the Leased Premises or the Building shall be considered to have been taken if, in Landlord's opinion, the taking shall render it commercially undesirable for Landlord to permit this Lease to continue or to continue operating the Leased Premises or the Building. Tenant shall not assert any claim against Landlord or the taking authority for any compensation arising out of or related to such taking and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. If Landlord does not elect to terminate this Lease or if less than a substantial part of the Leased Premises shall be taken hereunder, the Minimum Annual Rent and Additional Rents shall be adjusted (Based on the ratio that the number of square feet of rentable area taken from the Leased Premises bears to the number of rentable square feet in the Leased Premises immediately prior to such taking) as of the date possession is required to be surrendered to said authority. Nothing contained in this section shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant, as long as such award is made in addition to and separately stated from any award made to Landlord for the Leased Premises or the Building. Landlord shall have no obligation to contest any taking.

25. Landlord's Reserved Rights. The Landlord reserves the following rights:

(a) To decorate, remodel, repair, alter or otherwise prepare the Leased Premises for reoccupancy during the last ninety (90) days of the Lease Term, if during or prior to that time Tenant vacates the Leased Premises; and

(b) To show the Leased Premises to prospective tenants or brokers during the last one hundred eighty (180) days of the term of this Lease; to show the Leased Premises to prospective purchasers at all reasonable times provided that prior notice is given to Tenant in each case and that Tenant's use and occupancy of the Leased Premises shall not be materially inconvenienced by any such action of Landlord; and to place and maintain a "FOR RENT" sign on the doors or in the windows of the Leased Premises during the last one hundred eighty (180) days of the term of this Lease.

26. Landlord and Tenant Liability.

(a) Landlord's Liability. All personal property of Tenant in the Leased Premises or in the Building shall be at the sole risk of Tenant. Landlord and its employees and agents shall not be liable for any damage thereto. Landlord, or its agents, shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or snow or leaks from any part of the Leased Premises or the Building, including the roof, or from the pipes, conduits, appliances or plumbing works, or from the roof, street or

subsurface or from any other place or by dampness or by any other cause of whatsoever nature, unless caused by or due to the gross negligence of Landlord, its agents, servants, or employees. All personal property and equipment located in the Leased Premises shall be at the risk of Tenant.

(b) Tenant's Liability. Tenant shall reimburse Landlord for all expense, damages or fines, incurred or suffered by Landlord by reason of any breach, violation or nonperformance by Tenant, or its agents, servants, or employees, of any covenant or provision of this Lease or the Rules and Regulations promulgated by Landlord hereunder from time to time, or by reason of damage to persons or property caused by moving property of or for Tenant in or out of the Building, or by the installation or removal of furniture or other property of or for Tenant, or by reason of or arising out of the carelessness, negligence or improper conduct of Tenant, or its agents, servants, employees, invitees or licensees in the use or occupancy of the Leased Premises.

(c) Indemnity. Except to the extent caused by Landlord's negligence or willful misconduct, Tenant shall indemnify Landlord and its agents and employees and save them harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property (i) arising from or out of any occurrence in, upon or at the Leased Premises, or (ii) arising from or out of the occupancy or use by Tenant of the Leased Premises or any part thereof, or (iii) occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, invitees or licensees, whether inside the Leased Premises or elsewhere in the Building. In the event that Landlord or its agents and employees shall, without fault on its or their part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold the same harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid in connection with such litigation. Excluding any negligence or willful misconduct by Tenant, or its agents and employees, Landlord shall indemnify Tenant, its agents and employees and save them harmless from and against all claims, actions, damages, liabilities and expenses in connection with loss of life and/or personal injury occasioned wholly or in part by any negligence or willful misconduct of Landlord, its agents, employees, contractors, invitees or licensees.

(d) Criminal Acts of Third Parties. Landlord shall not be liable in any manner to Tenant, its agents, employees, licensees, invitees or contractors for any injury or damage to Tenant, Tenant's agents, employees, licensees, invitees, or contractors or their property caused by the criminal or intentional misconduct of third parties. All claims against Landlord for any such damage or injury are hereby expressly waived by Tenant, and Tenant hereby agrees to hold and indemnify Landlord from all such damages and the expense of defending all claims made by Tenant's agents, employees, licensees, invitees or contractors arising out of such acts.

## 27. Tenant's Insurance.

(a) Coverages. Tenant shall have issued, pay the premiums therefor, and maintain in full force and effect during the Lease Term:

(i) Commercial General Liability. A commercial general liability insurance policy or policies in which the Landlord (and such additional persons and/or entities as Landlord may request) and Tenant shall be the insured, protecting the Landlord (and such additional persons and/or entities as Landlord may request) and Tenant in the amount of (x) Two Million and 00/100 Dollars (\$2,000,000.00) combined, single limit coverage for bodily injury or property damage, and (y) One Hundred Thousand and 00/100 Dollars (\$100,000.00) fire legal liability coverage.

(ii) Property. A special causes of loss form property insurance policy (previously known as all-risk property insurance), including theft, vandalism and malicious mischief listing Tenant as an insured and listing Landlord (and such additional persons and/or entities as Landlord may request) as an additional insured, written at replacement cost value and with replacement cost endorsement, covering all leasehold improvements installed in the Leased Premises and all of Tenant's personal property in the Leased Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Lease);

(iii) Workers' Compensation. If and to the extent required by law, workers' compensation and employer's liability or similar insurance in form and amounts required by law; and

(iv) Additional Insurance. Such additional insurance as any mortgagee of the Building may reasonably require. Notwithstanding anything to the contrary, Landlord shall have the right to maintain any such additional insurance as reasonably required by any mortgagee of the Building and Tenant shall reimburse Landlord for the cost of such additional insurance within ten (10) business days of demand therefor.

(v) Self-Insurance. Notwithstanding the requirements of other sections of this Lease, Tenant shall have the right, at its sole election, to self-insure with respect to some or all of the required insurance coverage. In the event Tenant elects to self-insure, all amounts which Tenant pays or is required to pay and all loss or damages resulting from risks for which Tenant has elected to self-insure shall be subject to the waiver of subrogation provisions of this Lease and shall not limit Tenant's indemnification obligations set forth in this Lease. Notwithstanding anything to the contrary, Landlord shall have the right to maintain insurance on Landlord's Work and all improvements, fixtures, equipment and furnishings (excepting only Tenant's trade fixtures and equipment) located within the Leased Premises in an amount sufficient to restore (whether or not any such restoration is actually to occur) Landlord's Work and all such improvements, fixtures, equipment and furnishings (excepting only Tenant's trade fixtures and equipment) existing in the Leased Premises and Tenant shall reimburse Landlord for the cost of such property insurance within ten (10) business days of demand therefor.

(b) Policy Requirements. All such policies maintained by Tenant shall contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured has waived its right of action against any party prior to the occurrence of a loss. All insurance maintained by Tenant under this Lease shall be issued by insurance companies authorized to do business in the jurisdiction where the Building is located. Such companies shall have a policy holder rating of at least "A" and be assigned a financial size category of at least "Class XII" as rated in most recent edition of "Best's Key Rating Guide" for insurance companies. The insurance required of Tenant under Section 27(a)(i) hereof shall insure performance by Tenant of the indemnity provisions of Section 26 hereof and shall contain an assumed contractual liability endorsement that refers expressly to this Lease. All insurance maintained by Tenant under this Lease shall: (i) be written as primary policy coverage and non-contributing with respect to any coverage which Landlord may carry (it being understood and agreed that any insurance that Landlord may carry shall be excess insurance); (ii) name Landlord and any mortgagee of the Building as additional insureds, as their respective interests may appear (except with respect to property insurance or workers' compensation insurance), and (iii) contain an endorsement for cross liability and severability of interests. A certificate of all insurance maintained by Tenant showing it is in effect shall be deposited with Landlord at the commencement of the Lease Term, and renewal certificates shall be delivered to Landlord prior to the expiration date of any policy. Despite the foregoing, if, and for so long as, Tenant elects to self-insure with respect to all of the required insurance coverage, then this Section 27(b) shall not apply.

(c) No Limitation of Liability. Neither the issuance of any insurance policy required under this Lease nor the minimum limits specified herein shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

(d) Notice of Fire and Accident. Tenant shall give Landlord immediate notice in case of fire, theft, or accidents in the Leased Premises, and in case of fire, theft or accidents in the Building if involving Tenant, its agents, employees or invitees.

28. Waiver of Subrogation. Notwithstanding anything herein to the contrary, (i) Landlord and Tenant mutually covenant and agree that each party, in connection with insurance policies required to be furnished in accordance with the terms and conditions of this Lease, or in connection with insurance policies which they obtain insuring such insurable interest as Landlord or Tenant may have in its own properties, whether personal or real, shall expressly waive any right of subrogation on the part of the insurer against the Landlord (and any mortgagee requested by Landlord) or Tenant as the same may be applicable, which right to the extent not prohibited or violative of any such policy is hereby expressly waived, and (ii) Landlord and Tenant each mutually waive all right of recovery against each other, their agents, or employees for any loss, damage or injury of any nature whatsoever to property or person for which either party is required by this Lease to carry insurance.

29. No Liens Permitted; Discharged. Tenant will not permit to be created or to remain undischarged any lien, encumbrance or charge (arising out of any work done or materials or supplies furnished, or claimed to have been done or furnished, by any contractor, mechanic, laborer or materialman or any mortgage, conditional sale, security



agreement or chattel mortgage, or otherwise by or for Tenant) which might be or become a lien or encumbrance or charge upon the Building or any part thereof or the income therefrom. Tenant will not suffer any other matter or thing whereby the estate, rights and interests of Landlord in the Building or any part thereof might be impaired. If any lien, or notice of lien on account of an alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work on the Leased Premises shall be filed against the Building or any part thereof, Tenant, within ten (10) days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien or notice of lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amounts claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs and expenses, including attorneys' fees, incurred by Landlord in connection therewith, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand. Nothing herein contained shall obligate Tenant to pay or discharge any lien created by Landlord.

30. Signs and Advertisements. Landlord shall provide for Tenant, at Landlord's expense, a notice in the Building directory and a sign for the entrance door to the Leased Premises in the type and manner Landlord from time to time provides for tenants of the Building. No other sign, advertisement or notice shall be inscribed, painted, affixed or displayed in or about the Building by Tenant, except on the directories and doors of offices, and then only in such place and in such number, size, color and style as is approved by Landlord and provided by Landlord at Tenant's cost and expense. If any such sign, advertisement or notice is nevertheless exhibited, Landlord shall have the right to remove the same and Tenant shall be liable for any and all expenses incurred by Landlord for said removal. Landlord shall have the right to prohibit any advertisement of Tenant which in its opinion tends to impair the reputation of the Building or its desirability as a high-quality building for offices or for financial, legal, insurance and other institutions of like nature. Upon notice from Landlord, Tenant shall immediately refrain from and discontinue any such advertisement.

31. Notices. All notices to be given under this Lease shall be in writing, hand-delivered, sent by Federal Express, or mailed by United States Certified or Registered Mail, return receipt requested, postage prepaid. Notices should be delivered as follows:

- (a) To the Landlord at the addresses specified in Section 1(a)(20).
- (b) To the Tenant at the address specified in Sections 1(a)(18) and 1(a)(19).

Any such notice shall be deemed to be served on the date it is hand-delivered or delivered by Federal Express, or on the third day after the date on which it is deposited in the U.S. mails. Landlord and Tenant shall each have the right to change the person and/or address to which notices shall be delivered upon notice thereof to the other party sent pursuant to the provisions of this paragraph.

32. Time. Landlord and Tenant acknowledge that time is of the essence in the performance of any and all obligations, terms, and provisions of this Lease.

33. Postponement of Performance. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, labor troubles, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of God, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not operate to excuse Tenant from the prompt payment of Minimum Annual Rent or Additional Rent and shall not operate to extend the term of this Lease. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party.

34. Broker. Tenant represents and warrants to Landlord that it has not authorized any broker, agent or finder purporting to act on its behalf in respect to this Lease transaction except the Tenant's Broker specified in Section 1(a)(21), and Tenant hereby agrees to indemnify and hold harmless Landlord from and against any cost, expense, claims, liability or damage resulting from a breach of the representation and warranty herein contained. Landlord represents and warrants to Tenant that the Landlord's Broker as specified in Section 1(a)(21) is the only broker which it has authorized to act on its behalf in respect to this Lease transaction, and Landlord hereby agrees to indemnify and hold harmless Tenant from and against any cost, expense, claims, liability or damage resulting from a breach of the representation and warranty herein contained.

35. No Waiver. No provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver be in writing signed by Landlord. No waiver by Landlord of any breach by Tenant of any of the terms, covenants, agreements, or conditions of this Lease, nor compromise or settlement thereof, shall be deemed to constitute a waiver of any succeeding breach thereof, or a waiver of any breach of any of the other terms, covenants, agreements, and conditions herein contained. No custom or practice which may occur or develop between the parties in connection with the terms of this Lease shall be construed to waive or lessen Landlord's right to insist upon strict performance of the terms of this Lease, without a written notice thereof from Landlord to Tenant. No employee of Landlord or of Landlord's agents shall have any authority to accept the keys of the Leased Premises prior to termination of the Lease, and the delivery of keys to any employee of Landlord or Landlord's agents shall not operate as a termination of the Lease or a surrender of the Leased Premises. The receipt by Landlord of any payment of Minimum Annual Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the Rules and Regulations made a part of this Lease, or hereafter adopted, against Tenant or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations.

36. Limitation of Landlord's Liability. In consideration of the benefits accruing hereunder, Tenant and all successors and assigns of Tenant covenant and agree that in the event of any actual or alleged failure, breach or default hereunder by Landlord: (a) the sole and exclusive remedy shall be against the interest of Landlord in the Building; (b) neither Landlord nor (if Landlord is a limited liability company) any member nor (if Landlord is a partnership) any partner of Landlord nor (if Landlord is a corporation) any shareholder of Landlord shall be personally liable with respect to any claim arising out of or related to this Lease; (c) no partner, member or shareholder of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction of Landlord); (d) no service of process shall be made against any partner, member or shareholder of Landlord (except as may be necessary to secure jurisdiction of Landlord); (e) any judgment granted against any partner, member or shareholder of Landlord may be vacated and set aside at any time as if such judgment had never been granted; and (f) these covenants and agreements are enforceable both by Landlord and also by any partner, member or shareholder of Landlord. No other assets of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim.

37. Transfer of the Building. In the event of the sale or other transfer of Landlord's right, title and interest in the Leased Premises or the Building (except in the case of a sale-leaseback financing transaction in which Landlord is the lessee), Landlord shall transfer and assign to such purchaser or transferee all amounts of pre-paid Minimum Annual Rent, and Landlord thereupon and without further act by either party hereto shall be released from all liability and obligations hereunder derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises or this Lease occurring after the consummation of such sale or transfer. Tenant shall have no right to terminate this Lease nor to abate Minimum Annual Rent nor to deduct from, nor set-off, nor counterclaim against Minimum Annual Rent because of any sale or transfer (including, without limitation, any sale-leaseback) by Landlord or its successors or assigns. Upon any sale or other transfer as above provided (other than a sale-leaseback), or upon any assignment of Landlord's interest herein, it shall be deemed and construed conclusively, without further agreement between the parties, that the purchaser or other transferee or assignee has assumed and agreed to perform the obligations of Landlord thereafter accruing.

38. Relocation. Landlord reserves the right at any time prior to the commencement of the Lease Term, and upon thirty (30) days prior written notice to the Tenant if the Lease Term has commenced, to relocate Tenant to such other space, area, or floor within the Building as the Landlord may deem advisable or necessary, provided that such other space or area shall be of a similar nature and size to the Leased Premises described in Section 1(a) above. If Landlord relocates Tenant, then (i) Landlord shall build out the relocated premises so that it is substantially similar to

the Leased Premises, (ii) Landlord shall reimburse Tenant for (1) Tenant's reasonable, out-of-pocket moving expenses, and (2) reasonable, out-of-pocket costs incurred in changing addresses on Tenant's on-hand stationery, business cards, advertising, and other such items (not to exceed \$1,500). If such a relocation is made hereunder, Tenant agrees to execute upon request of Landlord, an amendment to this Lease re-describing the Leased Premises, but all other terms, covenants and conditions of this Lease shall remain in full force and effect. Should Tenant refuse to permit Landlord to move Tenant to such new space, Landlord shall have the right to cancel and terminate this Lease by giving ten (10) days' prior written notice to Tenant.

39. **Waiver of Counterclaim and Trial by Jury.** Landlord and Tenant waive their right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Leased Premises, and any emergency statutory or any other statutory remedy. Tenant shall not interpose any counterclaim or counterclaims or claims for set-off, recoupment or deduction of Minimum Annual Rent or Additional Rent in a summary proceeding for nonpayment of Minimum Annual Rent or Additional Rent or other action or summary proceeding Based on termination, holdover or other default in which Landlord seeks repossession of the Leased Premises from Tenant.

40. **Miscellaneous Provisions.**

(a) **Governing Law.** The laws of the jurisdiction in which the Building is located shall govern the validity, performance and enforcement of this Lease.

(b) **Covenants.** The parties hereto agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision hereof.

(c) **No Representations by Landlord.** Neither Landlord nor any agent of Landlord has made any representations or promises with respect to the Leased Premises or the Building except as herein expressly set forth, and no rights, privileges, easements or licenses are granted to Tenant except as herein expressly set forth.

(d) **Exhibits.** It is agreed and understood that any Exhibits referred to herein, and attached hereto, form an integral part of this Lease and are hereby incorporated by reference.

(e) **Pronouns.** Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number, in any place or places herein in which the content may require such substitution or substitutions. Landlord and Tenant herein for convenience have been referred to in neuter form.

(f) **Captions.** All section and paragraph captions, marginal references, and table of contents in this Lease are inserted only as a matter of convenience, and in no way amplify, define, limit, construe or describe the scope or intent of this Lease nor in any way affect this Lease.

(g) **Landlord's Approval.** Whenever Landlord's consent or approval is required under the terms of this Lease, Landlord may grant or deny such consent or approval in its sole discretion unless otherwise specified herein.

(h) **Separability.** If any term or provision of this Lease or applications thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

(i) **Counterparts.** This Lease has been executed in several counterparts, but all counterparts shall constitute one and the same legal document.

(j) Authority. Landlord and Tenant hereby covenant each for itself, that each has full right, power and authority to enter into this Lease upon the terms and conditions herein set forth. If Tenant signs as a corporation, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing corporation, qualified to do business in the jurisdiction in which the Leased Premises is located, that the corporation has full right and authority to enter into this Lease, and that each and both of the persons signing on behalf of the corporation were authorized to do so. If Tenant signs as a partnership, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly formed and validly existing partnership, that the partnership has full right and authority to enter into this Lease, and that each of the persons signing on behalf of the partnership were authorized to do so.

(k) Examination of Lease. Submission of this Lease for examination or signature by Tenant shall not constitute reservation of or option for Lease, and the same shall not be effective as a Lease or otherwise until execution and delivery by both Landlord and Tenant.

(l) Interpretation. Although the printed provisions of this Lease were drawn by Landlord, this Lease shall not be construed for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

(m) Entire Agreement; Modification. This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, discharge or effect an abandonment in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. In the event that Tenant requests any modification to the Lease, after the lease is fully executed by all parties, such request shall be accompanied by a certified check payable to Landlord in the amount of Five Hundred and 00/100 Dollars (\$500.00) to reimburse Landlord for its administrative costs in processing Tenant's request.

(n) Disclosures and Affirmations. The acknowledgements, representations and warranties of Landlord contained in Exhibit H attached hereto are hereby incorporated herein.

(o) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and the heirs, personal representatives, successors and assigns of said parties.

(p) Overtime Building Staff Requests. Should Tenant require any of the Building staff (including but not limited to: the Building Engineer, Concierge, Building Security Guard or Cleaning Staff) work beyond the normal Building Hours stipulated in Section 1(a)16, Landlord will furnish such additional service at the then-prevailing time and a half hourly rate for the requested Building Staff member plus a fifteen (15%) percent management fee. Tenant shall make such requests to Landlord in writing no less than twenty-four (24) business hours in advance.

41. Façade Replacement. Tenant acknowledges and agrees that (a) Landlord reserves the right to replace the existing façade of the Building with a new façade, which work shall be conducted primarily from the exterior of the Building, and (b) Landlord shall have the right to make alterations to the Building that are necessary or desirable to accomplish such replacement, including entering the Leased Premises and making alterations within the Leased Premises, such as constructing a temporary partition in windowed offices. Upon completion of the replacement of the facade, Landlord shall paint and carpet all areas of the Leased Premises that were directly affected by such alterations so that such areas reasonably match the immediately adjoining areas of the Leased Premises. In performing such work, Landlord shall use reasonable efforts to minimize any material disruption to Tenant's business at the Leased Premises.

42. OFAC Certification. Tenant represents and warrants that (i) Tenant is (a) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (b) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation or Executive Order of the President of the United States. The term "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law including but not limited to, the International Emergency Economic Powers Act 50 U.S.C. Section 1701, et. seq. The Trading with the Enemy Act, 50

U.S.C. App. 1 et. seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing certification.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE.)

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

**WITNESS/ATTEST:**

\_\_\_\_\_

**WITNESS/ATTEST:**

\_\_\_\_\_

**LANDLORD:**

1001 CONNECTICUT, LLC, a Delaware limited liability company

By: \_\_\_\_\_ (SEAL)

Date: \_\_\_\_\_

**TENANT:**

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

By: \_\_\_\_\_ (SEAL)

Name (Printed): \_\_\_\_\_

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

Date: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGALITY:**

BY: THE DEPARTMENT OF LAW

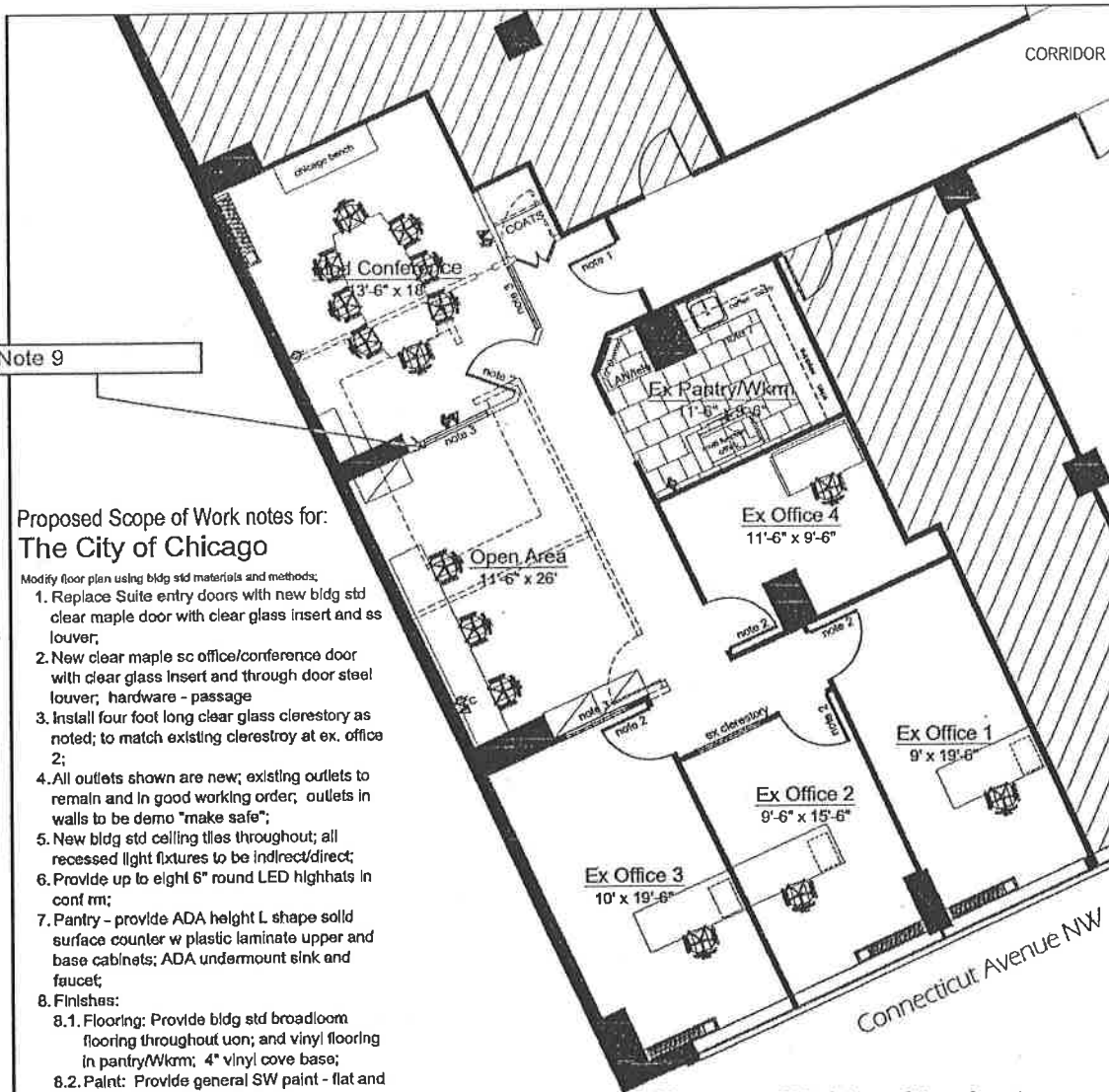
By: \_\_\_\_\_  
Deputy Corporation Counsel, Real Estate Division

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

Date: \_\_\_\_\_

EXHIBIT A

FLOOR PLAN OF LEASED PREMISES



Note 9

Proposed Scope of Work notes for:  
The City of Chicago

Modify floor plan using bldg std materials and methods;

1. Replace Suite entry doors with new bldg std clear maple door with clear glass insert and ss louver;
2. New clear maple sc office/conference door with clear glass insert and through door steel louver; hardware - passage
3. Install four foot long clear glass clerestroy as noted; to match existing clerestroy at ex. office 2;
4. All outlets shown are new; existing outlets to remain and in good working order; outlets in walls to be demo "make safe";
5. New bldg std ceiling tiles throughout; all recessed light fixtures to be indirect/direct;
6. Provide up to eight 6" round LED highhats in conf rm;
7. Pantry - provide ADA helght L shape solid surface counter w plastic laminate upper and base cabinets; ADA undermount sink and faucet;
8. Finishes:
  - 8.1. Flooring: Provide bldg std broadloom flooring throughout uon; and vinyl flooring in pantry/Wkrm; 4" vinyl cove base;
  - 8.2. Paint: Provide general SW paint - flat and one accent color; color for frames and trim;

9. Installation of additional wall outlet on the 'Open Area' side of the demising wall between the 'Open Area' and 'Conference' rooms.

Acceptance of this Scope of Work is conditioned on the inclusion of Note 9 in the Scope of Work.

*Steph Stula*

date: 5/10/2016

Tenant's initials above indicate acceptance of the proposed scope of work by LL. Any additional items requested will be considered a change order for tenant sign off prior for work to be completed.

Proposed New Office for The City Of Chicago

1001 Connecticut Ave., NW Washington, DC 20036

SUITE 425

scale: 1/8" = 1'-0"

area: 1,712 BSF

date: 042816;050616

Test.Fit  
OPT4A.1

Please note: All dimensions are approximate and to be field verified. Items shown are for graphic purposes only and maybe deemed Above Building Standard. Please reference lease work order for clarifications. Location of all power/data/communication outlets to be field verified prior to start of construction. Quantity of power/data/communication outlets are based on the building standard allotment per suite to floor area ratio.

\*\*\*\*Furniture shown (if any) is for illustrative purposes only.

EXHIBIT B  
IMPROVEMENTS

Landlord, at Landlord's sole cost and expense, using Building standard materials, shall perform the following work (collectively, "Landlord's Work"):

Build out the Leased Premises in accordance with Exhibit A."

Notwithstanding anything herein to the contrary, in the event that Tenant has not requested that Landlord perform any item of Landlord's Work that is set forth above by the date that occurs one (1) year after the date of this Lease, then Landlord shall have no obligation to perform such item of Landlord's Work.

Construction shall not commence until the Lease has been fully executed by Landlord and Tenant has approved, and signed off on, Exhibit A.



## EXHIBIT C

### RULES AND REGULATIONS

1. No part of the whole of any sidewalks, plaza areas, entrances, loading docks, passages, courts, elevators, vestibules, stairways, corridors, balconies or halls of the Building shall be obstructed or encumbered by any tenant or used for any purpose other than that expressly provided for in the Lease.
2. No awnings or other projections shall be attached to the outside walls, balconies or windows of the Building. No curtains, blinds, shades, or screens other than Building Standard window coverings, shall be attached to or hung in, or used in connection with, any window or door of the space Leased to any tenant.
3. No showcases or other articles, including furniture, shall be put on the balcony, in front of or affixed to any part of the exterior of the Leased Premises, or placed in the halls, corridors, vestibules, balconies or other appurtenant or public parts of the Building.
4. Any water and wash closets and other plumbing fixtures in any Leased Premises or the Building shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances (including, without limitation, coffee grounds) shall be thrown therein. All damages resulting from misuse of the fixtures shall be borne by the tenant who, or whose employees, agents, guests, invitees, or licensees, shall have caused the same.
5. No tenant shall bring or keep, or permit to be brought or kept, any inflammable, combustible, or explosive fluid, material, chemical, or substance in or about the space Leased to such tenant. No Tenant shall allow candles or other flammable materials to be used within the Leased Premises.
6. Except for the hanging of artwork on interior walls, no tenant shall make, paint, drill into, or in anyway deface, any part of the interior or exterior of the Building or the space Leased to such tenant. No boring, cutting, or stringing of wires shall be permitted.
7. No tenant shall cause or permit any odors to emanate from the space Leased to such tenant. Except for a microwave oven, no cooking shall be done or permitted in the Building by any office tenant.
8. Tenant shall promptly report to the Landlord any cracked or broken glass on the Leased Premises.
9. No tenant shall make, or permit to be made, any noises which may be heard outside of such Tenant's Leased Premises or disturb or interfere with other tenants or occupants of the Building or neighboring buildings or premises whether by the use of any musical instrument, radio, television set, or other audio device, unmusical noise, whistling, singing, or in any other way. Nothing shall be thrown out, or off, of any doors, windows, balconies or skylights or down any passageways.
10. No additional locks or bolts of any kind shall be placed upon any of the doors or windows in the space Leased to any tenant, nor shall any changes be made in locks or the mechanism thereof. Each tenant must, upon the termination of his tenancy, return to Landlord all keys to offices and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any such keys, such tenant shall pay Landlord the reasonable cost of replacement keys or locks (at Landlord's option).
11. All removals from the Building, or the carrying in or out of the Building or the space Leased to any tenant of any safes, freight, furniture, or bulky matter of any description must take place during such hours and in such manner as Landlord or its agent may determine, from time to time. Landlord reserves the right to inspect all freight for violation of any of these rules and regulations or the provisions of such tenant's lease.
12. No tenant shall engage or pay any employees in the Building, except those actually working for such tenant in the Building, nor advertise for laborers giving an address at the Building.

13. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon notice from Landlord, such tenant shall refrain from or discontinue such advertising.

14. Each tenant, before closing and leaving the space Leased to such tenant at any time, shall see that all entrance doors are locked and that all electrical appliances are turned off.

15. No space Leased to any tenant shall be used, or permitted to be used, for lodging or sleeping or for any immoral or illegal purpose.

16. The requests of tenants will be attended to only upon verbal or written request to Landlord or Landlord's designated Management Agent. Building employees shall not be required to perform, and shall not be requested by any tenant to perform, any work outside of their regular duties, unless under specific instructions from Landlord.

17. Canvassing, soliciting, and peddling in the Building are prohibited, and each tenant shall cooperate in seeking their prevention.

18. There shall not be used in the Building, either by any tenant or by any of tenant's employees, agents, or invitees, in the delivery or receipt of merchandise, freight, or other matter, any hand trucks or other means of conveyance except those equipped with rubber tires, rubber side guards, and such other safeguards as Landlord may require.

19. No animals of any kind shall be brought into or kept about the Building by any tenant, excluding service animals.

20. No tenant shall place, or permit to be placed, on any part of the floor or floors of the space leased to such tenant a load exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law.

21. No tenant shall install any equipment of any kind and nature whatsoever which will necessitate any changes, or replacements, or additions to, any water or plumbing, heating, air conditioning, ventilating, electrical, or other system in or of the space Leased to such tenant of the building without first obtaining the prior written consent of the Landlord, who may condition consent upon Tenant's paying for all such changes, replacements and/or additions.

22. All equipment and machinery belonging to any tenant which causes noise, vibration or electrical interference that may be transmitted to the structure of the Building or to any space therein to such degree to be objectionable to Landlord and any tenant in the Building shall be installed and maintained by each such tenant, at such tenant's expense, on vibration eliminators or other devices sufficient to eliminate such noise or vibration.

23. Tenant's and Tenant's employees may bring bicycles into the Building, including the Building lobby, elevators and other common areas, to be stored in Tenant's Premises. No bicycle shall be stored in any common area including, hallways or egress corridors. Should Landlord or its employees find any bicycle being stored in any common areas or egress corridors, Landlord or its employees shall remove and dispose of the bicycle immediately. Landlord reserves the right to prohibit Tenant and any of Tenant's employees from bringing bicycles into the Building should Landlord reserve complaints from other tenant's in the Building or if said bicycles are causing damage to the Building and its common areas.

24. No Building or suite doors shall be propped open at any time.

25. Each tenant shall cooperate with any efforts of Landlord to conserve energy.

26. Neither the whole nor any part of the Leased Premises of any tenant shall be used for manufacturing, for the storage of merchandise, or for the sale or auction of merchandise, goods, or property.

27. No vending machines shall be permitted to be placed or installed in any part of the Building by any tenant. Landlord reserves the right to place or install vending machines in any of the common areas of the Building.

28. No plumbing or electrical fixtures shall be installed by tenants without the prior written consent of Landlord.

29. Tenant will refer all contractors, contractor's representatives, and installation technicians, rendering any services on or to the premises for any tenant, to Landlord for Landlord's approval and supervision before performance on any contractual service. This provision shall apply to all work performed in the Building, including installation of telephones, telegraph equipment, electrical devices and attachments, and any installation of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment, or any other physical portion of the Building. Such approval, if given, shall in no way make Landlord a party to any contract between such tenant and any such contractor, and Landlord shall have no liability therefor.

30. Smoking of any kind, including, without limitation, electronic cigarettes, e-cigs, vapor pens, etc., is strictly prohibited in the Building, including, without limitation, the front entrance to the Building.

31. No tenant shall permit the visit to its premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators, and other public portions or facilities of the Building by other tenants.

32. Tenant shall be entitled to receive at no additional cost six (6) keys for each one thousand (1,000) square feet of rentable area contained in the Leased Premises. Additional keys are available at Landlord's then Building standard charge for such keys.

33. Subject to Section 33 of the Lease, (i) Tenant shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, and (ii) Landlord will provide one (1) working elevator in the Building at all times.

EXHIBIT D

INTENTIONALLY DELETED

EXHIBIT E

TENANT INFORMATION SHEET

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

Trade Name / dba: \_\_\_\_\_

Building Address: \_\_\_\_\_

\_\_\_\_\_

Email Address: \_\_\_\_\_

PERSON TO CONTACT REGARDING RENT AND BILLING MATTERS

Billing Contact Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

\_\_\_\_\_

Billing Phone Number: \_\_\_\_\_

Billing Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

PREMISES INFORMATION

Premises Contact Name: \_\_\_\_\_

Premises Phone Number: \_\_\_\_\_

Premises Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

PERSON TO CONTACT IN CASE OF AFTER HOURS EMERGENCY

Name (#1): \_\_\_\_\_

Home Phone Number: \_\_\_\_\_

Mobile/Alternate Phone Number: \_\_\_\_\_

Name (#2): \_\_\_\_\_

Home Phone Number: \_\_\_\_\_

Mobile/Alternate Phone Number: \_\_\_\_\_



EXHIBIT F

MOVE-IN AND MOVE-OUT RULES AND REGULATIONS

1. All moves, both into and out of the building, must be scheduled and approved at least one week in advance with Zuckerman Gravely Management, Inc.
2. A building engineer must be onsite during all moves. The building engineer is on site to supervise the movers, not to move furniture.
3. If tenant is contracting with a moving company, tenant is required to arrange a meeting on site with the moving company and a member of Zuckerman Gravely Management, Inc. The meeting should be scheduled at least one week in advance of the moving date.
4. The moving company will need to supply the Landlord with a Certificate of Insurance as described on the Certificate of Insurance information sheet in your welcome letter.
5. The moving company will be responsible for protecting the building walls, carpets, floors and elevator cabs. Masonite must be used on all surfaces in areas where carts or equipment will be utilized to move furniture.
6. Any vendors making deliveries or pickups of extraordinary equipment such as mainframe computers, large copiers, etc., on your behalf will be required to provide Zuckerman Gravely Management, Inc. with a current certificate of insurance.
7. The times permitted for moves are Monday-Friday 6:00 p.m. - 11:00 p.m. and 9:00 - 4:00 p.m. Saturday. All items being moved must be taken straight to the suite or moving truck. Movers are not permitted to use entrances, corridors or the lobby as staging areas. All masonite and boxes must be cleared from view during the hours moves are not permitted.
8. A \$35 per hour overtime charge will be assessed if a Tenant exceeds the above reference time allotment.
9. Elevator use: One elevator will be locked off and protective pads installed. This is the only elevator to be used by movers.

EXHIBIT G

CERTIFICATE OF COMMENCEMENT

THIS CERTIFICATE OF COMMENCEMENT ("Certificate") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between 1001 CONNECTICUT, LLC, a Delaware limited liability company ("Landlord"), and CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of local government ("Tenant").

WHEREAS, Landlord and Tenant have entered into a Lease dated \_\_\_\_\_, 2016 ("Lease");

WHEREAS, the Lease Commencement Date, as described in Section 3(a) thereof, is dependent upon the occurrence of certain events; and

WHEREAS, those certain events have occurred and Landlord and Tenant now desire to specify the Lease Commencement Date for purposes of establishing the term of the Lease and the schedule for payment of rent during said period; and

WHEREAS, the square footage of the Leased Premises has been determined by Landlord's architect and the parties desire to specify such square footage and the amount of the Base Annual Rent and Tenant's Proportionate Share of certain expenses based thereon.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant warrant and represent each to the other as follows:

1. The Lease Commencement Date is: \_\_\_\_\_, pursuant to Section 3(a).
2. The Expiration Date is: \_\_\_\_\_.
3. The rentable area of the Leased Premises is: \_\_\_\_\_ square feet.
4. Tenant's Proportionate Share of Total Building Rentable Area is: \_\_\_\_\_ percent.
5. Tenant's Proportionate Share of Total Office Rentable Area is: \_\_\_\_\_ percent.
6. The Initial Minimum Annual Rent is: \$ \_\_\_\_\_.
7. The Initial Basic Monthly Rent is: \$ \_\_\_\_\_.

IN WITNESS WHEREOF, Landlord and Tenant do hereby execute this Certificate under seal on the day and year first above written.

**LANDLORD:**

1001 CONNECTICUT, LLC, a Delaware limited liability company

By: \_\_\_\_\_ (SEAL)

Name (Printed): \_\_\_\_\_

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

Date: \_\_\_\_\_

**TENANT:**

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

By: \_\_\_\_\_ (SEAL)

Name (Printed): \_\_\_\_\_

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

Date: \_\_\_\_\_

## EXHIBIT H

### DISCLOSURES AND AFFIRMATIONS

1. Business Relationships. Landlord 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 this Lease shall be grounds for termination of this Lease. Landlord hereby represents and warrants that no violation of Section 2-156-030(b) has occurred with respect to this Lease.

2. 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.

3. 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 his 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 his 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 his 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 provision 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 lease the Premises from Landlord or to terminate the Lease after execution.

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 of Chicago to which Landlord 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.

4. Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Landlord warrants and represents that it, and to the best of its knowledge, its Contractors and its subcontractors regarding the subject matter of this Lease ("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 Commissioner of the Department of Fleet and Facility Management. Such breach and default entitles the City to all remedies under this Lease, at law or in equity. This section does not limit Landlord's, its general Contractors' 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 the Landlord's eligibility for future contract awards.

5. Failure to Maintain Eligibility to do Business with City. Failure by Landlord 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. Landlord shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

6. Cooperation with Office of Inspector General and Legislative 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 Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-55 of the Municipal Code, and 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 2-55 and Chapter 2-56 of the Municipal Code and that Landlord will inform its Contractors and Subcontractors of this provision and require their compliance.

7. 2014 Hiring Plan Prohibitions.

(i) 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.

(ii) 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 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.

(iii) 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.

(iv) 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

OCCUPANCY LICENSE

[Attached]

## OCCUPANCY LICENSE

This Occupancy License ("License") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and between 1001 CONNECTICUT, LLC, a Delaware limited liability company (the "Owner") and CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of local government (the "Occupant").

### WITNESSETH:

For and in consideration of the covenants herein contained and upon the terms and conditions herein set forth, the parties agree as follows:

1. PREMISES Occupant shall have the right to use 4,059 square feet in Suite 930.
2. TERM. The term of Occupants' use and occupancy of the Premises shall commence on July 6, 2016 ("Occupancy Date") and shall expire five (5) days after Owner delivers possession of Suite 425 (the "Termination Date").
3. RENT. Occupant shall pay Owner \$5,000 per month, such amount to be pro-rated for any period that is less than a full month.
4. CONDITION OF PREMISES. Owner shall deliver the Premises to Occupant on the Occupancy date in its "as is" condition. Occupant agrees to accept possession of the Premises in its "as is" condition.
5. USE. Occupant shall use and occupy the Premises for office purposes only. Tenant shall be responsible for installation and removal of its own furniture, fixtures and equipment.
6. OCCUPANT'S COVENANT. Occupant shall maintain the Premises in good and orderly condition in which it was delivered and shall return the same to Owner in said condition at the expiration of the term or earlier termination of the License. Occupant shall be responsible for any damage occurring to the Premises as a result of its use and occupancy thereof, and shall promptly, upon demand, reimburse Owner for any and all costs of repair.
7. OCCUPANT'S SURRENDER OF PREMISES. Occupant shall vacate the Premises and remove personal property, equipment, furnishings and the like from the same upon the expiration of the term hereof. In the event Occupant fails to vacate the Premises and remove its belongings therefrom pursuant to the terms of this License, Occupant shall indemnify and hold Owner harmless from all injury, loss, claims, expenses and liabilities,

including without limitation, any claim made by any succeeding occupant of the Premises, and reasonable attorneys' fees resulting from such failure.

8. HOLDOVER. Should Occupant fail to remove its equipment at the expiration of the term, in addition to its rights stated above, Owners shall reserve the right to charge Occupant a daily fee of \$250 until all of Occupant's equipment has been removed from the Premises.
  
9. INSURANCE. During Occupant's occupancy of the Premises, Owner shall insure the Premises for fire and extended coverage, Owner shall not be liable for any loss or damage to the property of Occupant to the extent of such insurance. Occupant shall also carry and keep in full force and effect from the Occupancy Date through the expiration date of the term of this License, a commercial general liability policy insuring against any and all liability for injury to or death of a person or persons, and for damage to or destruction of property occasioned by or arising out of or in connection with the use or occupancy of the Premises, or by the condition of the Premises, the limits of such policy to be in an amount not less than \$2,000,000.00 per occurrence. Such commercial general liability policy of Occupant shall name Owner as an additional insured. Each insurance policy required to be carried by Occupant hereunder shall be issued by an insurance company duly licensed in the District of Columbia and acceptable to Owner. A certificate of each such insurance policy shall be deposited by Occupant with Owner within five (5) days after Occupancy Date.

Notwithstanding the requirements of this Section 9, Occupant shall have the right to self-insure with respect to some or all of the required insurance coverage.

10. INDEMNITY. Occupant shall indemnify Owner and its agents and employees and save them harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Occupant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Occupant, its agents, contractors, employees, invitees or Occupants, in each case unless caused by the negligence or willful misconduct of Owner, its agents or employees. In the event that Owner, or its agents or employees shall, without fault on its or their part, be made a party to any litigation commenced by or against Occupant, then Occupant shall protect and hold the same harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid in connection with such litigation.

11. CRIMINAL ACTS OF THIRD PARTIES. Owner shall not be liable in any manner to Occupant, its agents, employees, Occupants or invitees for any injury or damage to Occupant, Occupant's agents, employees, Occupants or invitees or their property caused by the criminal or intentional misconduct of third parties. All claims against the undersigned for any such damage or injury are hereby expressly waived by Occupant.
12. OWNER'S RESERVED RIGHTS. Owner reserves the right, upon reasonable advance notice to Occupant, to enter upon the Premises to examine the same, and to make such repairs, alterations or improvements as Owner deems necessary or proper.
13. DEFAULT. If Occupant shall fail to timely perform any of its obligations hereunder, and such failure shall continue for five (5) days after written notice from Owner, Owner shall have the right to terminate Occupant's right to possession of Premises immediately after the expiration of such five (5) day period without further notice, and shall be entitled to any other right or remedy allowed by law.
14. NO ASSIGNMENT. Occupant shall not assign its rights under this License nor permit any other person or entity use of the Premises without the written consent of Owner, which consent shall be in Owner's sole discretion.
15. NOTICES. Any notices that are to be made to the parties hereto shall be in writing and if to Owner, to

Jenifer Street, LP  
C/O  
Zuckerman Gravely Management, Inc.  
Two Wisconsin Circle  
Suite 1050  
Chevy Chase, MD 20815

With a copy to:

Douglas K. Hirsch, Esq.  
Shulman, Rogers, Gandal, Pordy & Ecker, P.A.  
12505 Park Potomac Avenue  
6<sup>th</sup> Floor  
Potomac, MD 20854

If to Occupant:

City of Chicago  
Department of Fleet and Facility Management

Office of Real Estate Management  
30 North LaSalle - Suite 300  
Chicago, Illinois 60602

or to any other address as the parties may designate in writing to the other party. Any and all notices shall be delivered by either (1) hand-delivery, (ii) courier service (i.e. Federal Express) or (iii) certified mail, return receipt requested, and deemed delivered upon the date of receipt.

16. INTENTIONALLY DELETED.
17. LICENSE. It is understood by and between the parties hereto that this License is not a lease and conveys no interest of any kind whatsoever in the aforementioned Premises other than a mere license reasonably to use and occupy the same under the terms and conditions mentioned herein set forth.
18. LIMITATION OF LIABILITY. Notwithstanding anything herein to the contrary, Occupant shall neither assert nor seek to enforce any claim for breach of this License against any of Owner's assets other than Owner's interest in the Premises or any portion thereof, and under this License, it being specifically agreed that in no event shall Owner (or any of the officers, trustees, directors, partners, beneficiaries, joint ventures, members, stockholders, or other principals or representatives, disclosed or undisclosed) ever be personally liable for any such liability. In no event shall Owner (or any of the officers, trustees, directors, partners, beneficiaries, joint ventures, members, stockholders, or other principals or representatives disclosed or undisclosed) ever be liable for consequential damages.
19. WAIVER OF TRIAL BY JURY. THE PARTIES HERETO SHALL, AND THEY THEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LICENSE, THE RELATIONSHIP OF OWNER AND OCCUPANT, OCCUPANT'S USE OR OCCUPANCY OF THE PREMISES OR ANY CLAIM FOR INJURY OR DAMAGE IN CONNECTION WITH THIS LICENSE, THE PREMISES OR THE REST OF THE BUILDING.
20. HAZARDOUS MATERIAL. Occupant shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, or used in or about the Premises. If Occupant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the

Premises caused or permitted by Occupant results in contamination of the Premises, then Occupant shall indemnify, defend and hold Owner harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages arising from any adverse impact on marketing of the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the term of this License as a result of such contamination. This indemnification of Owner by Occupant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of hazardous material present in, on, or about the Premises or in the soil or ground water on or under the Premises.

"Hazardous Material" is used in this License in its broadest sense and shall mean any asbestos, petroleum based products, pesticides, paints and solvents, polychlorinated biphenyl, lead, cyanide, DDT, acids, ammonium compounds and other chemical products and any substance or material defined or designated as hazardous or toxic substance or other similar terms, by any federal, state or local environmental statute, regulation, or ordinance affecting the Premises or the Building presently in effect or that may be promulgated in the future, as such statutes, regulations or ordinances may be amended from time to time, including but not limited to the statutes listed below.

Resource Conservation and Recover Act of 1976, 42 U.S.C. Sec. 6901 et seq. Comprehensive Environmental Response, Compensation, and Liability Act of 1980, Clean Air Act, 42 U.S.C. Sec. 7401-7626 Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. Sec. 1251 et seq.

Insecticide, Fungicide, and Rodenticide Act (Pesticide Act of 1987), 7 U.S.C. Sec. 135 et seq.

Toxic Substance Control Act, 15 U.S.C. Sec 2601 et seq.

National Environmental Policy Act (NEPA) 42 U.S.C. Sec. 4321 et seq.

21. COUNTERPARTS. This License may be executed in one or more counterparts, and all counterparts shall constitute one and the same legal document.



IN WITNESS WHEREOF, the said parties have subscribed their names and affixed their seals on the day of the year hereinbelow written.

WITNESS:

\_\_\_\_\_

OWNER:

1001 CONNECTICUT, LLC, a Delaware limited liability company

BY: \_\_\_\_\_  
Shelton Zuckerman, President

WITNESS/ATTEST:

\_\_\_\_\_

OCCUPANT:

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

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

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

Date: \_\_\_\_\_



**JOSEPH A. MOORE**

ALDERMAN, 49TH WARD  
7356 NORTH GREENVIEW AVENUE  
CHICAGO, ILLINOIS 60626  
TELEPHONE: 773-338-5796  
ward49@cityofchicago.org  
www.ward49.com

**CITY COUNCIL  
CITY OF CHICAGO**

**COUNCIL CHAMBER**

CITY HALL, ROOM 200  
121 NORTH LA SALLE STREET  
CHICAGO, ILLINOIS 60602  
TELEPHONE 312-744-3067

**COMMITTEE MEMBERSHIPS**

**HOUSING AND REAL ESTATE**  
CHAIRMAN

BUDGET AND GOVERNMENT OPERATIONS

COMMITTEES, RULES AND ETHICS

EDUCATION AND CHILD DEVELOPMENT

FINANCE

HEALTH AND ENVIRONMENTAL PROTECTION

HUMAN RELATIONS

SPECIAL EVENTS, CULTURAL AFFAIRS AND RECREATION

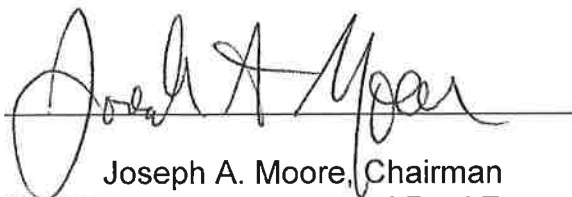
June 22, 2016

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on June 21, 2016, having had under consideration the ordinance introduced by Mayor Rahm Emanuel on May 18, 2016, this being the lease for office space at 1001 Connecticut Avenue, N.W. Washington D.C., begs leave to recommend that Your Honorable Body Approve said substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of all committee members present with no dissenting votes.

Respectfully submitted,



Joseph A. Moore, Chairman  
Committee on Housing and Real Estate



APPROVED

*Stephen R. Patton*

CORPORATION COUNSEL

APPROVED

*John E. Emanuel, Sr.*

MAYOR

6/27/16