



Office of Chicago City Clerk



O2011-3011

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	4/13/2011
Sponsor(s):	Mayor Daley
Type:	Ordinance
Title:	Execution of a lease agreement for property at 1320 S Racine Ave
Committee(s) Assignment:	Committee on Housing and Real Estate

MSG.



OFFICE OF THE MAYOR
CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

April 13, 2011

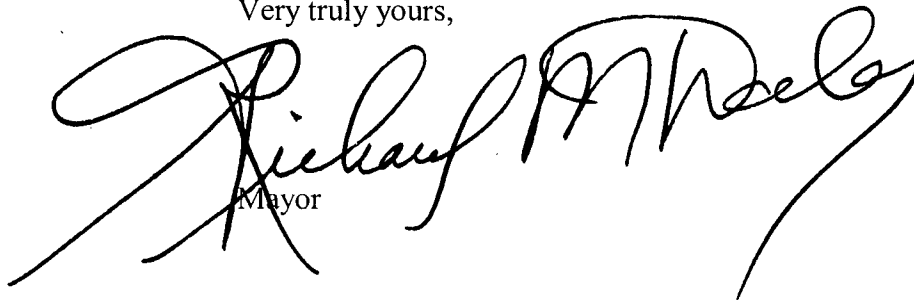
TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of General Services, I transmit herewith an ordinance authorizing the execution of a lease agreement for property at 1320 South Racine.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,



Richard M. Daley
Mayor

ORDINANCE

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

SECTION 1: On behalf of the City of Chicago as Tenant, the Commissioner of the Department of General Services is authorized to execute a Lease with the Chicago Park District as Landlord governing the use of approximately 11,000 square feet of space located at 1320 South Racine Avenue for use by the Department of Family and Support Services; such Lease to be approved by the Commissioner of the Department of Family and Support Services and approved as to form and legality by the Corporation Counsel in substantially the following form:

1320 South Racine Street
Department of Family and Support Services
Lease No. 14204

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

LEASE

This LEASE AGREEMENT ("Lease") is made as of the ____ day of _____, 2011 by and between the CHICAGO PARK DISTRICT, a body politic and corporate unit of local government under Article VII, Section 1 of the 1970 Constitution of the State of Illinois, an Illinois municipal corporation existing pursuant to 70 ILCS 1505/0.01 et seq., (the "Landlord"), and the CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government (the "Tenant"). Tenant and Landlord are also referred below each as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Landlord is the owner of the premises located at 1320 South Racine Avenue more commonly known as the Fosco Community Center, Chicago, Illinois (the "Community Center"); and

WHEREAS, Landlord has agreed to lease to Tenant and Tenant has agreed to lease from Landlord a portion of the Community Center consisting of approximately 11,000 square feet of interior space, two adjoining playgrounds, designated parking and common areas (collectively, the "Premises" as further described below and set forth on Exhibit "A" attached hereto and made a part hereof); and

WHEREAS, both Landlord and Tenant contemplate that Tenant will enter into an operating agreement with a third party operator ("Operator"), as set forth and attached hereto at Exhibit "B" and made a part hereof, and that the Premises will be used by the Operator to provide child care and associated services, educational programs, and/or those educational and operational programs reasonably related and necessary to providing child care;

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full and for other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. GRANT

Landlord hereby Leases to Tenant the following described premises situated in the Community Center, commonly known as 1320 South Racine Avenue, in the City of Chicago, County of Cook, State of Illinois, to wit:

- (a) Approximately 11,000 square feet of interior space and two adjoining playgrounds on an exclusive basis (the "Exclusive Use Premises"); and
- (b) On a non exclusive basis, access to: (i) Room 140; (ii) common areas; (iii) access to 102 spaces of associated parking; (iv) use of the "drop-off" parking spaces located in front of the Community Center; (the "Common Use Areas," and collectively with the Exclusive Use Premises, the "Premises").

Deleted: WHEREAS, on October 12, 2005, the Board of Commissioners of the Chicago Park District adopted a Resolution authorizing the execution of this Lease; and¶
 ¶
 WHEREAS, on _____, the City Council of the City of Chicago adopted an ordinance published in the Journal of Proceedings for said date at pages _____, authorizing the execution of this Lease.¶
 ¶

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SECTION 2. TERM

2.1 Lease Term. The term of this Lease ("Term") shall commence on the date of execution ("Commencement Date") and shall end on December 31, 2011 ("Termination Date"), unless sooner terminated as set forth in this agreement.

2.2 Option to Renew. By no later than ninety (90) days before December 31st of each Lease year in 2011, 2012, 2013, and 2014, Tenant shall provide Landlord with written notification of its desire to extend this Lease for an additional one-year term (each a "Renewal Term"). In the event Landlord delivers written notice of its acceptance of such an extension, or in the event Landlord fails to deliver written notice of its refusal to extend the Lease no later than 30 (30) days before December 31st of each Lease year, this Lease shall be extended for another year through December 31st of the following year. If so extended all other terms and conditions of this Lease shall remain in full force and effect for the following Renewal Term.

SECTION 3. TENANT'S USE OF PREMISES

3.1 Use by Tenant's Operator. Landlord and Tenant hereby agree that the Premises shall be utilized by the Operator, or any other mutually agreed upon 3rd party, to provide child care and associated services, educational programs, and or those educational and operational programs reasonably related to providing child care.

3.2 Operator Obligations. Tenant shall not be responsible for any Operator or third-party use of the Premises, including but not limited payment of Rent and/or Operating Expenses.

SECTION 4. RENT, TAXES, AND UTILITIES

4.1 Rent. The Operator, not Tenant, shall pay base rent ("Rent") for the Premises in the amount of:

• One and no/100 Dollars (\$1.00) per year

Rent shall be paid directly to Landlord by Operator at 541 North Fairbanks, Chicago, Illinois 60611, or at such place as Landlord may from time to time hereby designate in writing to Operator.

4.2 Operating Expenses. As and for operating expenses (the "Operating Expenses") , the Operator, not Tenant, shall pay, directly to Landlord the sum of Eighty-Eight Thousand Five Hundred and 00/100 Dollars (\$88,500.00) per annum in equal monthly installments of Seven Thousand Three Hundred Seventy Five and 00/100 dollars (\$7,375.00) per month, consisting of Six Thousand Eight Hundred and Seventy Five and 00/100 Dollars (\$6,875.00) per month for operating expenses related to the space used for related to the space used for children birth to 12 services and Five Hundred and 00/100 Dollars (\$500.00) per month for operating expenses related to the space used for school-age and after -school programming.

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4.3 Taxes and Other Levies. Operator shall pay, when due, all real estate taxes, unless otherwise exempt from real estate taxes, duties, assessments, and other levies assessed against the Premises. Operator shall diligently cooperate with Landlord to submit all necessary real estate tax exemption documentation to the Cook County Assessor and Treasurer's office for any/all tax exemptions for the Premises.

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4.4 Utilities. Landlord shall pay when due all charges for water, sewer, gas, electricity, light, heat, telephone, and all other utility services used in or supplied to the Premises, except for those charges which this Lease specifies that Operator shall pay, if any.

4.5 Approval and Oversight. Landlord shall, from time to time, as and if necessary, review and request alterations to the Operating agreement between Tenant and Operator and, upon agreement by Tenant and Operator, such alterations shall become incorporated and shall merge into this Lease by addendum or attachment.

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

5.1 Condition of Premises Upon Delivery of Possession. Tenant and Operator have examined the Premises and know their condition. No representations as to the compliance of the Premises with laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments, ("Law") which may be applicable to the Premises or to the use or manner of use of the Premises as a childcare center is made by Landlord.

To the best of its knowledge and belief, Landlord represents that the Premises shall, at the time of delivery of possession to the Tenant contain no environmentally hazardous materials.

5.2 Covenant of Quiet Enjoyment. Landlord covenants that the Tenant, and the Operator upon paying the Rent and Operating Expenses in a timely fashion, upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, and enjoy the Premises (subject to the provisions of this Lease) during the Term and each Renewal Term without hindrance or interference by Landlord or by any person or persons claiming under Landlord. Landlord covenants and agrees that Tenant and Operator shall have the right to peacefully and quietly have, hold, occupy and enjoy the Premises without any encumbrance or hindrance by or from Landlord, its agents, employees, successors and assigns or by any entities, person, or persons claiming under Landlord.

5.3 Landlord's Duty to Maintain Premises and Right of Access. Unless otherwise provided in this Lease, Landlord shall, at Landlord's expense, keep the Premises in a general condition of thorough repair and good order, and in compliance with all applicable provisions of the Municipal Code of the City of Chicago, including but not limited to those provisions in Title 13 ("Building and Construction"), Title 14 ("Electrical Equipment and Installation"), Title 15 ("Fire Prevention") and all applicable landscape ordinances. If Landlord fails to complete any repair or maintenance for which Landlord is obligated herein within five (5) days of written

notice from Tenant and/or Operator of a condition requiring repair or maintenance (or, if such repair or maintenance cannot by its nature reasonably be completed within five (5) days, Landlord has not commenced within five (5) days of said notice the repair or maintenance and continuously and diligently prosecuted its completion), the Operator may, but shall not be obligated to, commence or complete such repair or maintenance. Tenant shall not be responsible for the maintenance of the Premises during Operator's or any third party's occupancy and use of the Premises. All sums expended and all costs and expenses incurred by the Operator in connection with any such repair or maintenance shall be paid by Landlord and shall bear interest from the respective dates when expended or incurred by the Operator at the rate of the lesser of ten percent (10%) per annum or the maximum rate then permitted to be charged by law until repaid by Landlord to the Operator, and all such sums together with interest shall be deducted from Rent and Operating Expenses under this Lease that is due to Landlord from the Operator, or payable by Landlord to the Operator on demand.

5.4 Use of the Premises. The use of the Premises shall be conducted in full compliance with the law. The Operator may access the Common Use Areas and shall have use of the Exclusive Use Premises Monday through Friday from 6:30 a.m. to 6:30 p.m. and at other times on a reasonable as needed basis. The Operator may use the public parking spaces on a first-come, first-served non-exclusive basis. The Operator and Landlord shall coordinate scheduling of Room 140. The Operator shall not use the Premises in a manner that would violate any Law. The Operator further covenants not to do or suffer any waste or damage, comply in all respects with the Law, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Premises or to the use or manner of use of the Premises, disfigurement or injury to any building or improvement on the Premises, or to fixtures and equipment thereof

Deleted: common areas and designated drop-off area

5.5 Alterations and Additions. The Operator, at its own expense, shall have the right to make such non-structural alterations, additions and improvements, or to affix or attach any fixtures to the Premises as it shall deem necessary and needed to perform its functions, provided that any such alterations, additions and improvements shall be in full compliance with the applicable Law and provided that Operator has obtained the prior written consent of Landlord. Landlord shall not unreasonably withhold consent. Landlord and Operator further covenant that any improvements or alterations related to electrical conduits, connections, networks, or other communications shall be made at Operator's sole expense and may only be undertaken upon prior written consent of Landlord. Any trade fixtures and communications equipment shall become Operator's property (the "Operator's Property") at the expiration of this Lease.

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SECTION 6. ASSIGNMENT AND LIENS

6.1 Assignment and Rights. Tenant may assign, via permit, license or by operation agreement, any portion of or the entirety of the Premises providing the purposes of any such assignment is not inconsistent with the terms of this Lease. Any such agreement, in whatever form such an agreement shall take, in whole or in part, shall be subject to the written consent of Landlord in each instance. Landlord shall not unreasonably withhold consent. Landlord and Tenant acknowledge that any and all third-party assignments beyond the assignment described

herein for day-care and related operation only, if any shall ever take effect, are subject to a prior Right of First Refusal provided to the Board of Education. However, Landlord and Tenant acknowledge that reference herein to said Right of First Refusal does not create any additional interest for the Board of Education in this Lease, beyond the agreement itself, nor creates any additional rights, responsibilities or obligations between the parties.

6.2 Tenant's Covenant against Liens. Tenant shall not cause or permit any lien or encumbrance, whether created by act of Tenant, or operation of law, to attach to or be placed upon Landlord's title or interest in the Premises. All liens and encumbrances created by Tenant shall attach to Tenant's interest only. At no time shall Tenant be liable to Landlord for any liens that attach to Landlord's Premises by any act of the Operator or any third party Operator or licensee.

SECTION 7. INDEMNIFICATION

7.1 Indemnification. Tenant shall cause Operator to indemnify and hold Landlord harmless against all liabilities, judgments costs, damages, claims, demands and expenses (including court costs and reasonable attorney's fees) and any liabilities arising out of this Lease including but not limited to Operator's or any third party's use of the Premises and child care business license requirements, which may accrue against, be charged to, or be recovered from either party by reason of any of Tenant's, Operator's or any third party's negligent performance of or failure to perform any of their obligations under this Lease.

SECTION 8. DAMAGE OR DESTRUCTION

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

SECTION 9. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS

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

9.2 Duty to Comply with Governmental Ethics Ordinance. Landlord and Tenant City shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics,"

including but not limited to section 2-156-120, which states that no payment, gratuity, or offer of employment shall be made in connection with any City of Chicago contract as an inducement for the award of that contract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

9.3 Landlord's Ethics Code. No official or employee of the Park District, nor any member of its Board of Commissioners shall have any financial interest (as defined in Chapter III, Section A of the Code of the Chicago Park District), either direct or indirect, in this Lease, or any contract or subcontract or the performance of the work resulting therefrom; nor shall any such official, employee, or member participate in making or in any way attempt to use his position to influence any Park District governmental decision or action with respect to this Lease. The Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into this Lease.

9.4 Tenant's Ethics Code. The City of Chicago's Governmental Ethics Ordinance (Chapter 2-156 of the Municipal Code of Chicago) as amended from time to time is incorporated into and made part of this Lease.

9.5 Conflict of Codes. In the event that there is conflict, confusion, misunderstanding, need for interpretation or vagueness of drafter's intent as such is applicable, or may be applicable in the future to Section 9 herein, the stricter of Landlord's and Tenant's codes—as determined by the entirety of the particular circumstances—shall govern this Lease and all attachments, exhibits and understandings set forth therein.

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9.6 Public Officer Prohibited Activities Act. This Lease shall not be legally binding on either Party if entered into in violation of the provisions of the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01 et seq.

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9.7 Personal Liability. No official, employee or agent of Landlord or Tenant shall be charged personally with any liability or expense of defense or hold any such official, employee or agent personally liable to it under any term or provision of this Lease or because of a Party's execution, attempted execution or any breach of this Lease. The limitation on liability provisions of this paragraph shall survive expiration or termination of this Lease for matters occurring or arising during the Term or a Renewal Term.

SECTION 10. HOLDING OVER

Holding Over. Any holding over by Tenant, Operator or third party shall be construed to be a tenancy from month to month only beginning January 1, 2012 and the Rent and Operating Expenses shall be at the same rate as set forth in Section 4.1 and 4.2 of this Lease.

SECTION 11. MISCELLANEOUS

11.1 Notice. All notices, demands, requests and other communications given pursuant to this Lease shall be in writing. All notices, demands and requests by Landlord to Tenant shall

be delivered by national overnight courier, messenger, or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid as follows:

If to Landlord: Chicago Park District
541 North Fairbanks Court, 7th Floor
Chicago, Illinois 60611
Attention: General Superintendent

With a copy to: Chicago Park District Department of Law
541 North Fairbanks Court, 3rd Floor
Chicago, Illinois, 60611
Attention: General Counsel

If to Tenant: City of Chicago
Department of General Services
Office of Real Estate Management
30 North LaSalle Street, Suite 300
Chicago, Illinois 60602
Attention: Manager of Real Estate

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Real Estate - Deputy Corporation Counsel

City of Chicago
Department of Family and Support Services
1615 West Chicago Avenue
Executive Offices, 2nd Floor
Chicago, Illinois 60622
Attn. Commissioner

If to Operator: Marcy Newberry Association
1073 West Maxwell Street
Chicago, Illinois 60608
Attn. Executive Director

Either party may, from time to time, change the names and addresses furnished for notice hereunder by giving written notice of said change to the other party in accordance with the notice provisions set forth above.

11.2 Partial Invalidity. If any provision(s) of this Lease is (are) determined to be legally invalid, the parties hereto agree that particular provision shall be null and void, but that the remainder of this Lease shall remain in full force and effect.

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

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

11.5 Captions and Section Numbers. The captions and section numbers appearing in this Lease have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope of intent of the paragraph to which they pertain.

11.6 Binding Effect of Lease. This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and permitted assigns, including the Operator.

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

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

11.9 Authorization to Execute Lease. The individual officers, agents and employees of the parties hereto who execute this Lease do hereby individually represent and warrant that they have full power and lawful authority to execute this Lease and perform the transactions contemplated hereunder, on behalf of and in the name of their respective principals and/or employers.

11.10 Termination. Both Landlord and Tenant shall have the right to terminate this Lease, as set forth in Section 9, and by providing the other party with thirty (30) days prior written notice any time after Lease execution for any reason. Such early termination shall be without prepayment or penalty, unless otherwise set forth in this lease. In the event thereof, the rights and obligations stated and provided for in this document shall terminate and leasehold possession of the Premises shall revert back to Landlord. Notwithstanding anything to the contrary, termination under this paragraph 11.10 is subject, if applicable, to the appeal process described in 45 C.F.R. Part 1303, Subpart C, "Appeals by Current or Prospective Delegate Agencies" (Sections 1303.20 through 1303.23).

11.11 Force Majeure. When a period of time is provided in this Lease for either party to do or perform any act or thing, the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other

causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the respective party is so delayed.

11.12 Condemnation. If the Premises are taken by any governmental entity pursuant to its power of eminent domain, Landlord or Tenant may elect to terminate this Lease, by notice delivered as soon as reasonably possible after a party receives notice or otherwise becomes aware of such proceedings. Rent shall abate as of the date of taking, and if there is any award or payment by the condemning governmental entity, Tenant shall not be entitled to any portion thereof. Landlord agrees to promptly notify Tenant if it receives any notice of proposed taking by a governmental entity pursuant to eminent domain.

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

SECTION 12 ADDITIONAL PROVISIONS

12.1 Landlord Covenants. Throughout the Term and each Renewal Term, Landlord, at Landlord's expense, shall provide the following without additional cost to Tenant in addition to the utilities set forth in Section 4.4:

- (i) air-conditioning, heat and electricity necessary for the use and occupancy of the Premises for the purposes for which this Lease is made;
- (ii) routine maintenance of the Premises (maintenance to include, but not limited to, changing light bulbs, replacing fixtures and filters, regulating and repairing heating and cooling systems and generally maintaining the structural integrity of the Premises);
- (iii) any necessary extraordinary maintenance or major repairs, including but not limited to the repairs set forth in Section 5.3, and painting, repairing and replacing stairs, floors, walls, ceilings, lighting, electrical components and HVAC fixtures, the roof and all other parts of the physical plant;
- (iv) repairs and maintenance of the facilities, fixtures and equipment providing hot and cold running water, drinking water and toilet services. All of the foregoing shall be maintained in good operating order and in a safe, healthful and clean condition;

- (v) prompt removal of snow and ice from the sidewalks, steps, walkways, driveways, parking areas, and entrance ways serving the Premises or the real estate in which the Premises are situated;
- (vi) washing of inside and outside windows at the Premises on a reasonable basis; and
- (vii) maintenance to the structural parts of the Premises, which structural parts shall be deemed to include, but not limited to, walls, concrete floors, roof, mason work, downspouts, beams, girders, columns and foundation, plumbing, mechanical components, electrical components and HVAC system in good and habitable condition and repair during the occupation of the Premises.

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12.2 Custodial Services. Landlord will provide custodial services for the Common Use Areas. However, Landlord shall not provide custodial services for the Exclusive Use Premise of any kind. The Operator shall provide and pay for any custodial services that may be required for the Exclusive Use Premises.

12.3 Compliance with Laws/Environmental. Landlord and Tenant shall comply at all times with all applicable municipal, county, state and federal ordinances, laws, rules and regulations pertaining to the repair, maintenance and operation of the Premises. Landlord also agrees that the Operator has the right to inspect, sample and analyze the materials, systems and structures in the Premises as required by the United States Environmental Protection Agency, the Illinois Environmental Protection Agency, the Chicago Department of Public Health, or any other municipal or City of Chicago Department charged with establishing and policing occupational or educational health and safety standards, or as necessary to determine compliance of the Premises with standards or guidelines established by any of the foregoing.

12.4 Security Measures. Landlord agrees to establish and maintain security measures appropriate to reasonably protect the Premises, individuals properly present at the Premises, and the personal property located thereon. The Operator agrees to cooperate with Landlord in maintaining security and in establishing security measures for the Premises comparable to security at Landlord's other places of operation. Additional security desired by the Operator beyond the customary security provided by Landlord as part of its standard operations, if any, shall be Operator's, not Tenant's sole responsibility and at the Operator's, not Tenant's cost.

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12.5 Condition upon Termination. Upon termination of this Lease, by lapse of time or otherwise, the Operator shall have the privilege, without liability in any way accruing against it, to remove any and all of its properties, supplies, and equipment of all kinds from said Premises. The Operator shall deliver the Premises, upon termination, in as good a state or condition as the same were when entered upon, less reasonable use and wear thereof and damages by fire, accident or Landlord's negligence excepted.

12.6 Landlord Default. If Landlord is in default under this Lease and such default shall continue for ten (10) days after Tenant has notified Landlord by written notice of such default, unless in the case of a default which cannot be remedied within ten (10) days where Landlord shall have commenced and shall be diligently pursuing all necessary action to remedy such default, Tenant or Operator may, but shall not be obligated to, cure the default itself and deduct the cost and expense thereof from the Rent and Operating Expenses due under this Lease or immediately terminate this Lease by providing Landlord written notice as provided for herein.

12.7 Operator Default. Except as it pertains to Operator's timely payment of Rent or payment of Operating Expenses, if the Operator is in default under this Lease and such default shall continue for ten (10) days after Tenant and Operator have received Landlord's written notice of default, unless in the case of a default which cannot be remedied within ten (10) days where Tenant or the Operator shall have commenced and shall be diligently pursuing all necessary action to remedy such default, Landlord may but shall not be obligated to cure the default or elect to terminate this Lease by providing Tenant and Operator written notice as provided for herein. Notwithstanding anything to the contrary, termination under this paragraph 11.10 shall be subject, if applicable, to the appeal process described in 45 C.F.R. Part 1303, Subpart C, "Appeals by Current or Prospective Delegate Agencies" (Sections 1303.20 through 1303.23).

12.8 Approvals. This Lease is subject to approval by the members of the board of the Chicago Park District, City of Chicago Department of General Services, City of Chicago Department of Family and Support Services, and the City of Chicago City Council, and the Corporation Counsel as to form and legality.

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12.9 Trade Fixtures. Any of the Premises' trade fixtures become Operator's exclusive property.

12.10 Signage. The Operator may place signage on the Premises. However said signage should be confined to the Exclusive Use Premises themselves. The Operator may place temporary signage in the Common Use Areas or in the exterior of the Premises, subject to the prior approval of the Park District. The Operator may not affix permanent signage without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

THE CITY OF CHICAGO:

THE DEPARTMENT OF GENERAL SERVICES

By: _____
Commissioner

THE DEPARTMENT OF FAMILY AND SUPPORT SERVICES

By: _____
Commissioner

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

By: _____
Deputy Corporation Counsel
Real Estate Division

OPERATOR OF PREMISES:

Acknowledged and Agreed to
This _____ day of _____, 2011.

By: _____
Its: _____

THE CHICAGO PARK DISTRICT

By: _____
Timothy J. Mitchell
General Superintendent and CEO

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EXHIBIT A
To Come

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EXHIBIT B
To Come

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