



City of Chicago



SO2015-6201

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	7/29/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Lease agreement with Kedzie Plaza I LLC for use of commercial space at 4770 S Kedzie Ave
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 Kedzie Plaza I, LLC, as Landlord, for use of approximately 8,000 square feet of commercial space located at 4770 South Kedzie Avenue by the Departments of Finance, Buildings, and Administrative Hearings, as Tenant; such Lease to be approved by the City Comptroller, the Commissioners of the Buildings and Fleet and Facility Management, and approved as to form and legality by the Corporation Counsel in substantially the following form:

LEASE

THIS LEASE is made and entered into this _____ day of _____ 2015, by and between **KEDZIE PLAZA I, LLC**, an Illinois Limited Liability Company (hereinafter referred to as "**Landlord**") and the **CITY OF CHICAGO**, an Illinois Municipal Corporation and Home Rule Unit of Government (hereinafter referred to as "**Tenant**" or "**City**").

RECITALS

WHEREAS, Landlord is the owner of the real property more commonly known as 4770 South Kedzie Avenue, Chicago, Cook County, Illinois; and

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord, approximately 8,000 square feet of ground floor office space located at 4770 South Kedzie Avenue (Kedzie Plaza South) to be used by the Department of Finance, Department of Administrative Hearings, the Department of Buildings, and other City agencies;

NOW THEREFORE, in consideration of the covenants, terms and conditions set forth herein, the parties agree and covenant as follows:

SECTION 1. GRANT

Landlord hereby leases to Tenant the following described premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 8,000 square feet of ground floor office space located on that certain parcel of real estate more commonly known as 4770 South Kedzie Avenue, Chicago, Illinois, part of PINs 19-11-201-031 and -032 (the "**Premises**").

SECTION 2. TERM

The term of this Lease ("Term") shall commence on the date of execution ("**Commencement Date**") and shall end on June 30, 2025, unless sooner terminated as set forth in this Lease.

SECTION 3. RENT, TAXES, AND UTILITIES

3.1 Rent. Tenant shall pay rent for the Premises in the amount of:

a) Fourteen Thousand Three Hundred Thirty Three and 33/100 Dollars (**\$14,333.33**) per month for the period beginning on the first full month after the Commencement Date and ending on June 30, 2016.

b) Fourteen Thousand Seven Hundred Sixty Three and 33/100 Dollars (**\$14,763.33**) per month for the period beginning on July 1, 2016 and ending on June 30, 2017.

c) Fifteen Thousand Two Hundred Six and 23/100 Dollars (\$15,206.23) per month for the period beginning on July 1, 2017 and ending on June 30, 2018.

d) Fifteen Thousand Six Hundred Sixty Two and 42/100 Dollars (\$15,662.42) per month for the period beginning on July 1, 2018 and ending on June 30, 2019.

e) Sixteen Thousand One Hundred Thirty Two and 29/100 Dollars (\$16,132.29) per month for the period beginning on July 1, 2019 and ending on June 30, 2020.

f) Sixteen Thousand Six Hundred Sixteen and 26/100 Dollars (\$16,616.26) per month for the period beginning on July 1, 2020 and ending on June 30, 2021.

g) Seventeen Thousand One Hundred Fourteen and 75/100 Dollars (\$17,114.75) per month for the period beginning on July 1, 2021 and ending on June 30, 2022.

h) Seventeen Thousand Six Hundred Twenty Eight and 19/100 Dollars (\$17,628.19) per month for the period beginning on July 1, 2022 and ending on June 30, 2023.

i) Eighteen Thousand One Hundred Fifty Seven and 04/100 Dollars (\$18,157.04) per month for the period beginning on July 1, 2023 and ending on June 30, 2024.

j) Eighteen Thousand Seven Hundred One and 75/100 Dollars (\$18,701.75) per month for the period beginning on July 1, 2024 and ending on June 30, 2025.

Rent shall be paid to Kedzie Plaza I, LLC, c/o The Mega Group, 4849 North Milwaukee Avenue, Suite 302, Chicago, Illinois 60630 or at such other place as Landlord may designate in writing to Tenant.

3.2 Taxes and Other Levies. Landlord shall pay when due all real estate taxes, duties, assessments, sewer and water charges and other levies assessed against the Premises, except for those charges which this Lease specifies that Tenant shall pay.

3.3 Utilities. Tenant shall pay when due all charges for gas, electricity, light, heat, and telephone or other communication service, and all other utility charges attributable to the Premises, except for those charges which this Lease specifies that Landlord shall pay.

SECTION 4. CONDITION AND ENJOYMENT OF PREMISES, ALTERATIONS AND ADDITIONS, SURRENDER

4.1 Condition of Premises Upon Delivery of Possession. Landlord covenants that the Premises shall:

(a) Comply in all respects with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments, (collectively the "Laws") which may be applicable to the Premises or to the use or manner of use of the Premises;

- (b) Contain no environmentally hazardous materials.

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

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

4.3 Landlord's Duty to Maintain Premises and Right of Access. Landlord shall, at Landlord's expense, keep the Premises in a condition of thorough repair and good order, and in compliance with all applicable provisions of the Municipal Code 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 provisions of the Landscape Ordinance of the City of Chicago. If Landlord shall refuse or neglect to make needed repairs within fifteen (15) days after written notice thereof sent by Tenant, unless such repair cannot be remedied by fifteen (15) days, and Landlord shall have commenced and is diligently pursuing all necessary action to remedy such repair, Tenant is authorized to make such repairs and to deduct the cost thereof from rents accruing under this Lease, or immediately terminate this Lease by providing the Landlord with written notice sent by certified or registered mail to the address cited herein. Landlord shall have the right of access to the Premises for the purpose of inspecting and making repairs to the Premises, provided that except in the case of emergencies, Landlord shall first give notice to Tenant of its desire to enter the Premises and will schedule its entry so as to minimize any interference with Tenant's use of Premises to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors or as otherwise necessary in the operation or protection of the Premises.

4.4 Use of the Premises. Tenant shall not use the Premises in a manner that would violate any Laws. Tenant further covenants not to do or suffer any waste or damage, comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Premises or to the use or manner of use of the Premises, disfigurement or injury to any building or improvement on the Premises, or to fixtures and equipment thereof.

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

SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS

5.1 Assignment and Sublease. Tenant shall not assign, sublease, mortgage, encumber or otherwise transfer this Lease in whole or in part, or sublet the Premises or any part thereof without the written consent of Landlord in each instance. Landlord shall not unreasonably withhold consent to any assignment of the Lease or sublease of the Premises provided that (i) the assignee or sublessee will use the Premises in a manner similar to that being used as of the date of this Lease, (ii) no such assignment or sublease shall release Tenant from any liability under this Lease and (iii) Tenant shall pay to Landlord the excess if any of (a) the rent and other amounts paid to Tenant by the assignee or sublessee under the assignment or sublease over the rent payable by Tenant to Landlord under this Lease.

5.2 Tenant's Covenant Against Liens. Tenant shall not cause or permit any lien or encumbrance, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Premises. All liens and encumbrances created by Tenant shall attach to Tenant's interest only.

SECTION 6. INSURANCE AND INDEMNIFICATION

6.1 Insurance. During the Term, Landlord shall procure and maintain at all times, at Landlord's own expense, the insurance coverages and requirements specified below, insuring all operations related to the Lease.

The kinds and amounts of insurance required are as follows:

(a) Worker's Compensation and Employer's Liability Insurance. Workers Compensation as prescribed by applicable law, covering all employees who are to provide a service under this Lease, and Employer's Liability Insurance with limits of not less than \$500,000 each accident, illness or disease.

(b) Commercial General Liability Insurance. (Primary and Umbrella). General Liability Insurance or equivalent, with limits of not less than \$1,000,000 per occurrence, for bodily injury, personal injury, and property damage liability. Coverage shall include the following: All premises and operations, products/completed operations, defense, separation of insureds, and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago shall be named as an additional insured under the policy. Such additional insured coverage shall be provided on CG 20 10 or on a similar additional insured form acceptable to the City. The additional insured coverage shall not have any limiting endorsements or language under the policy such as but not limited to, Landlord's sole negligence or the Additional Insured's vicarious liability. Landlord's liability insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

(c) Automobile Liability Insurance. (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with the Lease, the Landlord shall provide and maintain Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage. The City of Chicago shall be named as an additional insured on a primary, non-contributory basis.

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

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

6.2 Other Terms of Insurance. Landlord will furnish the City of Chicago, Department of Fleet and Facility Management, Office of Real Estate Management, 30 North LaSalle Street, Suite 300, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term. Landlord shall submit evidence of insurance prior to execution of the Lease. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all Lease requirements. The failure of the City to obtain certificates or other insurance evidence from Landlord shall not be deemed to be a waiver by the City. The Landlord shall advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance shall not relieve Landlord of its obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Lease, and the City retains the right to terminate or suspend the Lease until proper evidence of insurance is provided.

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

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

Landlord hereby grants to the City a waiver of any right of subrogation which any insurer of said Landlord may acquire against the City by virtue of the payment of any loss under the insurance. Landlord agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer(s).

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

Landlord expressly understands and agrees that its insurance is primary and any insurance or self-insurance programs maintained by the City shall not contribute with insurance provided by Landlord.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Lease or any limitation placed on the indemnity in this Lease given as a matter of law.

If Landlord is a joint venture or limited liability company, the insurance policies shall name the joint venture or limited liability company as a named insured.

If Landlord maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by Landlord. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notwithstanding any provision to the contrary, the City of Chicago, Department of Finance, Office of Risk Management, maintains the rights to modify, delete, alter or change these requirements at any time during the Term of Lease.

6.3 Mutual Indemnification. Landlord and Tenant shall indemnify and hold each other harmless against all liabilities, judgment costs, damages, and expenses which may accrue against, be charged to, or be recovered from either party by reason of any negligent performance of or failure to perform any of their obligations under this Lease.

SECTION 7. DAMAGE OR DESTRUCTION

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

SECTION 8. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS

8.1 Conflict of Interest. No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as 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.

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

SECTION 9. HOLDING OVER

9.1 Holding Over. Any holding over by Tenant shall be construed to be a tenancy from month to month only beginning on July 1, 2025 and the rent shall be at the same rate as set forth in Section 3.1(j) of this Lease. During such holding over all other provisions of this Lease shall remain in full force and effect.

SECTION 10. MISCELLANEOUS

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

Department of Fleet and Facility Management
Office of Real Estate Management
30 North LaSalle Street, Suite 300
Chicago, Illinois 60602

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

David Israel
Manager
Kedzie Plaza I, LLC
540 Lake Cook Road, Suite # 180
Deerfield, Illinois 60015

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

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

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

10.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Lease. This Lease contains the entire agreement between

the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

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

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

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

10.8 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.

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

10.10 Termination of Lease. Tenant shall have the right to terminate this Lease for convenience without penalty by providing Landlord with one hundred eighty (180) days prior written notice.

10.11 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 party is so delayed.

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

10.13 No Brokers. The Department Fleet and Facility Management does not use brokers, tenant representatives, or other finders. Landlord does not use brokers, landlord

representatives, or other finders. Tenant warrants to Landlord that no broker, landlord or tenant representative, or other finder (a) introduced Tenant to Landlord, (b) assisted Tenant in the negotiation of this Lease, or (c) dealt with Tenant on Tenant's behalf in connection with the Premises or this Lease. Landlord warrants to Tenant that no broker, landlord or tenant representative, or other finder (a) introduced Landlord to Tenant, (b) assisted Landlord in the negotiation of this Lease, or (c) dealt with Landlord on Landlord's behalf in connection with the Premises or this Lease. Under no circumstances shall Tenant make any payments due hereunder to any broker(s). Under no circumstances shall Landlord make any payments due hereunder to any broker(s).

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

10.15 Prior Lease. Landlord and Tenant acknowledge and agree that the Tenant has leased and occupied the Premises under a prior lease dated December 26, 2008. Landlord and Tenant each acknowledge and agree that the other party has performed all obligations under such prior lease and that neither party has any claims against the other with respect to such prior lease.

SECTION 11. ADDITIONAL RESPONSIBILITIES OF LANDLORD

11.1 Site Improvements. Within one hundred eighty (180) days of the Commencement Date, Landlord, at its sole cost and expense, shall perform the following site repairs and improvements:

- a. Repaint the entire Premises in a color selected in writing by the Department of Fleet and Facility Management.
- b. Replace damaged floor and ceiling tiles.
- c. Install Acrovyn wall covering (or other quality vinyl wainscoting product) on the lower four (4) feet of wall coverings in the main public access area.
- d. Clean all ceiling tiles and ventilation panels.
- e. Install additional electrical outlets under each payment counter
- f. Install carpeting on the clerk's side of the payment counter windows

11.2 Water Service. Landlord shall provide and pay for hot and domestic water for the Premises.

11.3 Plumbing. Landlord shall maintain plumbing in good operable condition, excluding damage caused by acts of vandalism or negligence attributable to Tenant, Tenant's agents or Tenant's clients.

11.4 Maintenance. Landlord shall provide, at Landlord's expense, any and all engineering service for maintenance of the exterior and interior of the Premises, including all roof, structural, mechanical and electrical components (including ballasts). Engineering service as used herein shall not be construed to mean cleaning, washing, or sweeping of any kind, or moving of furniture or replacing of interior light bulbs, etc., but shall refer strictly to service for the maintenance of the physical building and paved parking lot.

11.5 Air-Conditioning. Landlord shall provide air-conditioning to the Premises whenever air-conditioning shall be necessary and/or required for the comfortable occupancy of the Premises. Landlord shall maintain the building and equipment in good operable condition, excluding damage caused by acts of vandalism from Tenant or any of its agents or clients.

11.6 Heat. Landlord shall provide for heat to the Premises whenever heat shall be necessary and/or required for the comfortable occupancy of the Premises. Landlord shall maintain the building and equipment in good operable condition, excluding damage caused by acts of vandalism from Tenant or any of its agents or clients. Landlord understands that proper heating is critical to operations.

11.7 Fire Extinguishers. Landlord shall provide and maintain fire extinguishers in the Premises at all times as required by code. Provided, however, that Landlord shall not be responsible for replacement of fire extinguishers vandalized or stolen from the Premises.

11.8 Snow Removal. Landlord shall provide prompt removal of snow and ice from sidewalk which immediately abut the Premises and from the parking lot.

11.9 Unauthorized Improvements. Any improvements to the Premises effectuated by Landlord on Tenant's behalf shall only be performed upon written approval and concurrent Notice to Proceed from the Commissioner of the Department of Fleet and Facility Management. Approval from any other City department(s), other employee(s) of the Department of Fleet and Facility Management, or anyone acting, or claiming to act, on Tenant's behalf shall be deemed invalid and of no force or effect.

11.10 Repairs for Emergencies. In the event of an emergency where further delay would lead to material loss or significant damage to the Premises or other portions of Landlord's Plaza and provided such emergency is caused by the negligence, vandalism, or misuse of the Premises or equipment therein by Tenant's employees, invitees, agents, or Tenant's contractors, Landlord may make such emergency repairs subject to full reimbursement to Landlord by Tenant of costs associated with such emergency repairs excluding any overhead and/or profit.

11.11 Spot Painting. Landlord shall professionally spot paint the Premises on an as-needed basis.

11.12 Economic Disclosure Statement Affidavit ("EDS") Updates. Throughout the Term, Landlord will provide Tenant with any material updates to the information previously submitted in Landlord's Economic Disclosure Statement Affidavit ("EDS"). Tenant reserves the right to withhold rental payment under this Lease agreement in the event Landlord fails to provide such updates.

SECTION 12. ADDITIONAL RESPONSIBILITIES OF TENANT

12.1 Plate Glass. Tenant shall repair or replace any broken or damaged plate glass of said Premises during term of Lease which is not caused by acts or negligence of Landlord.

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

12.3 Scavenger Services. Tenant shall provide and pay for scavenger service, if necessary.

12.4 Surrender of Premises at Termination. Upon the termination of this Lease, Tenant shall surrender the Premises to the Landlord in a comparable condition to the condition of the Premises as of the Commencement Date, with normal wear and tear taken into consideration.

12.5 Security Service. Tenant shall pay for monthly alarm service, if necessary as determined by Tenant.

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

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

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

Commissioner of the Department of Fleet and Facility Management. Repair approval from any other City department(s) or other employee(s) of the Department of Fleet and Facility Management shall be deemed invalid and of no force or effect. Repairs made without said written approval and concurrent Notice to Proceed from the Commissioner of the Department of Fleet and Facility Management shall not be reimbursable to Landlord.

12.9 Parking. Tenant shall have shared access to at least one hundred sixty five (165) on-site parking spaces in the adjacent parking lot for parking of vehicles. City of Chicago employees shall park only in the second and third aisles closest to 47th Street, leaving the spaces closest to the retail areas for customer parking.

12.10 Rental Signs. Tenant will allow Landlord to place upon Premises notices of rental signs not to exceed 2' x 2' in size during the last six (6) months of the Lease Term and during any holding over period by Tenant.

SECTION 13. LANDLORD DISCLOSURES AND AFFIRMATIONS

13.1 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 Agreement, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Landlord hereby represents and warrants that no violation by Landlord of Section 2-156-030 (b) has occurred with respect to this Lease Agreement or the transactions contemplated hereby.

13.2 Patriot Act Certification. Landlord represents and warrants that neither Landlord nor any Affiliate thereof (as defined in the next paragraph) 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 law, rule, regulation, order or judgment: 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.

13.3 Prohibition on Certain Contributions-Mayoral Executive Order No. 2011-4.

Landlord agrees that Landlord, any person or entity that 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 Agreement) ("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 (i) after execution of this Agreement by Landlord, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract (as hereinafter defined) between Landlord and the City, or (iv) during any period while an extension of this Agreement 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 the Landlord or the date Landlord approached the City, as applicable, regarding the formulation of this Agreement, 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. 05-1 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 Agreement or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, 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 Agreement, 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 closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

- (a) "Bundle" means to collect contributions from more than one source which 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 292 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 of the City of Chicago.
- (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. a 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.

13.4 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 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 Agreement 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 Agreement, constitutes a breach of and an event of default under this Agreement, 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 the Agreement, at law or in equity. This section does not limit Landlord's, general contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement. Noncompliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Landlord's eligibility for future contract awards.

13.5 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 as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of this Agreement and the transactions contemplated thereby. Landlord shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

13.6 Cooperation with Inspector General and Legislative Inspector General. It is the duty of every officer, employee, department, agency, contractor, subcontractor, user of real property and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the City's Legislative Inspector General and with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapters 2-55 and 2-56, respectively, of the Municipal Code of Chicago. Landlord understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code of Chicago.

13.7 2014 Hiring Plan Prohibitions.

1. The Tenant 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 Tenant from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

2. Landlord is aware that Tenant policy prohibits Tenant 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 Tenant or Tenant employees. Any and all personnel provided by Landlord under this Lease are employees or subcontractors of Landlord, not employees of the City of Chicago. 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 Tenant and any personnel provided by Landlord.

3. Landlord will not condition, base, or knowingly prejudice or affect any term or aspect to 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.

4. In the event of any communication to Landlord by a Tenant employee or Tenant official in violation of paragraph 2 above, or advocating a violation of paragraph 3 above, Landlord will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the Tenant's Office of the Inspector General ("OIG Hiring Oversight"), and also to the head of the relevant Tenant department utilizing services provided under this Lease. Landlord will also cooperate with any inquiries by OIG Hiring Oversight.

(Signature page follows)

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

LANDLORD:

KEDZIE PLAZA I, LLC, an Illinois Limited Liability Company

By: _____
David Israel, Manager

TENANT:

CITY OF CHICAGO, an Illinois Municipal Corporation

**BY: THE DEPARTMENT OF FLEET AND FACILITY
MANAGEMENT**

By: _____
Commissioner

APPROVED: DEPARTMENT OF FINANCE

By: _____
City Comptroller

APPROVED: DEPARTMENT OF BUILDINGS

By: _____
Commissioner

APPROVED AS TO FORM AND LEGALITY:

BY: THE DEPARTMENT OF LAW

By: _____
**Deputy Corporation Counsel
Real Estate Division**

**4770 South Kedzie Avenue
Department of Finance
Department of Buildings
Department of Administrative Hearings
Lease No. 14183**

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



JOSEPH A. MOORE

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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 LASALLE 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

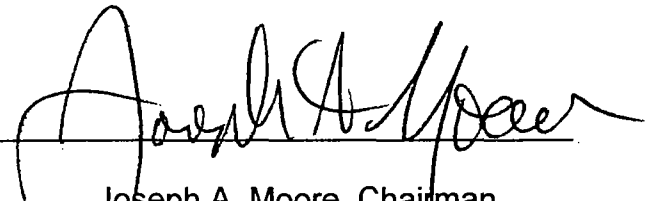
September 24, 2015

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on September 16, 2015, having had under consideration the substitute ordinance replacing the ordinance introduced by Mayor Rahm Emanuel on July 27, 2015, this being lease agreement with Kedzie Plaza I, LLC for 4770 S. Kedzie Ave., begs leave to recommend that Your Honorable Body Approve said 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

