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O2012-3776

Office of the City Clerk

City Council Document Tracking Sheet

<b>Meeting Date:</b>	6/6/2012
<b>Sponsor(s):</b>	Emanuel, Rahm (Mayor)
<b>Type:</b>	Ordinance
<b>Title:</b>	Lease agreement with Board of Trustees of the University of Illinois
<b>Committee(s) Assignment:</b>	Committee on Housing and Real Estate



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**RAY SUAREZ**  
**ALDERMAN, 31ST WARD**  
VICE MAYOR - CITY OF CHICAGO

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COMMITTEE MEMBERSHIPS:

HOUSING AND REAL ESTATE  
(CHAIRMAN)

COMMITTEES, RULES AND ETHICS  
(VICE-CHAIRMAN)

AVIATION

BUDGET AND GOVERNMENT OPERATIONS

FINANCE

TRANSPORTATION AND PUBLIC WAY

WORKFORCE DEVELOPMENT AND AUDIT

ZONING, LANDMARKS AND BUILDING STANDARDS

June 27, 2012  
CHICAGO, ILLINOIS

**TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:**

Your Committee on Housing and Real Estate which was referred nine (9) ordinances by the Department of Fleet and Facility Management authorizing the execution of lease agreements at:

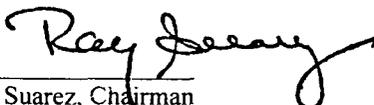
- |    |  |                             |
|----|--|-----------------------------|
| 1. | <b>2938 East 89<sup>th</sup> St. (New)</b><br>Lease No. 20260 (O2012-3780)       | <b>10<sup>TH</sup> WARD</b> |
| 2. | <b>2418 W. Division St. (New)</b><br>Lease No. 20253 (O2012-3779)                | <b>26<sup>TH</sup> WARD</b> |
| 3. | <b>1713 S. Ashland Ave. (New)</b><br>Lease No. 20255 (O2012-3778)                | <b>25<sup>TH</sup> WARD</b> |
| 4. | <b>845 W. Wilson Ave. (New)</b><br>Lease No. 20258 (O2012-3777)                  | <b>46<sup>TH</sup> WARD</b> |
| 5. | <b>200 East 115<sup>th</sup> St. (New)</b><br>Lease No. 20254 (O2012-3775)       | <b>9<sup>TH</sup> WARD</b>  |
| 6. | <b>3956 S. Vincennes Ave. (New)</b><br>Lease No. 20262 (O2012-3786)              | <b>3<sup>RD</sup> WARD</b>  |
| 7. | <b>1240 S. Damen Ave. (New)</b><br>Lease No. 20232 (O2012-3782)                  | <b>2<sup>ND</sup> WARD</b>  |
| 8. | <b>1819 W. Pershing Road and 1869 W. Pershing Road</b><br>No. 20264 (O2012-3784) | <b>12<sup>TH</sup> WARD</b> |
| 9. | <b>641 West 63<sup>rd</sup> St.</b><br>Agreement No. 20256 (O2012-3776)          | <b>20<sup>TH</sup> WARD</b> |

Having the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinances transmitted herewith.

This recommendation was concurred in by a unanimous vote of the members of the joint committee present with no dissenting votes.

Respectfully submitted,

(signed)

  
Ray Suarez, Chairman  
Committee on Housing & Real Estate

HSG-



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

June 6, 2012

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

Ladies and Gentlemen:

At the request of the Commissioner of Fleet and Facility Management, I transmit herewith ordinances authorizing the execution of lease agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

  
Mayor

## ORDINANCE

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

**SECTION 1:** On behalf of the City of Chicago as Landlord, the Commissioner of the Department of Fleet and Facility Management and the Commissioner of the Department of Public Health are authorized to execute an Intergovernmental Agreement with the Board of Trustees of the University of Illinois governing the Board of Trustees of the University of Illinois' use of approximately 6,800 square feet of clinical space located at 641 West 63<sup>rd</sup> Street; such Intergovernmental Agreement to be approved as to form and legality by the Corporation Counsel in substantially the following form:

641 West 63<sup>rd</sup> Street  
Board of Trustees of the University of Illinois  
Agreement No. 20256

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

**INTERGOVERNMENTAL AGREEMENT**

**THIS INTERGOVERNMENTAL AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between, **THE CITY OF CHICAGO**, an Illinois municipal corporation and home rule unit of government (herein referred to as "**Landlord**") and **THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS**, a body politic and corporate of the State of Illinois (hereinafter referred to as "**Tenant**").

**RECITALS**

**WHEREAS**, Landlord's Department of Public Health issued a Community Health Centers Request for Proposals (the "RFP") regarding the delivery of health services at various locations including Landlord's Englewood Neighborhood Health Clinic located at 641 West 63rd Street (the "Building"); and

**WHEREAS**, Landlord's Department of Public Health selected Tenant to perform the services as outlined in the RFP within the Building and Landlord's Department of Public Health and Tenant shall enter into a Delegate Agency Grant Agreement (the "Grant Agreement") attached hereto and made a part hereof as **Exhibit A**; and

**WHEREAS**, Landlord has agreed to let to Tenant, and Tenant has agreed to let from Landlord approximately 6,800 square feet of clinical and general medical and administrative office space located on the first floor of the Building (the "Premises") together with access to an adjacent parking lot all as legally described on **Exhibit B** and as depicted on **Exhibit C** attached hereto and made a part hereof to be used by Tenant as provided herein.

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

**SECTION 1. GRANT**

Landlord hereby provides access and use to Tenant, and Tenant hereby agrees to access and use from Landlord, the following described premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 6,800 square feet of space on the first floor of the Englewood Neighborhood Health Clinic and use of and access to an adjoining parking lot all located at 641 West 63rd Street, Chicago, Illinois (PIN 20-21-102-009; -010; -017; 020; and -025).

**SECTION 2. TERM**

2.1 **Term**. The term of this Intergovernmental Agreement ("Term") shall commence on the date of execution of this Intergovernmental Agreement ("Commencement Date"), and

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shall terminate on June 30, 2014, unless sooner terminated as set forth in this Intergovernmental Agreement. Tenant shall occupy the Premises on July 1, 2012 ("Date of Occupancy").

### **SECTION 3. RENT, TAXES, AND UTILITIES**

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

One Dollar (\$1.00) for the entire Term with the receipt and sufficiency of said sum hereby acknowledged by both parties.

3.2 Operating Costs. Tenant shall also reimburse Landlord's Operating Costs for the Premises as delineated pursuant to Section 3.2.a below beginning on the Date of Occupancy as reimbursement for Landlord's costs to operate the Building and the Premises, but not as rent.

a. Calculation of Operating Costs. Tenant shall pay to Landlord Operating Costs (as hereinafter defined) incurred by Landlord with regards to Tenant's "Proportionate Use" of the Building. This Proportionate Use shall be based on the square footage used by Tenant divided by the Building's total square footage. The Building's total square footage is approximately 54,189 square feet and the Premises are approximately 6,800 square feet, which comprises 12.5 % of the Building's total square footage. "Operating Costs" shall be based on Tenant's 12.5 % Proportionate Use. Operating Costs shall include (i) all utilities (including, but not limited to gas, electricity, and water), (ii) security services, (iii) landscaping and snow removal, (iv) City engineering services, and (v) Tenant's allocable share of other costs incurred by Landlord in operating and maintaining the Building (excluding any capital improvements that may be required). Tenant shall separately contract for custodial services to Tenant's space. For 2012, Tenant's Operating Costs are estimated to be, and Tenant shall initially pay, \$2,406.56 per month (subject to subsequent accounting and adjustment which may serve to increase or decrease these estimated Operating Costs for 2012 and/or subsequent years).

b. Reimbursement Procedure. Each calendar year and as soon as Landlord can secure data for the prior year's operating costs, Landlord shall provide Tenant with the estimate of the annual Estimated Operating Costs for such year. Tenant shall pay to Landlord, one-twelfth (1/12) of such amount in equal monthly installments, on the first day of each month during such year following billing by Landlord. The estimated monthly Operating Costs for the first year are set forth in Exhibit D. Once full data becomes available, Landlord shall provide Tenant with the Actual Operating Costs for the previous year and a statement as to whether Tenant has underpaid or overpaid said Operating Costs. In the event Tenant's payments during the previous calendar year are less than the Actual Operating Costs due from Tenant, such underpayment shall be included in Tenant's subsequent monthly installment(s) of Operating Costs spread out for the remainder of the year, or, if said underpayment shall have been made in the last year of the Term, Tenant shall refund said underpayment to Landlord within thirty (30) days. If Tenant's installments during the previous calendar year are more than the Actual Operating Costs due from Tenant, Landlord shall credit said amount against Tenant's subsequent monthly installment(s) of Operating Costs for the remainder of the year, or, if said overpayment shall have been made in the last year of the Term, Landlord shall refund said overpayment to Tenant within thirty (30) days. Within thirty (30) days of Landlord's receipt of Tenant's written request,

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Landlord shall provide Tenant with copies of the most current invoices for the services included in the Operating Costs. Notwithstanding the foregoing, Tenant acknowledges that Landlord is a large municipal entity, that some of Tenant's records are stored off-site, and that while Landlord shall make reasonable efforts to provide Tenant with copies of requested documentation some documentation may not be available within thirty (30) days.

Operating Expenses shall be paid to Landlord at the Department of Finance, Warrants for Collection, City Hall, 121 North LaSalle, Room 107, Chicago, Illinois 60602 or at such place as Landlord may from time to time, hereby designate in writing to Tenant. Landlord shall invoice Tenant for such Operating Expenses on a monthly basis. In the event that Tenant does not receive such invoice from Landlord, Tenant shall contact Landlord. Landlord's failure to invoice Tenant for Operating Expenses or other expenses does not constitute a waiver of any such charges.

3.3 Utilities. Landlord shall pay for gas, electricity, and water supplied to the Building. Tenant shall pay when due all charges for telephone or other communication service provided to the Premises.

3.4 Taxes. In the event that Leasehold taxes are ever assessed against the Premises as a result of Tenant's tenancy, if and only to the extent required by applicable law, Tenant shall pay when due any leasehold taxes assessed or levied on Tenant's portion of the Premises without reimbursement or other setoff from Landlord. Tenant acknowledges that leasehold taxes are one (1) year in arrears in Cook County and that as a result Tenant will be responsible for satisfaction of leasehold taxes assessed or levied on the subject Premises at least one year after Tenant vacates the Premises. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Intergovernmental Agreement. Notwithstanding the foregoing, nothing contained herein shall preclude Tenant from contesting any charge or tax levied against the Premises based upon Tenant's status as a public body corporate and politic of the State of Illinois or any other exemption, claim or defense. The failure of Tenant to pay such taxes during the pendency of such contest shall not constitute a default under this Intergovernmental Agreement, but payment of leasehold taxes may be a requirement for contesting such taxes.

3.5 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of the rent or Operating Costs or other costs due hereunder shall be deemed to be other than on account of the amount due, and no endorsement of statement or any check or any letter accompanying any check or payment of rent shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice as to Landlord's right to recover the balance of such installment or payment to pursue any other remedies available to Landlord.

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

4.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the rent, Operating Costs, and upon observing and keeping the covenants, agreements and

## AGREEMENT NO. 20256

conditions of this Intergovernmental Agreement 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 Intergovernmental Agreement) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

4.2 Maintenance. Landlord shall take reasonable and reasonably prompt efforts to maintain the Premises and the Building and all of its structural elements, mechanical systems, in a condition of good repair and good order and in compliance with all applicable building codes. Tenant shall notify Landlord regarding any issues with maintenance of the Premises and/or Building. Tenant shall also notify Landlord regarding any issues with other services provided to the Premises and/or Building by Landlord or through Landlord's contractors. In the event that Landlord fails to repair and/or correct problems that impact Tenant's operations as a health care clinic and/or the health and safety of Tenant's employees and/or patients following twenty (20) days written notice to Landlord, Tenant may undertake such repairs/maintenance through contractors or tradespersons acceptable to Landlord and deduct such charges against future Operating Costs.

4.3 Landlord's Right of Access. Landlord shall have the right of reasonable access to the Premises and/or Building, upon reasonable prior written notice to Tenant, for the purpose of inspecting and making Landlord repairs to the Premises and/or Building and for the purposes of monitoring Tenant's compliance with Grant Agreement attached hereto and made a part hereof as **Exhibit A**. Landlord shall always have access to the Premises and/or Building in the event of maintenance emergencies.

4.4 Use of the Premises. Tenant shall not use the Premises in a manner that would violate any law. Tenant further covenants not to do or suffer any waste or damage any portion of the Premises and/or Building, and to 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. Tenant's activities on the Premises shall be conducted in accordance with the Grant Agreement between Tenant and Landlord's Department of Public Health. All such activities must be provided consistent with Tenant's not-for-profit purposes and so as to lessen the burdens of government by providing such health care services.

4.5 Alterations and Additions. Tenant may make alterations, additions and improvements on the Premises. Any such alterations, additions and improvements shall be in full compliance with the applicable Law, permit requirements, and building codes. In addition, Tenant will comply with all insurance requirements under this Intergovernmental Agreement including, but not limited to, Section 6.1 (f). Tenant must obtain the prior written consent of the Commissioner of the Department of Fleet and Facility Management before commencing any alterations, additions and or improvements. Any additions and improvements shall be without cost to Landlord and shall become property of Landlord at termination without offset or other credit to Tenant.

## SECTION 5. ASSIGNMENT AND LIENS

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5.1 Assignment. Tenant shall not assign this Intergovernmental Agreement in whole or in part, or sublet the Premises or any part thereof.

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

### **SECTION 6. INSURANCE AND INDEMNIFICATION**

6.1 Insurance. Subject to further revisions as mutually agreed to by the parties and so as to make the insurance requirements of this Intergovernmental Agreement consistent with the insurance requirements of the Grant Agreement and the applicability of the Federal Tort Claims Act (28 U.S.C. §§ 1346(b), 2671-2680), the Tenant shall procure and maintain at all times at Tenant's own expense, during the term of this Intergovernmental Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Intergovernmental Agreement through self-insurance or insurance companies authorized to do business in the state of Illinois.

The kinds and amounts of insurance required are as follows:

a) Workers Compensation and Employers Liability Insurance. Workers Compensation and Employers Liability Insurance and Occupational Disease Insurance, as prescribed by applicable law, covering all Tenant's employees and Employer's Liability coverage with limits of not less than \$500,000 each accident or illness.

b) Commercial Liability Insurance. (Primary and Umbrella). Commercial 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 extensions shall include the following: All premises and operations, products/completed operations, defense, separation of insureds, and contractual liability (with no limitation endorsement). The City of Chicago, its employees, elected officials, agents, and representatives are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the Intergovernmental Agreement.

c) Professional/ Liability. When any medical professionals perform services in the Premises or in connection with Tenant's use of the Premises, professional liability insurance

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covering acts, errors or omissions related to such activities must be maintained with limits of not less than \$4,000,000. Coverage must include contractual liability. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years. Upon Landlord's request, Tenant shall provide Landlord with copies of the professional licenses and/or certificates for each of the professional consultants performing services in the Premises or in connection with the Tenant's use of the Premises.

d) Automobile Liability Insurance. (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Tenant shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage.

e) All Risk Property Insurance. All risk property insurance coverage shall be maintained by the Tenant for full replacement value to protect against loss, damage to or destruction of personal property or contents owned or rented by Tenant.

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

f) All Risk Builders Risk Insurance. When Tenant undertakes any construction, including improvements, betterments, and/or repairs, the Tenant shall provide All Risk Builders Risk Insurance, at replacement cost, for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverage shall include but not limited to the following: right to partial occupancy, earth movement, flood including surface water backup and sewer backup and seepage. The City of Chicago shall be named as an additional insured and loss payee.

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

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The insurance shall provide not less than 30 days prior public notice to be given to the Landlord 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 Tenant.

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

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

The Tenant expressly understands and agrees that any insurance or self-insurance programs maintained by the City of Chicago shall apply in excess of and not contribute with insurance provided by the Tenant under the Intergovernmental Agreement.

Upon reasonable written notice to Tenant, the City of Chicago, Department of Finance, Office of Risk Management, maintains the right to modify, delete, alter or change these requirements.

6.3 Liability. It is understood and agreed that neither party to this Intergovernmental Agreement shall be legally liable for any negligence or wrongful act either of omission or commission chargeable to the other unless such liability is imposed by law and that this agreement shall not be construed as seeking either to enlarge or diminish any obligation or duty owed by one party against the other or against third parties.

### **SECTION 7. DAMAGE OR DESTRUCTION**

7.1 Damage or Destruction. If the Premises and/or Building are damaged or destroyed or a casualty to such extent that Tenant cannot continue, occupy or conduct its normal business therein, or if, in Tenant or Landlord's opinion, the Premises and/or Building are rendered untenable, either Landlord or Tenant shall have the option to declare this Intergovernmental Agreement terminated as of the date of such damage or destruction by giving the other party written notice of such exercise. If either party exercises this option, Tenant shall cease operations immediately and the Operating Costs shall be apportioned as of the date of such damage or destruction. Landlord shall repay to Tenant any prepaid Operating Costs.

### **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 defined in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises; nor shall any such official, employee, or member participate in making or in any way attempt to use her or his position to influence any City governmental decision or action with respect to this Intergovernmental Agreement.

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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 beginning on July 1, 2014 and the rent and Operating Costs will be the same as outlined in Section 3.1 and Section 3.2 of this Intergovernmental Agreement. During any holding over, all other provisions of this Intergovernmental Agreement 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 Tenant to Landlord 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 Landlord as follows:

City of Chicago  
Department of Public Health  
333 South State Street, 2<sup>nd</sup> Floor  
Chicago, Illinois 60605

City of Chicago  
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 Landlord may from time to time designate by written notice to Tenant. All notices, demands, and requests by Landlord to Tenant 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 Tenant as follows:

University of Illinois  
Chief Executive Director  
Mile Square Health Center  
2045 West Washington Boulevard  
Chicago, Illinois 60612

with a copy to:

University of Illinois

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Real Estate Planning and Services  
Office of Business and Financial Services  
809 South Marshfield Avenue (MC078)  
Chicago, Illinois 60612

or at such other place as Tenant may from time to time designate by written notice to Landlord. Any notice, demand or request which shall be served upon Tenant by Landlord, or upon Landlord by Tenant, 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 Intergovernmental Agreement shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Intergovernmental Agreement shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Intergovernmental Agreement shall be valid and in force to the fullest extent permitted by law.

10.3 Governing Law. This Intergovernmental Agreement shall be construed and be enforceable in accordance with the laws of the State of Illinois Notwithstanding anything to the contrary contained in this Intergovernmental Agreement, Tenant shall not be deemed to have waived Tenant's sovereign immunity under the laws and Constitution of the State of Illinois for any purpose whatsoever, and Tenant hereby expressly reserves all rights and defenses afforded and available to it as a public body, corporate and politic, of the State.

10.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Intergovernmental Agreement. This Intergovernmental Agreement 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 Intergovernmental Agreement 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 Intergovernmental Agreement nor in any way affect this Intergovernmental Agreement.

10.6 Binding Effect. The covenants, agreements, and obligations contained in this Intergovernmental Agreement 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 Intergovernmental Agreement and of each and every provision hereof.

10.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Intergovernmental Agreement 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.

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

10.10 Termination. Subject to Section 10.12, Landlord and Tenant shall have the right to terminate this Intergovernmental Agreement for any reason by providing each other with ninety (90) days prior written notice at any time after June 30, 2013. Subject to Section 10.12 hereunder, in the event that Landlord's Department of Public Health extends Tenant's program funding (the "Extended Funding") pursuant to the Grant Agreement beyond June 30, 2013, this Intergovernmental Agreement shall not be terminated during the earlier of (a) the end of the period when such Extended Funding is in place, or (b) June 30, 2014. Notwithstanding the foregoing, Landlord and Tenant may terminate this Intergovernmental Agreement at any time by providing each other with ninety (90) days prior written notice in the event that Landlord's Department of Public Health ceases to provide Tenant with program funding under the Grant Agreement.

10.11 Force Majeure. When a period of time is provided in this Intergovernmental Agreement 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 Default. Tenant must adhere to all provisions of this Intergovernmental Agreement. Failure of Tenant to adhere to all provisions of this Intergovernmental Agreement will result in default by such party. In the event of such default, Landlord will notify Tenant in writing as to the circumstances giving rise to such default. Upon written receipt of such notice, Tenant must cure such default within sixty (60) days. If Tenant does not cure such default within sixty (60) days, Landlord may cancel this Intergovernmental Agreement with sixty (60) days written notice.

10.13 No Brokers. Tenant warrants to Landlord that no broker or finder (a) introduced Tenant to the Premises, (b) assisted Tenant in the negotiation of this Intergovernmental Agreement, or (c) dealt with Tenant on Tenant's behalf in connection with the Premises or this Intergovernmental Agreement. Landlord warrants to Tenant that no broker or finder (a) introduced Landlord to Tenant, (b) assisted Landlord in the negotiation of this Intergovernmental Agreement, or (c) dealt with Landlord on Landlord's behalf in connection with the Premises or this Intergovernmental Agreement.

10.14 Amendments. From time to time, the parties hereto may administratively amend this Intergovernmental Agreement with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of this Intergovernmental Agreement, including, but not limited to, leasehold expansion or reduction within the Building and space remeasurement. Provided, however, that such Amendment(s) shall not serve to extend the Term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such

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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 Intergovernmental Agreement and all other provisions of this Intergovernmental Agreement shall otherwise remain in full force and effect.

10.15 Compliance with Department of Public Health. Tenant shall at all times be in compliance with all material provisions of the Service Agreement or any agreements entered into between Tenant and Landlord's Department of Public Health relative to the Premises and/or Building.

10.16 Access to Parking Lot. Tenant, its agents, employees, licensees, contractors, clients, and invitees shall have non-exclusive access to the rear parking lot of the Building on a first-come first-served basis. Such use of the rear parking lot shall be subject to all rules in place, or hereinafter in place, governing the access to the rear parking lot. Tenant acknowledges that Landlord may from time to time license parts of the parking lot to other parties. Landlord and Tenant acknowledge that in fulfilling Landlord and Tenant's public benefit mission, the parking lot is provided primarily for the benefit of Landlord's clients and Tenant's clients.

10.17 Existing Furniture. Tenant may use any furniture belonging to Landlord and located within the Premises that is not removed by Landlord prior to the Date of Occupancy.

10.18 No Other Rights. The execution of this Intergovernmental Agreement does not give Tenant any other right with respect to the Premises and/or Building. Any rights not expressly granted to Tenant through this Intergovernmental Agreement are reserved exclusively to Landlord. Unless otherwise specified in this Intergovernmental Agreement, execution of this Intergovernmental Agreement does not obligate Landlord to undertake any additional duties or services.

10.19 Furniture and Equipment. On or before the Date of Occupancy, Landlord shall remove all furniture and equipment that Landlord wishes to retain for other Landlord operations or which Tenant has rejected for Tenant's use. Tenant shall have the free use of the furniture and equipment as listed in Exhibit E. Landlord agrees that the subject furniture and equipment is of no further use to Landlord. At Tenant's option, Tenant may repair or discard the furniture and equipment at a later date without notice to or reimbursement to Landlord.

10.20 Document Conflicts. Where there is a conflict between this Intergovernmental Agreement and the Grant Agreement regarding services to be delivered by Tenant or related provisions that conflict, the provisions in the Grant Agreement shall prevail.

10.21 Municipal Marketing Efforts. The City shall have the right to install a digital advertising sign on the adjoining parking lot as part of the City's municipal marketing efforts, subject to the separate approval of City Council.

## SECTION 11. RESPONSIBILITIES OF TENANT

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11.1 Tenant Inspection. Tenant has inspected the Premises, Building, and all related areas and grounds. Tenant is satisfied with the physical condition thereof. Tenant accepts the Premises and the Building in "as-is" condition.

11.2 Custodial Service. Tenant shall keep the Premises in a sanitary condition, free of insects, rodents, vermin and other pests. Tenant shall provide and pay for Tenant's own custodial services for the Premises. At Tenant's cost, Tenant may also choose to supplement Landlord's custodial services for the common areas within the Building. By mutual agreement, the Premises may also be serviced by Landlord's custodial services provider and such costs shall be included as reimbursable Operating Costs.

11.3 Security. Landlord shall provide security for the Building and Tenant shall secure the Premises. Landlord's security costs shall be included as reimbursable Operating Costs. Tenant shall abide by any security rules that may apply to the Building and/or the Premises. At Tenant's cost, Tenant may also choose to supplement Landlord's security services for the Building (for example, where Tenant wishes to operate during hours when the Landlord does not operate). By mutual agreement, the Premises may also be serviced by Landlord's security services provider and such costs shall be included as reimbursable Operating Costs.

11.4 Repairs for Tenant Negligence, Vandalism, or Misuse. Tenant shall assume responsibility for any repairs to the Premises and/or Building necessitated by the negligence, vandalism, or misuse of the Premises and/or Building or equipment therein by Tenant's employees, agents, contractors, or clients where Tenant's clients are in the Premises and/or the Building to receive services provided by Tenant.

11.5 Fire Extinguishers. Landlord shall provide and maintain fire extinguishers as may be required by applicable code in the Building and the Premises at all times. Landlord's costs to provide and maintain fire extinguishers shall be included in the reimbursable Operating Costs.

11.6 Signage. Tenant may place exterior and interior signage on the Premises and/or Building. Such signage and placement must be approved in writing by the Commissioner of the Department of Fleet and Facility Management, such approval not to be unreasonably withheld.

11.7 Hazardous Materials. Tenant shall keep out of the Premises materials which cause a fire hazard or safety hazard. Tenant shall not store any hazardous materials within the Premises and/or Building. Tenant shall dispose of all medical wastes at Tenant's cost and in accordance with any applicable laws.

11.8 Trade Fixtures. Tenant shall maintain Tenant's equipment and trade fixtures in the Premises in good condition. Upon the termination or cancellation of this Intergovernmental Agreement, Tenant shall remove Tenant's personal property and equipment, provided that Tenant shall repair any injury or damage to the Premises and/or Building resulting from such removal. If Tenant does not remove Tenant's furniture, machinery, trade fixtures and all other items of personal property, Landlord may, at its option, remove the same and deliver them to any other place of business of Tenant or warehouse the same. Tenant shall pay the cost of such removal, including the repair for such removal, delivery and warehousing, to Landlord on demand, or

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Landlord may treat such property as being conveyed to Landlord with this Intergovernmental Agreement serving as a bill of sale, without further payment or credit by Landlord to Tenant.

11.9 Illegal Activity. Tenant, or any of its agents or employees, shall not perform or permit any practice that is injurious to the Premises or Building, is illegal, or increases the rate of insurance on the Premises and/or Building.

11.10 No Alcohol or Illegal Drugs. Tenant agrees that no alcoholic beverages or illegal drugs of any kind or nature shall be sold, given away, or consumed on the Premises or Building by Tenant's staff, contractors, agents, invitees, or clients.

11.11 Licensing and Permits. For any activity which Tenant desires to conduct on the Premises in which a license or permit is required, said license or permit must be obtained by Tenant prior to using the Premises for such activity. The Department of Public Health and the Department of Fleet and Facility Management must be notified of any such license or permit. Failure to obtain and maintain a required license or permit shall constitute a breach of the terms of this Intergovernmental Agreement.

11.12 Non-Discrimination. Tenant agrees that Tenant shall not discriminate on the basis of race, color, sex, age, religion, disability, national origin, sexual orientation, marital status, parental status, military discharge status, immigration status, or source of income with respect to services provided by Tenant on the Premises. Tenant shall not use the Premises for any religious activities.

11.13 Building Rules. Tenant shall comply with all reasonable rules and regulations in place at Intergovernmental Agreement execution or thereafter promulgated in writing by Landlord for the Building including, but not limited to, any parking lot rules and regulations.

11.14 Compliance with HIPAA. Tenant shall at all times comply with all provisions of the Health Insurance Portability and Accountability Act ("HIPAA").

11.15 Economic Disclosure Statement Affidavit ("EDS") Updates. Throughout the Intergovernmental Agreement Term, Tenant shall provide Landlord with any material updates to the information previously submitted in Tenant's Economic Disclosure Statement Affidavit ("EDS"). Landlord may also request such updates from time to time. Failure to provide such information on a timely basis shall constitute a default under this Intergovernmental Agreement.

11.16 Condition on Surrender. Upon the termination or cancellation of this Intergovernmental Agreement, Tenant shall surrender the Premises to Landlord in a comparable condition to the condition of the Premises at the beginning of Tenant's occupancy, with normal wear and tear taken into consideration.

11.17 Compliance with Law; No Required Referrals. Each party expressly acknowledges that the compensation to be paid pursuant to this Intergovernmental Agreement and Grant Agreement has been, and any changes therein will be, the result of arms' length negotiations between the parties, has not been determined in a manner that takes into account the

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volume or value of referrals or business otherwise generated between the parties (or any individuals or entities related to the parties). Neither party to this Intergovernmental Agreement, nor any of their respective affiliates, employees, or agents shall be required to make any referrals to the other. The parties shall and intend to comply with all applicable laws including but not limited to 42 C.F.R. §1001.952(w).

**SECTION 12. FEDERAL TAXPAYER IDENTIFICATION/LEGAL ENTITY CERTIFICATION**

12.1 Landlord Certification. Under penalties of perjury, Landlord, by signing this Intergovernmental Agreement, certifies that its Federal Taxpayer Identification Number is 36-6005820 and that it is a Municipal Corporation of the State of Illinois.

**SECTION 13. AVAILABILITY OF FUNDS**

13.1 Availability of Funds. This Agreement is subject to termination and cancellation without any penalty, accelerated payment, or other recoupment mechanism as provided herein in any fiscal year for which the Illinois General Assembly, the Board of Trustees of the University of Illinois, or Federal funding source fails to make an adequate appropriation to make payments under the terms of this Agreement.

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

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

**LANDLORD:**

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

**DEPARTMENT OF PUBLIC HEALTH**

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

**DEPARTMENT OF FLEET AND FACILITY MANAGEMENT**

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

**APPROVED AS TO FORM AND LEGALITY:**

**BY: DEPARTMENT OF LAW**

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

**TENANT:**

**THE BOARD OF TRUSTEES OF THE UNIVERSITY**  
**OF ILLINOIS**, a body corporate and politic of the State of Illinois

By: \_\_\_\_\_  
**Comptroller**

**EXHIBIT A**

**GRANT AGREEMENT**  
*(To Come)*

## **EXHIBIT B**

### **LEGAL DESCRIPTION OF PREMISES**

**LOT 4 AND LOTS 19 THROUGH 27 IN BLOCK 4 IN THE LINDEN GROVE SUBDIVISION BEING THE NORTH WEST 35 ACRES OF THE SOUTH 90 ACRES OF THE NORTH WEST ¼ OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY ILLINOIS.**

PIN#:                   20-21-102-009  
                              20-21-102-010  
                              20-21-102-017  
                              20-21-102-020  
                              20-21-102-025

Address:               641 West 63<sup>rd</sup> Street

**EXHIBIT C**

**DEPICTION OF PREMISES**

*(To Come)*

## EXHIBIT D

### ESTIMATED OPERATING COSTS FOR FIRST YEAR (2011 Data)

641 West 63rd Street  
Englewood Neighborhood Health Clinic  
(subject to further revisions)

<u>Items</u>	<u>Building Amounts (54,189 Sq. Ft.)</u>
Electricity	\$83,284.28
Gas	\$20,032.63
Security	\$77,285.00
Engineering	\$27,418.56
Other Operating Costs	\$22,999.00
<hr/>	
Total Annual Costs	\$231,019.47

(\$231,019.47 Annual Costs) X (0.125) = \$28,877.43 (Annual Operating Costs)

Total Monthly Operating Costs = **\$2,406.56**

**EXHIBIT E**

**REMAINING FURNITURE AND EQUIPMENT TO BE USED BY TENANT**

*(To Come)*

APPROVED

Rahn Emanuel SRP  
Mayor  
June 27, 2012

APPROVED

Stephen R. Patten  
CORPORATION COUNSEL