



# City of Chicago



O2016-5012

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	6/22/2016
<b>Sponsor(s):</b>	Emanuel (Mayor)
<b>Type:</b>	Ordinance
<b>Title:</b>	Intergovernmental lease agreement with Chicago Park District for use of office space at 740 N Sedgwick St
<b>Committee(s) Assignment:</b>	Committee on Housing and Real Estate



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

June 22, 2016

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 and right-of-entry agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

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 is authorized to execute an Intergovernmental Lease Agreement with the Chicago Park District, as Tenant, for occupancy of 2,600 square feet of office space, located on the third floor of 740 North Sedgwick Street; such Lease to be approved as to form and legality by the Corporation Counsel in substantially the following form:

**INTERGOVERNMENTAL LEASE AGREEMENT**

**THIS INTERGOVERNMENTAL LEASE AGREEMENT** (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016 (the "Effective Date"), by and between **THE CITY OF CHICAGO**, an Illinois Municipal Corporation and Home Rule Unit of Government (hereinafter referred to as "Landlord") and **THE CHICAGO PARK DISTRICT**, an Illinois municipal corporation (hereinafter referred to as "Tenant").

**RECITALS**

**WHEREAS**, Landlord is the owner of the administrative and public hearing complex located at 400 West Superior Street / 740 North Sedgwick Street (the "Complex") which is comprised of approximately 130,007 square feet of office space; and

**WHEREAS**, Tenant requires office space for its operations, which generally involve administrative duties, and would like to relocate these operations into a publicly owned space; and

**WHEREAS**, the Illinois Intergovernmental Cooperation Act (5 ILCS 220 *et. seq.*) authorizes municipalities and other branches of government to collaborate jointly in the efficient and cost effective delivery of public services; and

**WHEREAS**, Landlord is not presently utilizing approximately 2,600 square feet of office space located on the third floor of 740 North Sedgwick Street as depicted on **Exhibit A** attached hereto and made a part hereof (the "Premises"); and

**WHEREAS**, Tenant wishes to lease the Premises from Landlord and Landlord agrees to lease the Premises to Tenant.

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

**SECTION 1. GRANT**

Upon the terms and conditions hereinafter specified, Landlord hereby leases to Tenant the following described property situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 2,600 square feet of office space located on the third floor of 740 North Sedgwick Street in Chicago Illinois as depicted on **Exhibit A** attached hereto and made a part hereof (part of PIN 17-09-116-008).

**SECTION 2. TERM**

2.1 **Term**. The term of this Agreement ("Term") shall commence on the Effective Date and shall terminate on December 31, 2022, unless sooner terminated as set forth in this Agreement.

**SECTION 3. RENT, OPERATING COSTS, TAXES, AND UTILITIES**

3.1 Rent. Tenant shall pay Landlord for use of the Premises 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 reimburse a portion of Landlord's Operating Costs (as hereinafter defined) attributable to the Premises pursuant to Section 3.2(a) below. Such Operating Costs are only reimbursement for Landlord's costs required to operate the Complex and the Premises for public benefit. Such Operating Costs are neither rent nor profit for Landlord.

a. Calculation of Operating Costs. Tenant shall pay Landlord Operating Costs incurred by Landlord for Tenant's proportionate use of the Complex (the "Proportionate Use"). This Proportionate Use shall be based on the square footage of the Premises divided by the Complex's total square footage. The Complex's total square footage is approximately 130,007 square feet and the Premises square footage is approximately 2,600 square feet or 1.999% of the Complex's total square footage. The "Operating Costs" shall be based on Tenant's 1.999% Proportionate Use. Operating Costs shall include (i) all utilities (including, but not limited to gas, electricity, and water), (ii) security services, (iii) custodial services, (iv) mechanical supplies, service, and repairs, and (v) Tenant's allocable share of other costs incurred by City in operating the Complex (excluding any capital improvements that may be required). For 2016, Landlord's Operating Costs are estimated to be, and Tenant shall initially pay, \$2,320.45 per month (subject to subsequent accounting and adjustments which may serve to increase or decrease these estimated Operating Costs). The estimated monthly Operating Costs are set forth in **Exhibit B** and are subject to a 3% annual escalation beginning on January 1, 2018. The Operating Costs shall be prorated on a per diem basis in the event that the Effective Date is not the first day of the month.

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

3.3 Utilities. Landlord shall pay for gas, electricity, and water supplied to the Complex. Tenant shall pay when due all charges for any applicable telephone or other communication services provided to the Premises for Tenant's exclusive use.

3.4 Taxes. In the event that leasehold taxes are ever assessed against the Premises as a result of Tenant's use of the Premises, Tenant shall pay when due any leasehold taxes,

penalties, and interest assessed or levied on 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 all leasehold taxes, penalties, and interest assessed or levied on the subject Premises at least one year after Tenant vacates the Premises. Notwithstanding the foregoing, nothing contained herein shall preclude Tenant from contesting any charge or tax levied against the Premises. The failure of Tenant to pay such taxes, interest, and penalties during the pendency of the contest shall not constitute a default under this Agreement. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Agreement, but payment 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 Operating Costs or other costs due hereunder shall be deemed to be other than on account of the amount due. 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. Landlord may pursue any other remedies available to Landlord at law or equity.

#### **SECTION 4. USE AND MAINTENANCE OF THE PREMISES**

4.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying Operating Costs and upon observing and keeping the covenants, agreements, and conditions of this Agreement on its part to be kept, observed, and performed, Tenant shall lawfully and quietly hold, occupy, and enjoy the Premises (subject to the provisions of this 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 efforts to maintain the Complex and the Premises in a condition of good repair and good order. Tenant shall notify City with respect to any issues with maintenance of the Premises and/or the Complex. Tenant shall also notify Landlord regarding any issues with other contract services provided to the Premises and/or the Complex.

4.3 City's Right of Access. Landlord shall have the right of reasonable access to the Premises, upon reasonable prior written notice to Tenant, for the purpose of inspecting and making repairs to the Premises or for the benefit of the Complex. Landlord shall always have access to the Premises in the event of maintenance or security emergencies.

4.4 Use of the Premises. Tenant shall not use the Premises in a manner which would violate any law. Tenant further covenants not to damage any portion of the Premises and/or the Complex. Tenant shall 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. Any activities on the Premises must be limited to use as non-commercial office space.

4.5 Alterations, Additions, or Improvements. Tenant may not make any alterations, additions, or improvements on the Premises without the prior written consent of the Commissioner of the Department of Fleet and Facility Management. Such consent shall not be unreasonably withheld, delayed or conditioned. Any such alterations, additions, or improvements shall be in full compliance with all applicable laws, zoning, permit requirements, and codes. Any alterations, additions, or improvements shall be undertaken at Tenant's sole cost. Any permanent alterations, additions, or improvements shall become property of Landlord at the termination of this Agreement with this Agreement acting as a bill of sale without further payment or credit by Landlord to Tenant. Neither this Agreement nor any subsequent consent pursuant to this section shall act as a substitute for any other permit obligations that may be required by Tenant to undertake any alterations, additions, or improvements to the Premises.

4.6 Access to Waiting Area. Tenant may use the open communal space (the "Waiting Area") located adjacent to the Premises as depicted on Exhibit A attached hereto and made a part hereof as a visitors waiting area. The Waiting Area shall not be included as Tenant's Proportionate Use for purposes of determining Tenant's Operating Costs pursuant to Section 3.2 hereinabove.

## **SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS**

5.1 Assignment and Sublease. Tenant shall not assign this 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 and/or the Complex. 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. Tenant shall procure and maintain at all times at Tenant's own expense, during the Term and during any holding over, the insurance coverages and requirements specified below, or a similar amount of self-insurance, insuring all operations related to the Agreement. Tenant may also elect to self-insure for such insurance coverages and requirements.

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 for each accident or illness.

b) Commercial Liability Insurance. (Primary and Umbrella). Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000 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 (not to include Endorsement CG 21 39 or equivalent).

The City of Chicago, its employees, elected officials, agents, and representatives 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, Tenant's sole negligence or the Additional Insured's vicarious liability. Tenant'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) Professional/ Liability. When any professional consultants perform services in the Premises or in connection with Tenant's use of the Premises, Liability Insurance covering acts, errors or omissions related to such activities must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability insurance. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years. 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 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, Tenant shall provide Comprehensive Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence, for bodily injury and property damage.

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 Tenant.

6.2 Other Terms of Insurance. Tenant 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 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 Agreement. If Tenant elects to self-insure for such insurance coverages and requirements, Tenant shall provide Landlord with evidence of such self-insurance. Tenant shall submit evidence on insurance prior to Agreement award. The receipt of any certificates does not constitute agreement by Landlord that the insurance requirements in the Agreement have been



fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of Landlord to obtain certificates or other insurance evidence from Tenant, or Tenant's failure to submit insurance coverage required under this Agreement, shall not be deemed to be a waiver by Landlord. Tenant shall advise all insurers of the 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 Agreement, and Landlord retains the right to terminate the Agreement until proper evidence of insurance is provided.

The insurance shall provide for 60 days prior written notice to be given to 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.

Tenant agrees that its insurers shall waive their rights of subrogation against the City of Chicago its employees, elected officials, agents or representatives, which any insurer of Tenant may acquire against the Landlord by virtue of the payment of any loss under the insurance. Tenant 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 Landlord has received a waiver of subrogation endorsement from the insurer(s).

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

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

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

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

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

6.3 Tenant's Indemnification. Tenant shall indemnify, defend, and hold Landlord (its officers, agents, agencies, departments and employees) harmless against all liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, costs, damages, and

expenses (including reasonable attorney's fees, expenses, and court costs – collectively the “Claims”), whether such Claim is related to or arises from personal injury or property damage which may be expended by or accrue against, be charged to, or be recovered from Landlord or Tenant by reason of Tenant’s performance of or failure to perform any of Tenant’s obligations , or Tenant's negligent acts or failure to act under this Agreement, or resulting from the acts or failure to act of Tenant’s contractors, invitees, agents, or employees or from any liability arising from access to the Premises or the Complex by any of Tenant’s contractors, invitees, agents, or employees or any third parties seeking services from Tenant under this Agreement.

**SECTION 7. DAMAGE OR DESTRUCTION**

7.1 Damage or Destruction. If the Premises and/or the Complex are damaged or destroyed or sustain 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 the Complex are rendered unusable, either Landlord or Tenant shall have the option to declare this 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 reimburse Tenant for 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 governmental decision or action with respect to this Agreement.

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 in the sole discretion of the City of Chicago.

**SECTION 9. HOLDING OVER**

9.1 Holding Over. Any holding over (the “Holding Over”) by Tenant shall be construed to be a tenancy from month to month beginning on January 1, 2023 and the costs will be the same as outlined in Section 3.1 and Section 3.2 of this Agreement. During any Holding Over, all other provisions of this 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 City as follows:

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

and:

City of Chicago  
Corporation Counsel  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attn: Real Estate Division

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:

Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611  
Attn: General Superintendent

with a copy to:

General Counsel  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

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

10.3 Governing Law. This Agreement 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 Agreement. This 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 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 Agreement nor in any way affect this Agreement.

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

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

10.9 Authorization to Execute Agreement. The parties executing this 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 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 of Agreement. Landlord and Tenant shall have the right to terminate this Agreement for any reason by providing the other party with ninety (90) days prior written notice.

10.11 Force Majeure. When a period of time is provided in this 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 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 Agreement, or (c) dealt with Tenant on Tenant's behalf in connection with the Premises or this Agreement. Landlord warrants to Tenant that no broker or finder (a) introduced Landlord to Tenant, (b) assisted Landlord in the negotiation of this Agreement, or (c) dealt with Landlord on its behalf in

connection with the Premises or this Agreement. Any and all payments due from Tenant to Landlord under this Agreement shall be paid directly to Landlord.

10.13 Existing Furniture. Tenant may use any furniture or equipment belonging to Landlord and located within the Premises which are not removed by Landlord by the Effective Date. Landlord shall retain ownership of such furniture and equipment.

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

10.15 No Construction against Preparer. This Agreement shall not be interpreted in favor of either Landlord or Tenant. Landlord and Tenant acknowledge that both parties participated fully in the mutual drafting of this Agreement.

10.16 Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Tenant warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, Tenant's, any general contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this 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 Chief Procurement Officer. Such breach and default entitles the Landlord to all remedies under the Agreement, at law or in equity. This section does not limit Tenant's, general contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the Landlord as grounds for the termination of this Agreement, and may further affect the Tenant's eligibility for future contract awards.

10.17 Amendments. From time to time, the parties hereto may administratively amend this Agreement with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of this Agreement, including, but not limited to, space expansion or reduction and space re-measurement. Such amendment(s) shall not serve to extend the Term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both 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 Agreement and all other non-impacted provisions of this Agreement shall otherwise remain in full force and effect.

10.18 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original instrument and all of which together shall constitute one and the same instrument

## **SECTION 11. LANDLORD AND TENANT RESPONSIBILITIES**

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

11.2 General Condition. Tenant shall keep the Premises in a sanitary condition, free of insects, rodents, vermin, and other pests. Tenant shall be responsible for payment of any extermination services that may be required to resolve any issues that may arise from Tenant's failure to maintain the Premises in a sanitary condition, free of insects, rodents, vermin, and other pests.

11.3 Security Services. Tenant shall be responsible for securing its staff, equipment and property located within the Premises. Tenant shall abide by any security rules that may apply to the Complex and/or the Premises. Landlord shall provide security for the Complex.

11.4 Complex Rules. Tenant shall comply with all reasonable rules and regulations promulgated in writing by Landlord, or its agent, for the Complex, the Premises, and all related areas and grounds.

11.5 Repairs for Tenant Negligence, Vandalism, or Misuse. Tenant shall assume responsibility for any repairs to the Premises and/or the Complex and/or all related areas and grounds necessitated by the negligence, vandalism, or misuse by Tenant's employees, invitees, agents, clients, or contractors.

11.6 Fire Extinguishers. Landlord shall provide and maintain required fire extinguishers for the Premises.

11.7 Signage. Tenant may place signage on the Premises and/or the Complex. Such signage and placement must be approved in writing by the Commissioner of the Department of Fleet and Facility Management. Such consent shall not be unreasonably withheld, delayed or conditioned.

11.8 Illegal Activity. Tenant, or any of its agents, employees, contractors, or invitees shall not perform or permit any practice that is injurious to the Premises or the Complex, is illegal, or increases the rate of insurance on the Premises or the Complex.

11.9 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 and/or Complex by Tenant's agents, employees, contractors, or invitees.

11.10 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.

11.11 Full Liability. Tenant assumes full legal and financial responsibility and liability for any use of the Premises by Tenant, Tenant's staff, Tenant's agents, Tenant's contractors, or Tenant's invitees entering the Premises or the Complex.

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, age or source of income with respect to use of the Premises. Tenant shall not use the Premises for any religious purposes.

11.13 Trade Fixtures. Tenant shall maintain Tenant's equipment and trade fixtures within the Premises in good condition. Upon the termination or cancellation of this Agreement, Tenant shall remove Tenant's equipment and trade fixtures and shall repair any injury or damage to the Premises and/or the Complex resulting from such removal. If Tenant does not remove its 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 Landlord may treat such property as being conveyed to Landlord with this Agreement serving as a bill of sale without further payment or credit by Landlord to Tenant.

11.14 Condition on Surrender. Upon the termination of this Agreement, Tenant shall surrender the Premises to Landlord in a comparable or better condition to the condition of the Premises as of the Effective Date with normal wear and tear excepted.

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**LANDLORD:**

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

**DEPARTMENT OF FLEET AND FACILITY MANAGEMENT**

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

APPROVED AS TO FORM AND LEGALITY:  
DEPARTMENT OF LAW

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

**TENANT:**

**CHICAGO PARK DISTRICT,**  
an Illinois municipal corporation

By: \_\_\_\_\_  
General Superintendent and CEO

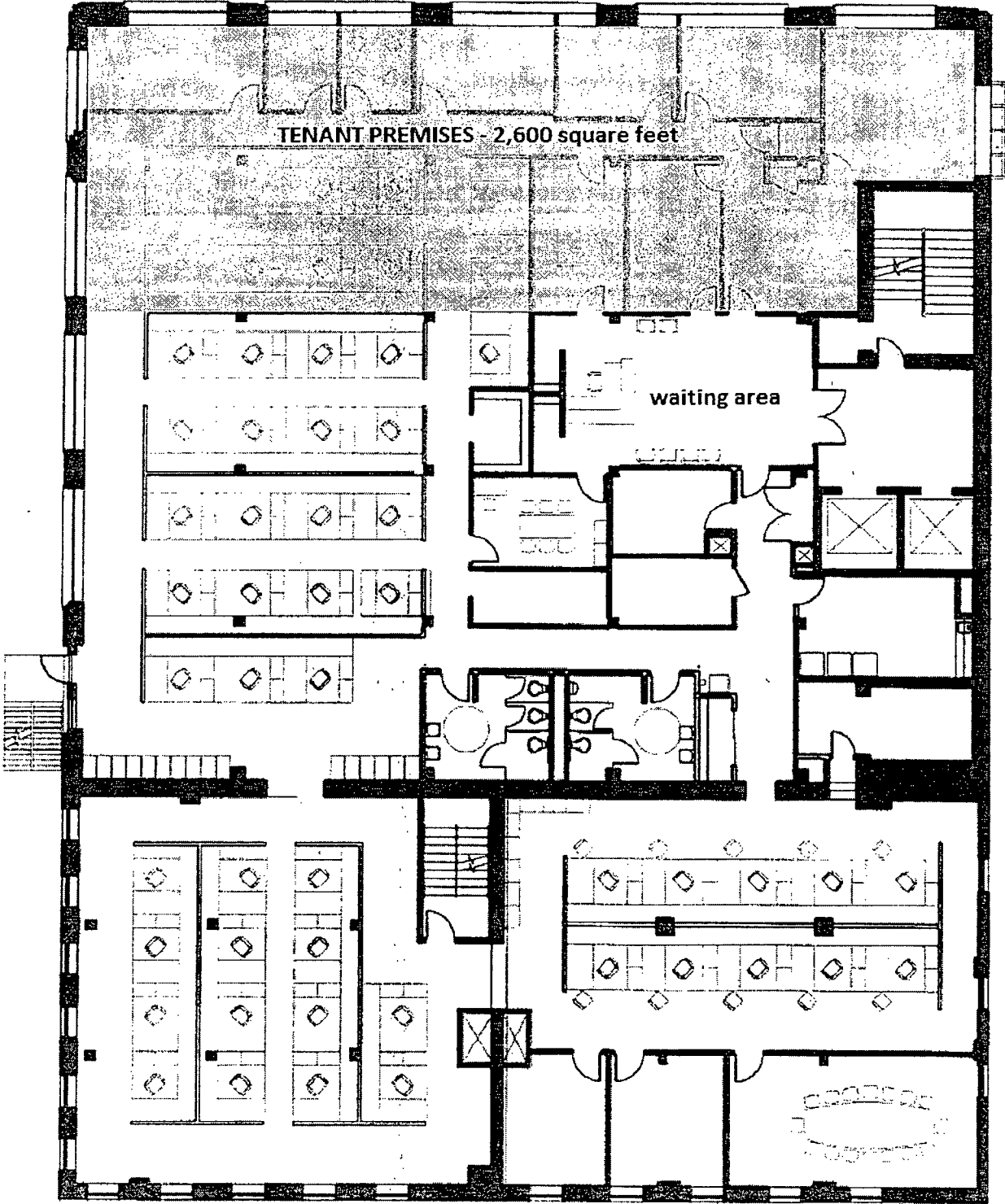
Attest: \_\_\_\_\_  
Secretary



# EXHIBIT A

## DEPICTION OF PREMISES

740 N. Sedgwick, 3<sup>rd</sup> floor: Tenant Premises in shaded area



**EXHIBIT B**

*ESTIMATED OPERATING COSTS FOR 2016*

**400 West Superior Street/740 North Sedgwick Street Complex**  
*(subject to a 3% annual escalation per Section 3.2(a))*

<u>Operating Items</u>	<u>Annual Costs</u>
Electricity Service	\$182,215.32
Gas Service	\$13,122.27
Custodial Services	\$330,020.53
Security Services	\$347,736.50
Mechanical Repairs/Maintenance	\$372,451.22
General Building Services	\$19,520.56
<u>Administration Expenses</u>	<u>\$127,899.98</u>
	\$1,392,966.39

Premises = 1.999% of 400 W. Superior St. / 740 N. Sedgwick St. Complex

Premises Annual Operating Costs  $\$1,392,966.39 \times 1.999\%$  = \$27,845.40

Premises Monthly Operating Costs  $(\$27,845.40 / 12)$  = **\$2,320.45**

740 N. Sedgwick St.  
Lease No. 20336

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