



Office of the City Clerk

City Hall
121 N. LaSalle St.
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Chicago, IL 60602
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Legislation Details (With Text)

File #: SO2016-3341
Type: Ordinance **Status:** Passed
File created: 4/13/2016 **In control:** City Council
Final action: 5/18/2016
Title: Lease agreement with The Thresholds for use of City-owned office space at 2847-2861 N Clark St
Sponsors: Emanuel, Rahm
Indexes: Lease
Attachments: 1. O2016-3341.pdf, 2. SO2016-3341.pdf

Date	Ver.	Action By	Action	Result
5/18/2016		City Council	Passed as Substitute	Pass
5/17/2016	1	Committee on Housing and Real Estate	Substituted in Committee	Pass
4/13/2016	1	City Council	Referred	

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SUBSTITUTE 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 a Lease with The Thresholds, as tenant, for use of 14,139 square feet of clinical office space, located on the first and second floors of the Lakeview Neighborhood Health Clinic at 2847-2861 North Clark Street, to be used as a mental and behavioral health clinic; such Lease to be approved by the Commissioner of the Department of Public Health, and as to form and legality by the Corporation Counsel in substantially the following form:

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THIS LEASE is made and entered into this _____ day of _____, 2016, ("Commencement Date") by and between the CITY OF CHICAGO, an Illinois Municipal Corporation and Home Rule Unit of Government (hereinafter referred to as "Landlord" or "City") and THE THRESHOLDS, an Illinois nonprofit corporation (hereinafter referred to as "Tenant").

RECITALS

WHEREAS, Landlord is the owner of the real property commonly known as 2847-61 North Clark Street, Chicago, Cook County, Illinois, which is improved with a building ("Building") used as the Lakeview Neighborhood Health Center; and

WHEREAS, Tenant wishes to provide mental health services, substance abuse services, group therapy, and wellness classes at the Lakeview Neighborhood Health Center; and

WHEREAS, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord, the entire second floor of the Building, consisting of approximately 10,909 square feet of space, and approximately 3,230 square feet of clinical space on the first floor of the Building.

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

SECTION 1. GRANT

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

Approximately 10,909 square feet of space which constitutes the entire second floor of the Building, and approximately 3,230 square feet of clinical space on the first floor of the Building, located on that certain parcel of real estate more commonly known as 2847-61 North Clark Street, Chicago, Illinois, PIN 14-28-120-017 (the "Premises"), as further depicted on Exhibit A attached hereto.

SECTION 2. TERM

2.1 Term. The term of this Lease (the "Term") shall begin on the Commencement Date and shall end on December 31, 2026, unless sooner terminated as set forth in this Lease.

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SECTION 3. RENT, TAXES, AND UTILITIES

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. The term "Rent" as used herein means the base rent of \$1.00 plus all other payments due under this Lease of any kind or nature.

2 Taxes. Tenant acknowledges that Premises are exempt from leasehold, real estate, and other property taxes. Tenant shall pay when due any leasehold, real estate, and other property taxes assessed or levied on the Premises where attributable to Tenant's use of the Premises. Tenant shall pay such amounts and Tenant shall provide Landlord with proof of such payment within ten (10) days of such payment. Tenant further acknowledges that real estate taxes are one (1) year in arrears in Cook County and that as a result Tenant shall be responsible for satisfaction of leasehold, real estate, and other property taxes assessed or levied on the Premises on account of Tenant's use for at least one year after Tenant vacates the Premises. Tenant's failure to pay any such taxes shall constitute a default under this Lease. Notwithstanding the foregoing, nothing herein shall preclude Tenant from contesting any charge or tax levied against the Premises. The failure of Tenant to pay such taxes during the pendency of the contest shall not constitute a default under this Lease. Tenant's tax responsibilities under this section shall survive the expiration, cancellation, or termination of this Lease.

3 Operating Costs. Tenant shall reimburse Landlord's Operating Costs for the Premises as delineated pursuant to Section 3.3.a below beginning on the Commencement Date as reimbursement for Landlord's costs to operate the Building and the Premises.

a. Calculation of Operating Costs. Tenant shall pay for 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 leased by Tenant divided by the Building's total square footage. The Building's total square footage is approximately 26,969 square feet and Tenant's leasehold is approximately 14,139 square feet, which comprises 52.4% of the Building's total square footage. "Operating Costs" shall be based on Tenant's 52.4% Proportionate Use. Operating Costs shall include (i) all utilities (including, but not limited to gas, electricity, and water), (ii) security services for the Building (not the Premises), (iii) landscaping and snow removal, (iv) common area maintenance and maintenance of the building envelope, roof, and structural components, (v) maintenance of electrical, plumbing, and HVAC systems, and (vi) Tenant's allocable share of other costs incurred by Landlord in operating and maintaining the Building (excluding (a) any capital repairs or improvements that may be required, (b) repairs required by casualty, or (c) costs that are specific and isolated to other tenants' space within the Building). Tenant shall separately contract for custodial services, telephone services, and other communication services at the Premises. For 2016, Tenant's Operating Costs are estimated to be, and Tenant shall initially pay, \$5,563.90 per month (subject to subsequent accounting and adjustment which may serve to increase or decrease these estimated Operating Costs for 2016 and/or subsequent years).

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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 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. Once full data becomes available, Landlord shall provide Tenant with the actual Operating Costs for the previous year and a statement with reasonable supporting documentation 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.

Operating Costs 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 Costs 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 Costs or other expenses does not constitute a waiver of any such charges.

3.4 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of the Rent or any amounts 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 or to pursue any other remedies available to Landlord.

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

1 Satisfaction with Condition. Tenant agrees that Tenant has inspected the Premises and all related areas and grounds and that Tenant is satisfied with the physical condition thereof and accepts the Premises in its "As-Is" condition.

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 occupy and enjoy the

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Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord.

3 Tenant's Duty to Maintain Premises. Tenant shall, at Tenant's expense, keep the Premises in a condition of good repair and order, and in compliance with all applicable provisions of the Municipal Code of Chicago. If Tenant shall refuse or neglect to make needed repairs within fifteen (15) days after written notice thereof sent by Landlord, unless such repair cannot be remedied within fifteen (15) days, and Tenant shall have commenced and is diligently pursuing all necessary action to remedy such repair, Landlord, at Landlord's option, is authorized to either make such repairs and Tenant will, within thirty (30) business days of demand, reimburse Landlord for the reasonable cost thereof, or Landlord can immediately terminate this Lease by providing the Tenant with written notice thereof. 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 the Premises. The Landlord shall maintain the common systems (including, without limitation, heating, plumbing, air-conditioning, electricity and such other common systems as may be present in the Building); the roof of the Building; all exterior walls; the structure and frame of the Building; and the interior walls, ceilings, fixtures.

4 Use of the Premises. Tenant shall use the Premises only as a mental health clinic. Tenant shall not use the Premises in a manner that would violate any 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. Tenant further covenants not to do or suffer any waste or damage, comply in all respects with the Laws 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.

5 Alterations, Additions and Improvements. Within twelve months of the Commencement Date, Tenant shall complete facade improvements to the Building to provide windows to Tenant's first floor premises and to enhance the aesthetic appearance of the Building's facade. Tenant shall provide copies of the plans for these improvements to the City's Department of Fleet and Facility Management for approval prior to commencing work.

Tenant may not make any other alterations, additions, or improvements to the Premises without the prior written approval of the Commissioner of the Department of Fleet and Facility Management. All alterations, additions, and improvements shall be in full compliance with the applicable Laws. Landlord shall not be obligated to pay for any alterations, additions, or improvements to the Premises.

SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS

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1 Assignment and Sublease. Tenant shall not assign this Lease in whole or in part, or sublet or license the Premises or any part thereof, without Landlord's prior written consent.

2 Tenant's Covenant against Encumbering Title. Tenant shall not do any act which shall in any way encumber the fee simple estate of Landlord in and to the Premises, nor shall the interest or estate of Landlord in the Premises be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Tenant. Any claim to, or lien upon, the Premises arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject to and subordinate to the paramount title and rights of Landlord in and to the Premises.

3 Tenant's Covenant against Liens. Tenant shall not permit the Premises to become subject to any mechanic's, laborer's, or materialmen's liens on account of labor or material furnished to Tenant or claimed to have been furnished to Tenant. 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 shall become immediately due and payable by Tenant, with interest from the date of payment at the rate set at 12% per annum provided that such rate shall not be deemed usurious by any Federal, State, or Local law.

SECTION 6. INSURANCE AND INDEMNIFICATION

6.1 Insurance. Tenant shall procure and maintain at all times, at Tenant's own expense (or at the expense of service providers, as applicable), at all times during the Term, the insurance coverages and requirements specified below, insuring all operations related to the Lease. Tenant shall also require any service provider to procure and maintain the same type and amounts of insurance that is required of Tenant. The kind and amounts of insurance required are as follows:

(a) . Worker's Compensation and Employer's Liability. 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 (Primary and Umbrella). Commercial General Liability Insurance or equivalent, with limits of not less than \$3,000,000 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, 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) Automobile Liability Insurance (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with the Lease, Tenant 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) Medical Professional Liability. Medical Professional Liability coverage with limits of not less than \$5,000,000 including prior Acts coverage, such instances covering Tenant against any claim made against Tenant arising out of a medical incident involving the rendering of or a failure to render professional services or out of the performance of the services in Tenant's capacity toward the Landlord as professional consultant, whether caused by an error, omission or act of the Tenant, of any person employed by Tenant or any others for whose actions or omissions Tenant is legally liable. The policy shall have an extended reporting period of two (2) years. When policies are renewed or replaced the policy retroactive date must coincide with or precede the start of work.

The Tenant shall be responsible for all loss or damage personal property (including, but not limited to materials, equipment, tools and supplies), owned, rented or used 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 Lease, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term. Tenant shall submit evidence of insurance prior to execution of the Lease. The receipt of any certificate does not constitute agreement by Landlord that the insurance requirements in this Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements in the Lease. The failure of Landlord to obtain certificates or other insurance evidence from Tenant shall not be deemed to be a waiver by Landlord. Tenant shall advise all insurers of the Lease provisions regarding insurance. Non-conforming insurance shall not relieve Tenant of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Lease and the Landlord retains the right to terminate or suspend the Lease until proper evidence of insurance is provided.

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

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

Tenant hereby grants to the Landlord a waiver of any right of subrogation 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 the Tenant's liabilities and responsibilities specified in this Lease or by law.

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

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 Tenant 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 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 rights to modify, delete, alter or change these requirements at any time during the Term of Lease.

6.3 Tenant's Indemnification. Tenant shall indemnify, defend, and hold Landlord 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), 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 under this Lease or Tenant's negligent acts or failure to act, or resulting from the acts or failure to act of

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Tenant's contractors, respective officers, directors, agents, or employees. This Section shall survive the expiration or termination of this Lease.

SECTION 7. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS

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 of Chicago), either direct or indirect, in the Premises. No such official, employee, or member shall participate in making or in any way attempt to use his or her position to influence any City governmental decision or action with respect to this Lease.

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 or lease 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.

SECTION 8. ADDITIONAL RESPONSIBILITIES OF TENANT

1 Custodial Services. Tenant shall provide and pay for custodial services and shall be responsible for keeping the Premises clean and free of debris. Tenant shall provide and pay for any exterminator service whenever such services are reasonably necessary.

2 Scavenger/Dumpster Services. Tenant shall provide and pay for scavenger/ dumpster services for the Premises.

3 Security. Tenant is responsible for properly securing the Premises during the Term.

4 Maintenance of Premises. Tenant shall maintain the interior of the Premises, including fixtures located within the Premises, such as sinks, toilets, and light fixtures.

5 Fire Protection. Tenant shall provide and maintain smoke detectors, carbon monoxide detectors, and fire extinguishers in the Premises at all times as required by applicable Laws.

6 Accessibility. Tenant is responsible for ensuring that the Premises comply with all applicable Laws regarding accessibility standards for persons with disabilities or environmentally limited persons, including the following: the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., and the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, the Architectural Barriers Act Pub. L. 90-480 (1968),

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and the Uniform Federal Accessibility Standards; and the Illinois Environmental Barriers Act, 410 ILCS 25/L et seq, and all regulations promulgated thereunder, see Illinois Administrative Code, Title 71, Chapter 1, Section 400.110. If the above standards are inconsistent, Tenant must assure that the Premises comply with the standard providing the greatest accessibility.

7 Repairs for Tenant Negligence, Vandalism, or Misuse. Tenant shall not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances, unless approved as part of an alteration, addition, or improvement under this Lease. 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 contractors.

8 Hazardous Substances. Tenant shall not use or store any Hazardous Substances (defined below) on the Premises. Tenant shall promptly notify the Landlord if Tenant discovers any Hazardous Substances on the Premises. As used in this Lease, the term "Hazardous Substances" shall mean any toxic substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Laws (as defined hereunder), or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, polychlorinated biphenyls (PCBs), crude oil, any fraction thereof, or refined petroleum products such as oil, gasoline, or other petroleum-based fuels, lead paint, asbestos or asbestos-containing materials, urea formaldehyde, any radioactive material or by-product material, radon and mold. "Environmental Laws" shall mean any and all Laws, permits and other requirements or guidelines of governmental authorities applicable to the Premises and relating to the regulation and protection of human health, safety, the environment, natural resources or to any Hazardous Substances, including without limitation, any Laws requiring the filing of reports and notices relating to Hazardous Substances.

9 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 Fleet and Facility Management must be notified of any such license or permit. Failure to obtain a required license or permit shall constitute a material breach of the terms of this Lease. Tenant understands that this Lease shall in no way act as a substitute for any other permitting or approvals that may be required to undertake any activities on the Premises.

10 Full Liability. Tenant assumes full legal and financial responsibility and liability for any and all use of the Premises by Tenant, Tenant's employees, clients, invitees, contractors, and any other person entering the Premises.

11 Condition at Termination. Upon the termination of this Lease, Tenant shall surrender the Premises to the Landlord in the same or better condition to the condition of the Premises at the beginning of Tenant's occupancy of the Premises. Tenant shall remove all equipment and/or materials placed on the Premises by Tenant or anyone acting by or under Tenant, and Tenant shall replace the door locks to the Premises. Said removal and lock replacement shall be without cost to Landlord.

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12 No Alcoholic Beverages. Tenant agrees that alcoholic beverages shall not be sold, given away, or consumed on the Premises.

13 Illegal Activity. Tenant shall not perform or permit any practice that is illegal or injurious to the Premises or unreasonably disturbs other tenants.

14 Non-Discrimination. Tenant agrees that Tenant shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, immigration status, sexual orientation, marital status, parental status, military discharge status, or source of income in the use or occupancy of the

Premises.

15 Economic Disclosure Statement Affidavit Updates. Throughout the Term, Tenant shall provide Landlord with any material updates to the information submitted in Tenant's Economic Disclosure Statement and Affidavit. 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 Lease.

SECTION 9. MISCELLANEOUS

9.1 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 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:

The Thresholds General Counsel 4101
N. Ravenswood Chicago, IL 60613

and to Tenant at the Premises, 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

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sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

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.

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

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.

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.

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, and is subject to no contingencies or conditions except as specifically provided herein.

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

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.

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.

10 Termination of Lease. Landlord and Tenant shall each have the right to terminate this Lease for convenience without penalty by providing the other party with ninety (90) days prior written notice. If the Landlord terminates this lease before the end of the full Term, the Landlord shall reimburse the Tenant for its construction costs for facade improvements to the Building prorated at a rate of 1 /1 20th of the cost of construction for each month remaining in the Term.

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11 Holding Over. Any holding over by Tenant shall be construed to be a tenancy from month to month beginning on January 1, 2027 and the Rent shall be at the same rate as set forth in Section 3.1 of this Lease. During such holding over all other provisions of this Lease shall remain in full force and effect.

12 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.

13 Tenant Default. Tenant must adhere to all provisions of this Lease. Failure of Tenant to adhere to all provisions of this Lease will result in default. 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 ten (10) business days. If Tenant does not cure such default within ten (10) business days, Landlord may cancel this Lease with five (5) days written notice.

14 No Brokers. The Department of Fleet and Facility Management, Office of Real Estate Management, does not use brokers, tenant 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. Under no circumstances shall Tenant make any payments due hereunder to any broker(s).

15 Amendments. From time to time, the parties hereto may amend this Lease without City Council approval with respect to any provisions reasonably related to Tenant's use of the Premises and/or Landlord's administration of this Lease, including, but not limited to, amendments to permit the expansion of Tenant's Premises. Provided, however, that such amendment(s) shall not serve to extend the Term hereof nor serve, in the sole opinion of the Landlord, 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.

SECTION 10. TENANT DISCLOSURES AND AFFIRMATIONS

10.1 Business Relationships. Tenant 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-

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080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) notwithstanding anything to the contrary contained in this Lease, that a violation of Section 2-156-030(b) by an elected official, or any person acting at the direction of such official, with respect to this Lease shall be grounds for termination of this Lease. Tenant hereby represents and warrants that no violation of Section 2-156-030(b) has occurred with respect to this Lease.

2 Patriot Act Certification. Tenant represents and warrants that neither Tenant nor any Affiliate (as hereafter defined) thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. As used in this Section, an "Affiliate" shall be deemed to be a person or entity related to Tenant that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Tenant, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

3 Prohibition on Certain Contributions-Mayoral Executive Order No. 2011-4. Tenant agrees that Tenant, any person or entity who directly or indirectly has an ownership or beneficial interest in Tenant of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Tenant's contractors (i.e., any

person or entity in direct contractual privity with Tenant regarding the subject matter of this Lease) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Tenant and all the other preceding classes of persons and entities are together the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (a) after execution of this Lease by Tenant, (b) while this Lease or any Other Contract (as hereinafter defined) is executory, (c) during the Term of this Lease or any Other Contract, or (d) during any period while an extension of this Lease or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

Tenant represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached Tenant, or the date Tenant approached the City, as applicable, regarding the formulation of this Lease, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Tenant 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

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political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Tenant agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Notwithstanding anything to the contrary contained herein, Tenant agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Lease, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Lease, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Tenant intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the execution of this Lease, the City may elect to decline to lease the Premises to Tenant or to terminate the Lease after execution.

For purposes of this provision:

a) "Bundle" means to collect contributions from more than one source, which contributions are then delivered by one person to the Mayor or to his political fundraising committee.

b) "Other Contract" means any other agreement with the City of Chicago to which Tenant is

a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

c) "Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

- d) Individuals are "domestic partners" if they satisfy the following criteria:
- i) they are each other's sole domestic partner, responsible for each other's common welfare; and
 - ii) neither party is married; and
 - iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
 - iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

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- (v) two of the following four conditions exist for the partners:
- 1) The partners have been residing together for at least 12 months.
 - 2) The partners have common or joint ownership of a residence.
 - 3) The partners have at least two of the following arrangements:
 - A) joint ownership of a motor vehicle;
 - B) joint credit account;

- C) a joint checking account;
- D) a lease for a residence identifying both domestic partners as tenants.
- 4) Each partner identifies the other partner as a primary beneficiary in a will.

(e) "Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

4 Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Tenant warrants and represents that it, and to the best of its knowledge, its Contractors and its subcontractors regarding the subject matter of this Lease ("Subcontractors"), have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Lease is executory, Tenant's, any general Contractor's or any Subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Lease, constitutes a breach of and an event of default under this Lease, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner of the Department of Fleet and Facility Management. Such breach and default entitles the City to all remedies under this Lease, at law or in equity. This section does not limit Tenant's, its general Contractors' and its Subcontractors' duty to comply with all applicable federal, state, county and municipal Laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Lease. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Lease, and may further affect the Tenant's eligibility for future contract awards.

5 Failure to Maintain Eligibility to do Business with City. Failure by Tenant or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of this Lease and the transactions contemplated thereby. Tenant shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

6 Cooperation with Office of Inspector General and Legislative Inspector General. It is the duty of Tenant and any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such grantee, subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-55 of the Municipal Code, and to

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cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Tenant represents and warrants that it understands and will abide by all provisions of Chapter 2-55 and Chapter 2-56 of the Municipal Code and that Tenant will inform its Contractors and Subcontractors of this provision and require their compliance.

10.7 2014 Hiring Plan Prohibitions.

i) The City is subject to the June 16, 2014 "City of Chicago Hiring Plan", as amended (the "2014 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of

political reasons or factors.

ii) Tenant is aware that City policy prohibits City employees from directing any individual to apply for a position with Tenant, either as an employee or as a subcontractor, and from directing Tenant to hire any individual as an employee or as a subcontractor. Accordingly, Tenant must follow its own hiring and contracting procedures, without being influenced by City or City employees. Any and all personnel provided by Tenant under this Lease are employees or subcontractors of Tenant, not employees of the City. This Lease is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Tenant.

iii) Tenant will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Lease, or offer employment to any individual to provide services under this Lease, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Lease, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

LANDLORD:

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:

BY: THE DEPARTMENT OF LAW

By:

Deputy Corporation Counsel Real Estate
Division

THE THRESHOLDS,
an Illinois nonprofit corporation

By:

Print Name: Title:

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EXHIBIT A

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**SECOND FLOOR
PLAN**

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2847-2861 N. Clark St. Lease No. 20333

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

JOSEPH A. MOORE

Alderman, 49th Ward 7356 north Greenview Avenue Chicago, Illinois 60626 telephone: 773-338-5796 ward49@cityofchicago.org <mailto:ward49@cityofchicago.org>www ward49.com <http://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

May 18, 2016

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on May 17, 2016, having had under consideration the ordinance introduced by Mayor Rahm Emanuel on April 13, 2016, this being the lease agreement with The Thresholds for use of clinical office space at 2847-2861 N. Clark St., begs leave to recommend that Your Honorable Body Approve said substitute ordinance transmitted herewith.

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

Respectfully submitted,

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