

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** ("Lease") is made and entered into as of this 15th day of January 2000, by and between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate ("Landlord"), and Eskenazi, Farrell & Fodor, P.C., an Illinois corporation ("Tenant").

### RECITALS:

- A. Landlord is the owner of the building commonly known as 125 S. Clark Street, Chicago, Illinois 60603 (the "Building"); and
- B. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of the Building known as Suite 1822 consisting of 2,141 rentable square feet on the 18th floor (the "Premises"), as specifically shown on the floor plan attached hereto and incorporated herein as Exhibit A, upon the terms and conditions contained herein.

### AGREEMENT:

**NOW THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

- 1. Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises upon the terms and conditions set forth herein.
- 2. Term. This Lease shall commence February 1, 2000 and shall end January 31, 2005, unless sooner terminated as provided herein (the "Term").
- 3. Rent. Tenant shall pay Landlord rent for the Term of this Lease ("Rent") as follows:

February 1, 2000 - January 31, 2001	\$2,854.67 per month
February 1, 2001 - January 31, 2002	2,988.48 per month
February 1, 2002 - January 31, 2003	3,122.29 per month
February 1, 2003 - January 31, 2004	3,256.10 per month
February 1, 2004 - January 31, 2005	3,389.92 per month

The Rent is a gross amount, which includes taxes and operating expenses. Each and every payment of Rent shall be paid by Tenant on or before the 15<sup>th</sup> day of each month beginning February 1, 2000, and continuing throughout the Term of this Lease.

4. Security Deposit. Tenant, upon execution of this Lease, shall pay to Landlord the sum of \$2,750.00, which shall be held by Landlord as a security deposit to ensure Tenant's faithful performance hereunder. Tenant acknowledges that such security deposit may not be applied to the last month's Rent.
5. Use of Premises. Tenant shall use the Premises for the purpose of general office space, and not for other purpose.
6. Subleases. Tenant shall have the right to sublease all or a portion of the Premises with prior written approval of the Landlord; providing, however, (i) if Tenant shall sublet all or a portion of the Premises for any rent which is greater than the Rent per square foot being paid by Tenant pursuant to this Lease, Landlord's shall be entitled to 75% of said Rent increase in addition to the Rent set out in (3) above after deduction of Tenant's reasonable sublease costs, (ii), any such subtenant shall be subject to the terms and conditions of the Lease, and (iii) Tenant shall obtain Landlord's written consent of such sublease.
7. Compliance with Laws. Tenant shall comply, at all times during the Term of this Lease, and shall cause its patrons, employees, agents, affiliates, and other representatives to comply, with all municipal, county, state, and federal laws, codes, statutes, ordinances, rules and regulations applicable to this Lease and Tenant's use of the Premises, including environmental matters.
8. Maintenance, Repairs, Services and Utilities.
  - a. Except as stated in 8(g) below, Landlord shall, at its sole cost and expense, provide the following:
    - 1) adequate water, heat and air conditioning during such seasons of the year when such services are normally furnished in office buildings in the City of Chicago;
    - 2) maintenance and repair of the Premises in a manner consistent with the maintenance and repair of the Building; and
    - 3) rubbish removal from the Premises.
  - b. Landlord shall not be liable for failure to furnish services, or for the delay or suspension in furnishing any services, caused by breakdown, maintenance, repairs, strikes, scarcity of labor or materials, energy conservation, or other causes beyond Landlord's control.
  - c. Tenant agrees to conserve heat, air conditioning, water and electricity and shall use due care in the use of the Premises and the Building.
  - d. Tenant shall be responsible for any damage to the Premises or the Building caused by Tenant or its patrons, employees, agents, affiliates, or other representatives.
  - e. Landlord shall be responsible for the janitorial and cleaning services for the Premises.
  - f. Tenant shall be responsible for the installation and operation of its telephone and communication systems.

g. Tenant shall separately pay to Landlord for electricity, said charges to be made on a "survey" basis, starting at \$187.34 per month, and increasing 3% on each January 15<sup>th</sup> and thereafter.

9. Tenant Improvements. Landlord shall deliver the Premises to the Tenant in its current "as-is" condition. Tenant shall be responsible for any and all improvements to the Premises, including demising work, subject to Landlord's approval. Landlord shall provide Tenant with a tenant improvement allowance in an amount not to exceed \$8.41 per rental square foot. Tenant shall be responsible for the cost of the work in excess of the Landlord provided allowance. Any approved improvements or alterations made by Tenant shall be at the sole expense of Tenant, and all such improvements or alterations made by Tenant shall be at the sole expense of Tenant, and all such improvements or alterations shall become the property of Landlord upon expiration of the Term of the this Lease. Tenant shall not place any sign, advertisement or notice on any part of the Premises or the Building without Landlord's prior written consent. Tenant shall not install any equipment upon the Premises that will necessitate any changes, replacements or additions to, or in the use of, the heating, ventilating, air-conditioning, or electrical systems of the Premises or the Building without Landlord's prior written consent. Landlord's general contractor, K.R. Miller Contractors, Inc., has prepared a construction budget for Tenant's space plan dated August 30, 1999. (Exhibit A-2).

<b>Landlord Allowance</b>	<b>\$18,000</b>
<b><u>Budgeted Cost</u></b>	<b><u>\$21,000</u></b>
<b>Tenant's Projected Out-of-Pocket Cost</b>	<b>\$ 3,000</b>

In the event that the sum expended for such construction is less than \$18,000, the first \$5,000.00 or portion thereof will be treated as a rent credit by the parties. Any then remaining balance will belong to Landlord.

Landlord, at its sole cost and expenses, shall cause its architect, OWP&P, to prepare architectural drawings. Landlord shall competitively bid the work. Landlord and Tenant shall mutually select the general contractor.

10. Indemnification. To the fullest extent permitted by law, Tenant shall indemnify, defend and hold harmless Landlord, and its trustees, officers, directors, employees, agents, affiliates, and representatives, and all other parties claiming by, through or under any of the preceding, from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), property damage, causes of action, losses, expenses, damages or penalties, including, without limitation, court costs and attorneys' fees (the "Covered Losses"), arising or resulting from, or occasioned by or in connection with (i) the possession, occupancy or use of the Premises by Tenant or its patrons, employees, agents, affiliates or other representatives, (ii) any act or omission to act (whether negligent, willful, wrongful or otherwise) by Tenant or its patrons, employees, agents, affiliates or

other representatives, (iii) a violation of any laws, statutes, codes, ordinances or regulations by Tenant or its patrons, employees, agents, affiliates or other representatives, or (iv) any breach, default, violation or nonperformance by Tenant of any term, covenant, condition, duty or obligation provided in this Lease. This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission to act of the Landlord, or its trustees, officers, directors or employees. This indemnification, defense and hold harmless obligation shall survive the termination of this Lease.

11. Waiver of Claims. Tenant hereby releases Landlord, and its trustees, officers, directors, employees, agents, affiliates, and representatives, and all other parties claiming by, through or under any of the preceding, from and waives all claims for damages to person or property sustained by Tenant, regardless of the cause thereof.
12. Insurance. Tenant shall obtain and maintain, at its sole cost and expense, for the duration of this Lease, the insurance coverages specified on Exhibit B attached hereto. All such insurance shall be in form and substance satisfactory to Tenant, and shall be issued by insurers authorized to do business in the State of Illinois and rated "A, X" or better by A.M. Best & Company. Upon execution of this Lease, certificates of insurance evidencing such coverages shall be provided to Landlord, and such certificates shall state that the insurance coverage thereby provided may not be amended, canceled or not renewed without at least thirty (30) days' prior written notice to Landlord. Each policy of insurance required hereunder shall name as additional insureds, by specific endorsement, Landlord and any other parties that may be designated in writing by Landlord. Each such policy shall also contain, whether by endorsement or otherwise, a waiver of subrogation clause in favor of Landlord and any other additional insureds, the effect of which shall be to waive the insurers' rights of recovery against Landlord or such other additional insureds.
13. Fire or Other Casualty and Condemnation.
  - a. In the event the Premises are made untenable by fire or other casualty, Landlord or Tenant may elect to terminate this Lease as of the date of the fire or other casualty by written notice to the other party within thirty (30) days after the date of the fire or other casualty. In any event, at its sole option, Landlord shall determine whether or not to restore such damage. If Landlord elects to restore, Landlord shall not be obligated to restore any improvements in the Premises that were not owned and constructed by Landlord.
  - b. If the whole or any substantial part of the Premises or the Building shall be taken or condemned or purchased under threat of condemnation by any governmental authority, then this Lease shall cease and terminate as of the date when the condemning authority takes possession of the Premises and Tenant shall have no claim against the condemning authority or Landlord for any portion of the amount that may be awarded as damages as a result of such taking or condemnation.

14. Condition of Premises. No agreements or representations have been made to Tenant regarding the condition of the Premises or the Building, its suitability for Tenant's intended use, or whether it is zoned properly for Tenant's intended use.
15. Return of Premises. Upon the termination of this Lease, Tenant shall immediately vacate and surrender the Premises, returning the same to Landlord in good condition, excepting ordinary wear and tear.
16. Default.
  - a. In the event Landlord fails to observe or perform any covenant, agreement, obligation, duty or provision of this Lease and such failure continues for ten (10) days after Tenant has notified Landlord by written notice of such failure, unless such failure cannot be remedied within ten (10) days, Tenant may, without prejudice to any other right or remedy Tenant may have at law or in equity, remedy the failure itself or immediately terminate this Lease by providing Landlord written notice as provided for herein.
  - b. In the event Tenant fails to observe or perform any covenant, agreement, obligation, duty or provision of this Lease and such failure continues for ten (10) days after Landlord has notified Tenant by written notice of such failure, unless such failure cannot be remedied within ten (10) days, Landlord may, without prejudice to any other right or remedy Landlord may have at law or in equity, remedy the failure itself or immediately terminate this Lease by providing Tenant written notice as provided for herein.
17. Interest. Any and all amounts payable to Landlord by Tenant under this Lease shall bear interest at an annual rate equal to three percent (3%) in excess of the prime rate of interest announced or published daily in the Money Rate section of the Wall Street Journal from the date any such amount is due and continuing until the same is paid to Landlord.
18. Assignment and Successors and Assigns.
  - a. The interest of Tenant under this Lease may not be assigned or transferred to any other individual or entity without Landlord's written approval. Landlord shall have the right at any time to transfer or assign its interest under this Lease.
  - b. This Lease shall be binding upon, and inure to the benefit of, the successors and assigns of Landlord. While this Lease shall likewise be binding upon the successors and permitted assigns of Tenant, it shall not inure to the benefit of Tenant's unpermitted assigns.
19. Notice. All notices required hereunder shall be in writing and shall be deemed properly served if delivered in person or if sent by registered or certified mail, with postage prepaid and return receipt requested, to the following addresses (or to such other addresses, as either party may subsequently designate in writing):

If to Landlord: Department of Real Estate  
Board of Education of the City of Chicago  
125 S. Clark Street, 16<sup>th</sup> Floor  
Chicago, Illinois 60603

and a copy to: Law Department  
Board of Education of the City of Chicago  
125 S. Clark Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: Rick Kamowski

If to Tenant: Eskenazi, Farrell & Fodor, P.C..  
125 S. Clark Street, 18<sup>th</sup> Floor  
Chicago, IL 60603  
Attn: \_\_\_\_\_

All notices required hereunder shall be deemed received on the date of delivery, or attempted delivery, if delivered in person, or if mailed, on the date which is two (2) days after the date such notice is deposited in the U.S. mail.

20. 105 ILCS 5/34 Provisions.

- a. This Lease is not legally binding on the Landlord if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board of Education members during the one-year period following expiration of other termination of their terms of office.
- b. Each party to this Lease hereby acknowledges that, in accordance with 105 ILCS 5/34-13. 1, the Inspector General of the Board of Education of the City of Chicago has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

21. Board of Education Ethics Code. The Board of Education Ethics Code (95-0927-RU3), adopted September 27, 1995, and as amended from time to time, is hereby incorporated into and made a part of this Lease as if fully set forth herein.

22. Board of Education Indebtedness Policy. Tenant agrees to comply with the Board of Education Indebtedness Policy (95-0726-EX3), adopted July 26, 1995, as amended June 26, 1996 (96-0626-PO3), and as amended from time to time which is hereby incorporated into and made a part of this Lease as if fully set forth herein.

23. Board of Education Approval. This Lease is contingent upon written approval from the Board

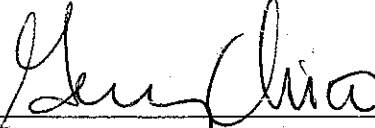
of Education of the City of Chicago.

24. Governing Law. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.
25. Entire Agreement. This Lease represents the entire agreement between Landlord and Tenant and supersedes all prior negotiations, representations or agreements, whether written or oral. This Lease may be amended or modified only by a written instrument executed by both Landlord and Tenant.
26. Severability. In case any provision in this Lease is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.
27. Hazardous Substances. As used in this Paragraph, "Hazardous Substances" shall be defined as any hazardous, toxic, or dangerous waste substance (including, but not limited to, petroleum derivative substances), or material defined as such in any state, federal or local environmental laws, regulations, decrees or ordinances or in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, or in any of the so called state or local "Super Fund," "Super Lien" or "Cleanup Lien" law or any other federal, state or local regulation, order or decree relating to or imposing liability or standards of conduct concerning any such substances or materials or any amendments or successor statutes thereto.  
  
Tenant represents and warrants that no Hazardous Substances will be stored on the Premises and that during Tenant's possession of the premises, no Hazardous Substances will be discharged by Tenant or anyone under its direction or control in, upon the Premises. Tenant agrees that such representations and warranties shall survive any termination of this Lease and Tenant agrees to indemnify and hold harmless the Landlord from any and all costs, expenses, claims and damages (including, but not limited to, consulting fees, contractor fees, lab fees, attorney's fees and any fines or costs stemming from any civil or criminal action) arising from Tenant's breach of any of the foregoing representations and warranties.
28. Exhibits. All exhibits attached hereto are hereby incorporated into this Lease by this reference and expressly made a part of this Lease.
29. No Third Party Beneficiary. This Lease is not intended and shall not be construed so as to grant, provide or confer any benefits, rights, privileges, claims, causes of action or remedies to any person or entity as a third party beneficiary under any statutes, laws, codes, ordinances or otherwise.
30. Real Estate Brokers. Landlord and Tenant each represent that they have dealt with (and only

with) Prime Realty Group (Tenant's Broker) and U.S. Equities, Realty, Inc. (Landlord's Broker) "collectively referred to as the Brokers," in connection with this Lease. No other broker either had any role in negotiating this Lease and no one else is entitled to any commission of finder's fee in connection herewith. Tenant agrees to indemnify, defend and hold Landlord harmless from and against all claims by or through Tenant made by any broker or finder other than the Brokers for a commission or fee in connection with this Lease, provided that Landlord has not in fact retained such a broker or finder. Landlord agrees to pay the brokerage commission of the Brokers in accordance with the terms and conditions of Landlord's agreement with Landlord's Broker and to indemnify, defend and hold Tenant harmless from and against all claims made by the Brokers and any other broker claiming rights by or through Landlord's engagement.

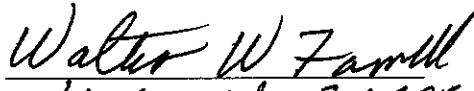
**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the day and year first above written.

**LANDLORD:**  
Board of Education of the City of Chicago

By:   
Gery Chico, President

Attest:   
Sharon Revello, Secretary

**TENANT:**  
Eskenazi, Farrell & Fodor, P.C.

By:   
Name: WALTER W. FARRELL  
Title: VICE PRESIDENT

Board Report Number: 00-0126-0P6

Approved as to legal form: 

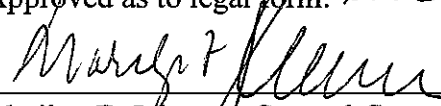
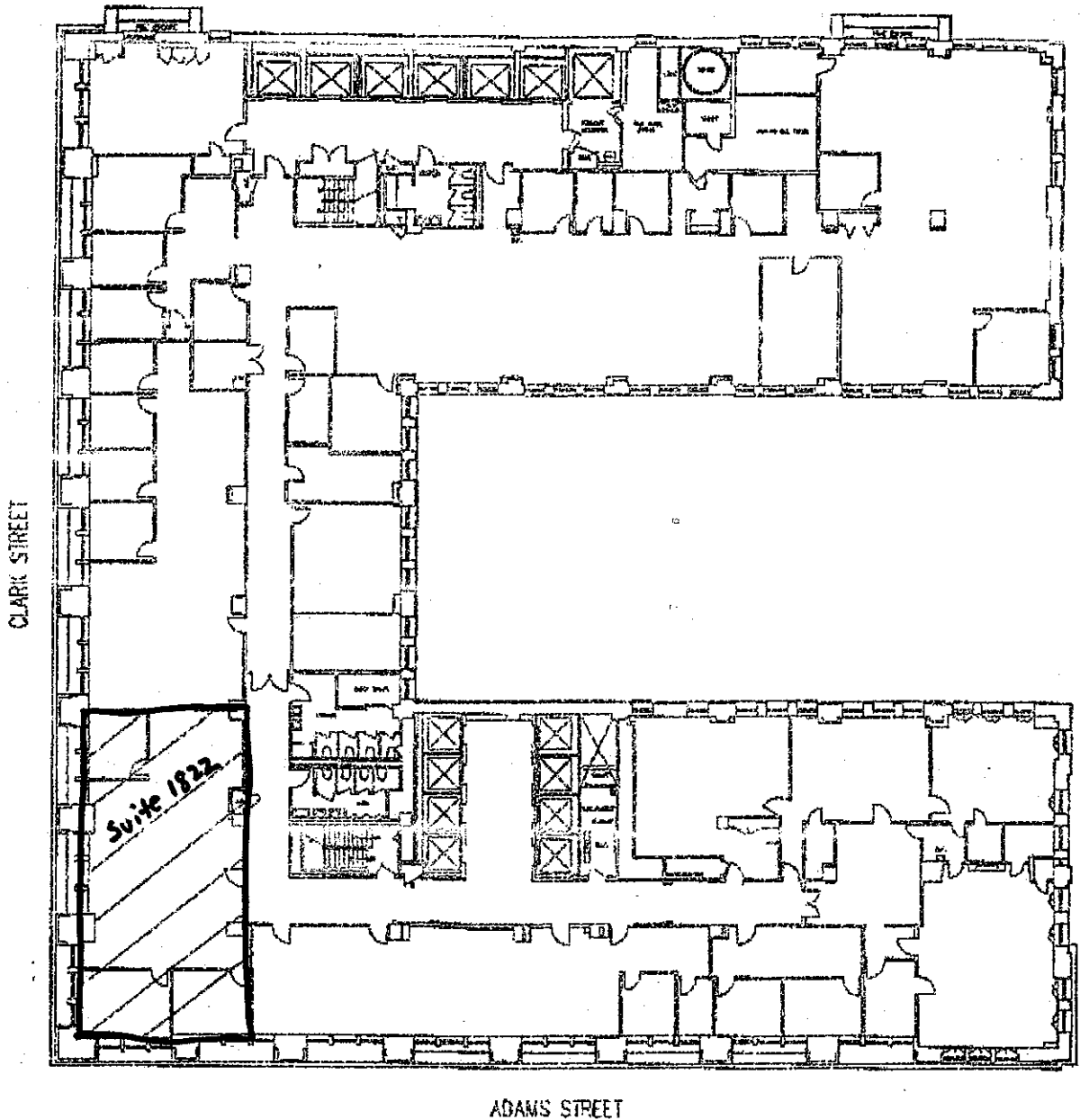
  
Marilyn F. Johnson, General Counsel



EXHIBIT A



○ 18TH FLOOR PLAN

0 4 8 16

NOTE: VERIFY DIMENSIONS/DATA SHOWN BEFORE USING FOR DESIGN OR CONSTRUCTION.



<p><b>OWP&amp;P</b></p> <p>111 West Washington St., Suite 2100 Chicago, Illinois 60606</p> <p>Telephone 312.332.9600 Facsimile 312.332.9601</p>	<p>O'Donnell Wicklund Hogart and Peterson Architects Incorporated</p>	<p>Project  CHICAGO PUBLIC SCHOOLS CENTRAL OFFICES 18TH FLOOR PLAN 125 SOUTH CLARK STREET CHICAGO, ILLINOIS</p>			<p>Sketch No.</p> <p style="font-size: 2em; text-align: center;">4 / 5</p>
		<p>Project No.</p> <p style="text-align: center;">9845.00</p>	<p>Date</p> <p style="text-align: center;">08/19/99</p>	<p>By</p>	

## EXHIBIT B

### Insurance

1. Workers Compensation Insurance in amounts not less than the statutory limits, and Employers' Liability Insurance with a limit not less than \$500,000 per employee per accident or disease.
  2. Commercial General Liability Insurance with limits not less than \$1,000,000 per occurrence for personal injury/property damage claims and an annual aggregate limit of \$1,000,000 for products/completed operations. This insurance shall also provide for the assumption of contractual liability.
- All liability insurance policies must cover the negligent acts or omissions to act of Tenant and Landlord.