

## **REAL ESTATE LEASE AGREEMENT**

1. **AGREEMENT:** This Real Estate Lease Agreement ("Lease"), is made by and between the College of Lake County, hereinafter referred to as "Lessor", and the Lake County Regional Office of Education, hereinafter referred to as "Lessee." Lessor and Lessee mutually agree to the terms and conditions set forth herein.
2. **LESSEE:** Lake County Regional Office of Education  
800 Lancer Lane, Suite E-128  
Grayslake, IL 60030  
Telephone No.: (847) 543-7833  
Fax: (847) 543-7832
3. **LESSOR:** Community College District No. 532  
College of Lake County  
Acting through its Board of Trustees  
19351 W. Washington  
Grayslake, Illinois 60030  
Telephone No.: (847) 543-2631  
Fax No.: (847) 223-1639
4. **LESSOR'S AGENT:** Nancy McNerney  
Title: Acting Vice President for Administrative Affairs  
19351 W. Washington  
Grayslake, Illinois 60030  
Telephone No.: (847) 543-2631  
Fax No.: (847) 543-1639
5. **LEASE PREMISES  
LOCATED AT:** 800 Lancer Lane, Suite E0128, in the Village of Grayslake, County of Lake, State of Illinois ("Premises").
6. **RENTED SQUARE  
FEET (RSF):** 4,140 square feet of office space within approximately 26,110 square foot premises.
7. **TERM:** The term of the Lease shall be four (4) years, from November 1, 2008 to October 31, 2012 ("Term"). In the event Lessee does not take occupancy on the first day of the Term due to Lessor's fault, or the unavailability of the Premises, then the beginning and ending dates of this Term shall be adjusted to reflect the actual date of Lessee's commencement of occupancy. In such event, the Term of this Lease shall be modified by mutual agreement of the parties, and the adjusted Term shall be memorialized in a separate short-form letter agreement binding upon the parties.

8. **EARLY TERMINATION:** Either party may terminate this Lease by giving sixty (60) days advance written notice to the Lessor at any time during the Term of the Lease.

9. **PAYMENT OF RENT:** Payment of rent ("Rent") by Lessee to Lessor for the period from November 1 to October 31 in each of the four years of the Term shall conform to the rates shown in the table below.

Year	Monthly Rent	Annual Rent
Year 1 October 31, 2008)	\$5,833.66	\$70,003.95 (November 1, 2008–
Year 2 October 31, 2010)	\$5,959.71	\$71,408.56 (November 1, 2009–
Year 3 October 31, 2011)	\$6,071.54	\$72,858.48 (November 1, 2010–
Year 4 October 31, 2012)	\$6,192.36	\$74,308.40 (November 1, 2011–
Total Term		\$288,579.39

10. **PARKING:** Lessor shall provide parking for the Lessee in the parking lot area adjacent to the Premises. Lessor shall provide for all snow and ice removal for Lessee's parking.

11. **UTILITIES AND CUSTODIAL SERVICES:** Electrical and Natural gas utilities shall be billed to Lessor, and Lessor in turn shall bill Lessee for 16% of the total utility bills ("Lessee's Utilities"). The percentage of Lessee's Utilities reflect the area of space occupied by Lessee. Original copies of the utility bills will be provided monthly with Lessee's utility bill.

Custodial services will be provided by Lessor to Lessee for the cost of \$2.47/RSF for Year 1, with a 2% annual increase for each remaining year of the Term.

12. **CARE AND MAINTENANCE:** Lessor shall tender the Premises to Lessee in compliance with all applicable building, fire, and life safety codes. In all other respects, Lessee accepts the Premises in "as-is" condition. Lessee shall provide and pay for all costs related to the routine upkeep and maintenance of all personal property within the Premises after occupancy.

13. **REAL ESTATE TAXES:** The Premises presently are exempt from general real estate taxes by reason of the exemption accorded public community college districts under Section 35 ILCS 200/15-135, Illinois Compiled Statutes. In the

event that any real estate taxes or leasehold taxes become due as a result of Lessee's or a sub-Lessee's occupancy of the Premises, whether charged to Lessor or Lessee, and whether received during or after the term of the Lease, then Lessee agrees to pay said real estate taxes promptly when due. Lessee further agrees to indemnify and hold Lessor harmless from any real estate or leasehold tax lawfully imposed with respect to the Premises by reason of the use of or activities conducted from the Premises by Lessee, or any sub-Lessee of Lessee, and Lessee agrees to indemnify Lessor from all costs and expenses in restoring Lessor's tax exemption.

14. ALCOHOL/TOBACCO:

In no event shall Lessee permit the sale, gift, or other distribution of alcoholic beverages in or upon the Premises without the prior written consent of Lessor. If the prior written consent of Lessor is obtained, Lessee shall be responsible for obtaining any necessary licenses, permits, or insurance for the sale, gift or other distribution of alcoholic beverages. In addition, pursuant to Illinois Public Act 095-0017 (410 ILCS 82-1, *et seq.*) the Premises is a public place and therefore is a smoke-free environment. Smoking is prohibited on the Premises without exception and is prohibited within fifteen (15) feet of all entrances and exits to the Premises.

15. HOLDOVER:

If after the expiration of the Lease, Lessee retains possession of the Premises, monthly HOLDOVER rent, paid in arrears will be \$16.73/RSF. In addition, if Lessee holds over or remains in possession of the Premises after expiration of the Term, such continuation beyond the Term and Lessor's collection or acceptance of fees and charges, shall not be construed as a renewal or extension of this Lease, but shall be construed as creating a tenancy from month-to-month and not for any other term. During such period which shall not exceed twelve (12) months, Lessee shall be bound by and shall comply with all the relevant terms and provisions of this Lease. Lessor may terminate the tenancy from month-to-month by giving Lessee thirty (30) days written notice.

16. DEFAULT BY LESSEE:

A. Default Of Rent. In the event LESSEE fails in its performance of its obligation to pay Rent to Lessor at any time after Rent is due pursuant to paragraph nine (9) hereof, then at Lessor's sole and exclusive election, Lessor may serve Lessee with a five (5) day written Notice of Default, Demand for Rent and Action for Possession, pursuant to 735 ILCS 5/9-209. In the event Lessee fails to make full payment of all Rent due within five (5) days of service of the Notice of Default, Demand for Rent and Action for Possession, Lessor may terminate this Lease and pursue against Lessee all remedies available at law and in equity, including but not limited to, all remedies in all sections of the Forcible Entry and Detainer Act, 735 ILCS 5/9-101, *et seq.*

B. Defaults Other Than Rent. If Lessee shall fail to perform, keep, or observe any of the terms, covenants, or conditions herein contained, other than the requirement of payment of Rent, Lessor shall

give written notice of Lessee's failure to comply with such terms, covenants, or conditions, specifying the nature of the failure. Upon receipt of such notice, Lessee shall promptly commence remedying its failure to perform and shall fully remedy its failure to perform within twenty-one (30) days. In the event Lessee does not commence remedying the failure within twenty-one (30) days of receipt of written notice, either by physically remedying such failure when appropriate, or by commencing proceedings against the successor or assign of Lessee whose conduct or omission constitutes such default, then Lessor may, at Lessor's expense, physically remedy such default, or may bring legal action against Lessee or its successor or assign for such default. All reasonable expenses incurred by Lessor in remedying such default shall be deemed additional Rent and shall be immediately due and payable by Lessee. Alternatively, Lessor may serve Lessee with a Notice to Quit pursuant to 735 ILCS 5/9-210 and 5/9-211. In the event Lessor serves Lessee with a Notice to Quit, Lessee shall quit the Premises within ten days of the date of the Notice to Quit. In the event Lessee fails to quit the Premises within ten days of receipt of the Notice to Quit, the provisions governing willfully holding over in 735 ILCS 5/9-202 shall apply.

**17. ACCESSIBILITY:**

Lessor acknowledges that compliance with the Environmental Barriers Act ("Act") and the Illinois Accessibility Code ("Code") is a continuing obligation of Lessor requiring any and all elements and space altered, improved, or newly constructed, to conform to the applicable technical standard described in the Act and Code. Lessor further acknowledges sole responsibility for the obligations of an owner under the Americans with Disabilities Act of 1990 and all relevant regulations thereunder.

**18. ENVIRONMENTAL ASSESSMENT:**

Lessor acknowledges that compliance with the National Emission Standard for Hazardous Air Pollutants promulgated by the United States Environmental Protection Agency pursuant to Section 112 of the Clean Air Act is a continuing obligation of the Lessor requiring any demolition or renovation activity completed to comply with the standards set forth in 40 CFR 61.145.

**19. PREVAILING WAGE:**

All improvements undertaken by, on behalf of, or for the benefit of Lessee, shall be performed at not less than the prevailing hourly wage rate as determined by the Illinois Department of Labor.

**20. QUIET ENJOYMENT:**

Lessor covenants that the Lessee shall peaceably and quietly have, hold, and enjoy the Premises for the Term without interruption by Lessor. Notwithstanding Lessee's exclusive use and control of the Premises, Lessor and agents, employees and independent contractors designated by Lessor, shall have the right to enter in or upon the Premises, at any reasonable time after notice to Lessee for the purpose of inspecting the same, provided however, that in entering upon the Premises for such purposes, Lessor shall not unreasonably interfere with Lessee's use of

the Premises.

21. TENANT  
IMPROVEMENTS AND  
INDEMNITY:

Lessee shall be allowed, at its sole expense, to make additional, non-structural modifications to the Premises. All work undertaken by Lessee shall be performed in accordance with applicable building codes. Should Lessee require improvements, fixtures or modifications which will require structural changes, Lessee shall obtain prior written approval from Lessor before any work is commenced. Lessor agrees to cooperate with Lessee concerning all modifications and will not unreasonably withhold approval. Failure of Lessee to obtain approval, as required, shall subject Lessee to liability for all damages to the Premises. Upon the expiration or termination of this Lease, title to all improvements constructed or added to the Premises by Lessee shall transfer to Lessor.

Each PARTY (Lessor and Lessee) agrees to indemnify, save harmless and defend the other PARTY from and against any and all liabilities, claims, penalties, forfeitures, suits and costs and expense incidental thereto which a PARTY may hereafter incur, become responsible for, or pay out as a result of death or bodily injuries to any person or as a result of destruction or damage to any property, caused solely by the negligent omission or non-willful misconduct of the other PARTY, its employees or agents in the performance of this Lease Agreement. In addition, Lessee agrees to pay, when due, all sums of money that may become due for any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment furnished or ordered for or by Lessee in, upon, or about the Premises. If secured by any mechanics' or other lien against the Premises or Lessor's interest therein, Lessee will cause each such lien to be fully discharged and released at the time of the performance of any obligation secured by any such lien that matures or becomes due, provided that Lessee, without expense to Lessor, may in good faith contest any mechanics' or other liens filed or established, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

22. UNTENANTABILITY:

If the Premises become untenable because of casualty or Lessor's act or neglect, Lessee may declare the Lease terminated and may vacate if the problem is not cured by the Lessor within a mutually determined reasonable time. Lessee may choose to remain in possession after terminating the Lease, until suitable substitute premises are available. Lessee will be entitled to a return of rental paid to Lessor beginning from the date the Premises becomes untenable.

23. INSURANCE:

Lessor is solely responsible for maintaining fire and other casualty insurance on the Premises in an amount sufficient to repair damage caused by fire or other casualty. Lessee agrees that such insurance will not cover Lessee's equipment, office furnishings, or employees' property. A copy of any of Lessor's insurance policies for the Premises shall be provided to Lessee upon request.

A. Lessee shall obtain and maintain continuously in effect at all times during this Lease, at Lessee sole expense, the following minimum insurance with a carrier or carriers licensed to do business in the State of Illinois and reasonably satisfactory to Lessor:

i. WORKERS COMPENSATION INSURANCE with employers liability coverage of not less than the amount required by the State of Illinois, but in no event less than five hundred thousand dollars (\$500,000.00).

ii. PROPERTY INSURANCE against loss or damage to the Premises and its improvements of not less than one hundred percent (100%) of the replacement value of the Premises, including builder's risk insurance for any improvements constructed upon the Premises during the term of this Lease, as well as an additional endorsement of not less than one hundred percent (100%) of the replacement value of the property located at 800 Lancer Lane, Grayslake, in which Lessee's Premises is located, naming Lessor as an additional insured. Upon request by the Lessor, the replacement value of the Premises shall be determined by a qualified appraiser, at the sole cost of Lessee, whose findings shall be submitted to Lessor and Lessee. Thereafter, Lessee shall obtain sufficient property insurance to meet the requirements herein.

iii. COMMERCIAL GENERAL LIABILITY INSURANCE, against claims for bodily injury, death, or property damage occurring on, in, or about the Premises with a minimum limit of two million dollars (\$2,000,000.00) combined single limit of liability for each occurrence, or in such amounts as may hereafter agreed upon between the parties.

B. All insurance requirements of paragraph 23(A) shall be primary policies and not be excess or contributing policies with other insurance which Lessee may carry. All policies shall provide liability coverage sufficient to include the liability assumed by Lessee in the indemnity and hold harmless provisions included elsewhere in this Lease.

C. Lessee's Commercial General Liability policy shall protect Lessor against any and all liability created by reason of Lessee's use of the Premises except for any liability created by reason of the gross negligence or willful misconduct of Lessor, or its officers, directors, employees, agents, representatives or independent contractors.

D. Lessee's insurance as required by this Lease shall not be cancelled or materially altered without thirty (30) days prior written notice to Lessor. Lessee shall furnish to Lessor, annually, Certificates of Insurance, evidencing that all of the requirements of paragraph 23 have been met.

E. The amount or amounts of all required policies shall not be

deemed a limitation of Lessee's agreement to indemnify and hold harmless Lessor, and in the event Lessee or Lessor shall become liable in an amount in excess of the amount or amounts of such policies as a consequence of Lessee's use of the Premises, then Lessee shall hold Lessor harmless from the whole thereof, except in the event of gross negligence or willful misconduct of Lessor.

24. **BINDING  
COVENANTS:**

All covenants and representations made in this Lease shall be binding upon, apply to, and be for the benefit of, any successor in interest to the parties. No provision of this Lease may be modified or additional requirements established without the express written approval of the Lessor and Lessee.

25. **EXAMINATION OF  
RECORDS:**

Lessor agrees to allow Lessee to examine all records pertaining to this Lease to verify compliance with this Lease and costs associated with this Lease.

26. **NOTICES:**

Notices to Lessor shall be mailed to the address shown on the first page of this Lease. All notices shall be effective upon depositing the same in the U.S. Mail.

27. **OWNERSHIP:**

Lessor covenants and warrants that record title to the Premises is held by the Lessor and that Lessor has lawful authority and the requisite site control to enter into this Lease.

28. **CHANGE OF  
OWNERSHIP OF  
BENEFICIAL  
INTEREST:**

Lessor shall notify Lessee in writing of any change in ownership of the Premises within thirty (30) days of the change in ownership. It is understood and agreed by the parties that any subsequent assigns, transferees, and other successors in interest to the Lessor shall be specifically subject to the provisions and requirements of this Lease.

29. **GOVERNING LAW  
AND JURISDICTION:**

Illinois law shall be used in interpreting this Lease and in determining the rights of the parties under its terms and conditions. Jurisdiction shall be in the Circuit Court of the 19<sup>th</sup> Judicial District in the State of Illinois as to any legal action or proceeding for litigation of rights or claims concerning this Lease.

30. **NON  
DISCRIMINATION:**

Lessor and Lessee shall each comply with all applicable provisions of the Illinois Human Rights Act, the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act of 1990, and the rules applicable to each. The State of Illinois, Department of Human Rights, Equal Employment Opportunity Act is incorporated herein by reference.

31. **ENTIRE AGREEMENT –  
WAIVER OF BREACH:**

This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease. No other agreement, statement, or promise made by any party, or to any employee, officer, or agent of any

party, which is not contained in this Lease, shall be binding or valid.

Either party's failure to take advantage of any defaults or breach of covenant on the part of the other party shall not be construed as a waiver thereof, nor shall it be construed so as to waive or to lessen the right of the such party to insist upon the performance by the other party of any term, covenant, or condition, or to exercise any rights given it on account of any such default. A waiver of any particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default.

32. TIME IS OF THE  
ESSENCE:

Time is of the essence of this Lease, and of each and every covenant, term, condition and provision hereof.

33. AUTHORITY TO  
EXECUTE:

Parties signing this Lease on behalf of the Lessor certify that they have authority to execute the Lease and to commit to all described covenants.

**IN WITNESS WHEREOF**, authorized representatives of the parties hereto have caused this Lease to be legally executed in duplicate on the dates set forth hereunder.

LESSOR

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

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

Title: \_\_\_\_\_

LESSEE

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

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

Title: \_\_\_\_\_