

## GROUND LEASE

This Ground Lease entered into by and between the County of Lake ("County" or "Lessor") and Nicasa, N.F.P. ("Nicasa" or "Lessee") this \_\_\_ day of \_\_\_\_\_, 2016, as follows:

**TERM:** The term of this Ground Lease shall be from 16 years from the date of execution, from \_\_\_\_\_ (effective date of this Ground Lease) to \_\_\_\_\_, unless terminated earlier as provided herein. After expiration of the initial sixteen (16) year term, this Ground Lease will be automatically renewed for successive two year terms unless either party in its absolute discretion, with or without cause, serves notice to the other party at least six months prior to the expiration of the current term that it does not intend to renew the lease for another term. If at any time the Bridge House building ceases to be operated as a community-based behavioral health facility or if its use as a community-based behavioral health facility no longer is allowed by local zoning or other ordinance, this Ground Lease shall automatically terminate upon 120 days' notice from the Lessor to the Lessee.

**RENT:** Rental payment shall be as stated in the Sale Agreement Sec 2 A & B between the County and NICASA entered into contemporaneously with this Ground Lease agreement.

### DESCRIPTION OF

**THE PREMISES:** The premises located at 3016 Grand Avenue, Waukegan, Illinois, 60085, inclusive of the grounds, buildings, and appurtenances and more particularly described as follows: Starting at a point on the West fence line 20' North of the North end of the garage, thence East to a North/South line drawn through the center of the fire hydrant, thence South 210', thence West to the fence; thence North to the point of beginning. In the event the garage is removed, the applicable reference point shall be the north end of the cement slab on which the garage was formerly situated, all as shown on the plat attached hereto as Exhibit A and incorporated by reference herein (the "Premises").

A. Lessee covenants and agrees:

1. To Continue Serving a Public Purpose: Lessee will use the premises only for the public purpose described above and will maintain its status as a not-for-profit corporation serving members of the public without discrimination on account of race, color, creed, religion, national origin or ancestry, age, marital status, sex or handicap.
2. To Provide Services as Rent: Lessee will provide services as rent in the

manner specified in the Sale Agreement Sec 2 A & B.

3. To Accept the Premises in its Current Condition: Lessee is familiar with the Premises and is satisfied with the current physical condition of the Premises. Lessee agrees to accept the Premises in its current condition.
4. To Pay Operating Expenses: Lessee will pay all charges connected with its operation of the Premises, including all license, permit and inspection fees, occupation and license, taxes, gas, oil, telephone and electric charges. Water and sewer will be prorated at \$3,832 a year. Each additional person is \$255 a year, increased by CPI each year beginning in 2018.

# of staff/residents	x365	x70 gallons	/1,000 gallons	*\$10
15	5475	383250	\$ 383.25	\$ 3,832.50

Estimated water usage 70 gallons per person/per day  
 Costs of water/sewer \$10 per 1,000 gallons

Lessee will cause all meters and accounts for gas, oil, telephone, electricity and other similar services (except water and sewer) to be maintained in Lessee's name.

5. To Comply With All Codes: Lessee will comply, at its own expense, with all state, county, and municipal codes, ordinances, rules and regulations concerning the Premises and Lessee's use of the Premises.
6. To Maintain and Repair: Lessee will, at its own expense, keep the Premises in such repair and cleanliness as the Premises are in at the commencement of the Term, or as improved by agreement during the term, reasonable wear and tear excepted. Lessee shall be responsible for all yard maintenance including lawn care and snow and ice removal on sidewalks within the leased Premises.
7. Not To Suffer Unlawful Use or to Endanger Insurance: Lessee will not make or allow any unlawful, improper, or offensive use or occupancy of the Premises, or which shall be injurious to any person or property, or which shall be liable to endanger or affect any insurance on the Premises or to increase the premium thereof.

8. Non-Assignment: Lessee may not assign this Ground Lease except to another not-for-profit 501(c)(3) tax exempt behavioral health organization and only then with prior written approval by the County, which shall not be unreasonably withheld. Prior to such assignment being effective the assignee must agree in writing to all of the terms and conditions of this Ground Lease and the Sale Agreement between the parties entered into the date of this Ground Lease. In the event of any such approved assignment, all other terms and conditions of this Ground Lease and the Sale Agreement and the Ground Lease shall remain in full force and effect.
  
11. Property and Persons on Premises at Lessee's Risk: All property of any kind that may be on the Premises during the continuance of this Lease shall be at the sole risk of the Lessee, and Lessor shall not be liable to Lessee or any other person for any injury, loss, or damage to property or for injury to any person, occurring on the Premises.
  
12. Assent Not Waiver of Future Beach of Covenants: No assent, express or implied, by the Lessor to any breach of any of the Lessee's covenants shall be deemed to be a waiver of any succeeding breach of the same covenant.
  
13. To Pay Costs of Collection: Should the Lessor be compelled to commence or sustain any action of any kind to collect the rent or costs of repairs or parts thereof, or to dispossess the Lessee or to recover possession of the Premises, the Lessee shall pay all costs, including attorney's fees and all costs fixed by the Court, in connection therewith.
  
14. To Maintain Insurance:
  - (a) Lessee shall maintain insurance with respect to the leased premises and its operations thereon for the duration of this Lease and any extensions thereof. The required insurance shall be issued by a company or companies qualified to do business in the State of Illinois.
  
  - (b) The insurance required to be maintained by Lessee shall be in the following types and amounts:
    - (i) Worker's Compensation Insurance providing limits of liability not less than those required by statute.
    - (ii) Commercial General Liability Insurance, in a broad form, to include coverage for the following where the exposure exists; Premises/Operations, Independent Contractors, Products/Completed Operations, Personal Injury, Property Damage, and Contractual Liability, with limits of liability not

less than:

\$1,000,000 per occurrence and \$2,000,000 in aggregate.

- (iv) Property Insurance for physical damage to the property of the Lessor, including improvements and betterments to the leased Premises, with limits of liability not less than the actual cash value of the property as determined by Lessor.
  - (v) In the event of partial destruction or damage of the Premises from other than natural causes, during the term thereof, such damage shall not terminate this Lease and Lessee shall continue to provide services as described in the Sale Agreement Sec 4 A. Lessee shall also be responsible for the cost of repairs to the extent the damage was caused by Lessee's activity on the Premises. In addition, Lessee shall be responsible for all repairs to Lessee's property as a result of damage by natural causes and/or by Lessee's activities.
- (c) Lessee agrees that, with respect to the above required insurance, the Lessor shall:
- (i) Be named as Additional Insured as its interest may appear;
  - (ii) Be provided with endorsements with respect to the insurance requirements set forth above to ensure the listing of the Lessor as an Additional Insured;
  - (iii) Be provided with thirty (30) calendar days advance notice) in writing, of cancellation or of any change;
  - (iii) Be provided with Certificates of Insurance evidencing the above required insurance, prior to the commencement of this Lease and thereafter with certificates evidencing renewals or replacements of the policies of insurance at least thirty (30) calendar days prior to the expiration or cancellation of any such policies. The Notices and Certificates of Insurance shall be provided to Lessor at the address listed above.
15. Lessee agrees to cooperate with the County to maintain the tax exempt status of Bridge House building and Premises, including but not limited to participating in any property tax hearing or proceeding and

providing any supporting documents needed by the County to establish the tax exempt status of the Bridge House building and Premises.

16. To Indemnify Lessor: Lessee agrees to fully indemnify, save and hold harmless Lessor from and against all liability, loss, cost, damage and expense sustained by Lessor, including attorney's fees and other expenses incidental to the investigation and other expenses of litigation, arising prior to the termination of the Lease ~~term~~ and delivery to Lessor of possession of the Premises:
- (a) Arising out of, or directly or indirectly due to, any accident or other occurrence causing injury to any person or property resulting from the use or occupancy of the Premises;
  - (b) Arising out of, or directly or indirectly due to, any maintenance, repair work or construction work done by the Lessee in or about the Premises;
  - (c) Arising out of, or directly or indirectly due to, any failure of the Lessee in any respect to promptly and faithfully satisfy its obligations under this Lease;
  - (d) On account of or through the use of the leased Premises or improvements by the Lessee in any way which is inconsistent with the provisions of this Lease or the rules and regulations adopted by the Lessor;

Further, the Lessee shall give the Lessor written notice within seven (7) calendar days of any such claims or actions. The Lessor shall have the right to investigate, compromise and defend the same to the extent of its own interest.

This provision is not intended to create any cause of action in favor of any person against the Lessee or to enlarge in any way the Lessee's liability. This provision is intended to provide for the indemnification of the Lessor from all liability, loss, cost, damages and expenses of any nature for damage to any person or property arising from the Lessee's use or occupancy of the Premises.

Additionally, Lessor does not control and is not liable for any condition underground beneath the Premises, and that part of the Bridge House building that lies underground.

17. Termination of Lease for Cause: This Lease shall terminate one hundred twenty

(120) days after Lessor has provided written notice to Lessee of Lessee's failure to comply with any term or condition of this Ground Lease or of the Sale Agreement, including but not limited to the Bridge House building being demolished or ceasing to be used as a community-based residence for men and women recovering from alcohol or other drug dependency. If Lessee has not cured the breach within one hundred twenty (120) days then this Ground Lease shall terminate, unless Lessee shall have corrected such failure to Lessor's satisfaction within the one hundred twenty (120) day period.

18. Termination of Lease without Cause: Nicasa may terminate this Ground Lease without cause at any time upon 120 days advance notice to the County. Any balance remaining on the payment provided for in the Sale Agreement shall continue to be paid for by Nicasa's providing the services therein described. Additionally, upon vacating the Premises, Nicasa may at its sole cost and expense remove the Bridge House building from the Premises, with no liability to the County. Alternatively, upon vacating the Premises Nicasa may abandon the Bridge House building back to the ownership of the County, provided that Nicasa shall remain liable for any reasonable costs and damages, including claims by third parties, arising prior to Nicasa's vacating of the Premises. Upon any such abandonment of the Bridge House building to the County, the County may in its sole discretion use the building for any use allowed the County by law or may alternatively demolish the building at the County's sole cost and expense.
19. Force Majeure: Neither Party shall be in breach of its obligations under this Agreement (other than payment obligations) or incur any liability to the other Party for any losses or damages of any nature whatsoever incurred or suffered by that other (otherwise than under any express indemnity in this Agreement) if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, a Force Majeure Event except to the extent that the relevant breach of its obligations would have occurred, or the relevant losses or damages would have arisen, even if the Force Majeure Event had not occurred. "Force Majeure" means the occurrence of other unforeseeable circumstances beyond the control of the Parties against which it would have been unreasonable for the affected party to take precautions and which the affected party cannot avoid even by using its best efforts.
20. Compliance with federal, state and local law: (a) It is understood by the parties that any permission or approval granted by the County under this Ground Lease to the lessee does not absolve Lessee from complying with all applicable federal, state and local law, including any applicable Lake County ordinances. Additionally, the County's actions as Lessor herein are not in its capacity as a regulatory agency and to the extent the Premises and/or Lessee

come within the regulatory jurisdiction of the County, Lessee shall comply with all County regulations and ordinances notwithstanding any approval or action of the County as Lessor herein; (b) Lessee may make changes to the Bridge House building, including by adding signage to the building or within the Premises so long as those changes comply with local codes and ordinances.

21. Quiet Enjoyment. Lessor covenants and agrees that Lessee shall be entitled to peaceably hold and enjoy the premises.
22. Lessor and Lessee agree that:
  - a. Time is of the essence in all provisions of this Lease.
  - b. Any notice, report, certificate or other communication required to be sent pursuant to this Lease shall be by registered letter addresses listed above.
  - c. All the agreements between the parties hereto in connection with this Lease are contained herein and this Lease may be modified only in writing through an amendment approved by the parties.
  - d. This Lease shall become effective upon its execution by Lessor through the Chairman of the Lake County Board, and by Lessee through an individual having authority to enter into contracts on its behalf and shall continue until terminated in accordance with the provisions contained herein above or until the expiration of the term of the Lease, whichever occurs first.
  - e. The undersigned individuals represent that they are fully authorized and empowered to execute this Lease on behalf of the respective parties.
23. Lessee shall pay one hundred percent (100%) of the real estate taxes assessed to the Property attributable to the Lessee's use of the premises. Lessee shall have the right to contest, in good faith, the validity or the amount of any tax or assessment levied against the Premises by any proceedings as may be appropriate, and may defer payment of such obligation, pay same under protest, or take such other steps as Lessee may deem appropriate. This right shall include the ability to institute any legal regulatory or informal action in the name of Lessor, Lessee, or both, with respect to the valuation of the Premises. Lessor shall cooperate in the institution and prosecution of any such proceedings and will execute any documents required therefore. The expense of any such proceedings shall be borne by Lessee and any refunds or rebates secured as a result of Lessee's action shall belong to Lessee. Lessor may alternatively at its option pay the disputed taxes pay the taxes under protest or take such other actions as it may deem appropriate to contest the taxes, in which case Lessee shall cooperate in the institution and prosecution of any such proceedings and will execute any documents required therefore; the

expense of any such proceedings shall be borne by the Lessor.

24. Upon the effective date of this Ground Lease, this Ground Lease shall supersede and replaces in its entirety the March 11, 2008 Lease between the parties

DATED at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this \_\_\_\_\_ day of  
\_\_\_\_\_, 2016.

LESSOR

LESSEE

COUNTY OF LAKE  
a unit of Local  
Government

Nicasa, N.F.P.  
a Not-for-Profit Corporation

\_\_\_\_\_

\_\_\_\_\_