

**MEETING REMINDER
MONDAY, MARCH 11, 2019**

**7:00 pm Committee Meeting
7:30 pm Regular Board Meeting**

Action Items

1. Approve Amended 2018 Budget
2. Approve Space and Naming Rights Agreement with Nova Care
3. Authorize Executive Director to Enter into Multi Year Contracts
4. Adopt Financial Certification Statement for Trails Grant Application

Updates

1. Amend 2019 Budget & Appropriation Ordinance
2. Tax Appeals

Action Items

Our Auditor discovered an error between the 2018 Budget & Appropriation Ordinance and the 2018 Budget that were both Board approved. There was an error in the worksheet to create the Budget & Appropriation Because we did not spend more than the amount in the Budget & Appropriation Ordinance, they suggested the 2018 Budget be amended to match the lower amount in the Ordinance.

Staff recommends approving the amended 2018 Budget.

For several months staff has been working with Nova Care Physical Therapy group to come to an agreement regarding their use of space on the first floor of the Community Center and the naming rights for the fitness center. Both sides have come to terms and the attached Lease/Naming Rights agreement has been reviewed by our attorney as well as their attorney.

Staff recommends approving a three year Lease/Naming Rights Agreement with Nova Care Physical Therapy.

According to our attorney, the Board can give the Executive Director the authority to enter multi year (three year maximum) contracts. This would alleviate the Board from approving license agreements, support contracts, etc. It would be best to set a dollar limit that the Board is comfortable with.

Staff recommends granting authority to the Executive Director to approve contracts/agreements up to three years, with the maximum annual amount per contract/agreement being \$1,500.

We are applying for a grant through the Illinois Department of Natural Resources to upgrade the paths at the Diamond Lake Sports Complex from a wood chip base to crushed limestone. Adoption of a Financial Certification Statement is required. The timeline on this project is very lengthy. We will not be notified if we are awarded the grant until 2020 and construction would begin in 2021 and be completed in 2022.

Staff recommends adopting the Financial Certification Statement and submitting a grant application for the Diamond Lake Sports Complex Trail Rehabilitation project.

Updates

The error that occurred in the 2018 Budget & Appropriation Ordinance carried over to the 2019 Budget & Appropriation Ordinance. State statute for amending the Budget & Appropriation Ordinance in the first six months of the fiscal year requires the new Ordinance be posted and available for public view for 30 days prior to holding a Budget Hearing and Board approval. This is the same process that we went through when the original Budget & Appropriation Ordinance was approved. The Amended 2019 Budget & Appropriation Ordinance was posted on the District's website March 8. A Budget Hearing will be scheduled for April 8 and the Board can take action at that meeting.

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As is typical this time of year, larger land owners in the District file tax appeals with the County. These are handled by the County Board of Review. The following is a list of those received recently: 906 East High Street, assessed at \$983,560 and requesting reduction to \$783,255; 3100 West IL Route 60, assessed at \$3,840,054 and requesting reduction to \$2,499,750, 3110 West IL Route 60, assessed at \$359,301 and requesting reduction to \$259,033.

MUNDELEIN PARK & RECREATION DISTRICT
REGULAR BOARD MEETING
Monday, March 11, 2019, 7:30 P.M.
AGENDA

Call To Order:

Pledge of Allegiance:

Roll Call: Dolan, Frasier, Knudson, McGrath, Ortega

Approval of Minutes: Committee Meeting February 28, 2019
Regular Meeting February 28, 2018

Approval of Disbursements: Warrant - 030519, 030619, 030819, 03119 = \$311,815.67

Correspondence:

Old Business: 1. Approve Amended 2018 Budget
2. Approve Space and Naming Rights Agreement with Nova Care

New Business: 1. Authorize Executive Director to Enter into Multi Year Contracts
2. Adopt Financial Certification Statement for Trails Grant Application

Board Business:

Executive Session: Personnel 5 ILCS 120/2 (c)(1);
Purchase or Lease of Real Estate 5 ILCS 120/2 (c)(5); Imminent or
Pending Litigation 5 ILCS 120/2 (c)(11)
Collective Bargaining or Salary Schedules 5 ILCS 120/2(c)(2)

Action on Items Discussed in Executive Session, if Necessary

Visitors:

Adjournment:

Rules for Public Comment:

- A. At the start of the period for public comment the board President or acting chairperson will advise the public:
 - 1. The amount of time permitted for public comment;
 - 2. That all speakers state their name and addresses before addressing the Board;
 - 3. To avoid repetitive comments, testimony and general questions; and
 - 4. To appoint only one person to speak on behalf of a group.
- B. Each person will be permitted to speak one time only, unless the President determines that allowing a speaker to address the Board again will contribute new testimony or evidence germane to an issue on the agenda for that meeting.
- C. Unless a representative spokesperson is appointed in the manner described in rule D, all comments from the public will be limited to no more than three (3) minutes per person.
- D. Groups may register a representative spokesperson by filing an appearance form no later than one (1) hour in advance of a meeting. The appearance form must designate (i) the number of people the designee represents for the purpose of making public comment; (ii) the subject matter of the public comments; and (iii) whether the subject being represented by a group spokesperson shall be deemed to have waived their opportunity to speak independently unless the President determines that allowing such a speaker to address the Board will contribute new testimony or evidence germane to an issue on the agenda for that meeting.
 - 1. A representative spokesperson who timely files a complete appearance form to speak on a matter germane to the agenda shall be permitted to speak for three (3) minutes for each person being represented, up to a maximum of fifteen (15) minutes.
 - 2. A representative spokesperson who timely files a complete appearance form to speak on a matter not germane to the agenda shall be permitted to speak for three (3) minutes for each person being represented, up to a maximum of nine (9) minutes.
- E. The Board shall not respond to questions posed during public comment. All questions shall be recorded by the Board Secretary and a response shall be presented either during the next regular Board meeting or in writing before such meeting.
- F. All comments must be civil in nature Any person who engages in threatening, slanderous or disorderly behavior when addressing the Board shall be deemed out-of-order by the presiding officer and his or her time to address the Board at said meeting shall end.

Approved 4/14/2014 Board Meeting

Mundelein Park & Recreation District
Committee of the Whole
February 25, 2019

The Committee of the Whole meeting of the Board of Park Commissioners of the Mundelein Park and Recreation District was called to order at 7:00 pm by President DOLAN.

Present were Commissioners DOLAN, FRASIER, KNUDSON, McGRATH and ORTEGA. Staff present included Executive Director RESNICK, Golf Operations Manager BROLLEY, Golf Course Superintendent DORUFF, Superintendent of Buildings & Grounds SOLBERG, Superintendent of Recreation LaPORTE, and Superintendent of Business Services & Technology McINERNEY.

Executive Director RESNICK updated the Board on the staff training and the progress on the development of a Vision Statement and Values. President DOLAN asked that the Board receive a copy of the first draft.

The Board reviewed the Fourth Quarter Financial Report. Commissioner ORTEGA asked about the threshold and was told lines that vary by 10% and \$1,000 are reported on. He asked if there would be a large increase in lines reported if that was changed to 10% or \$1,000 and was told it would increase greatly. President DOLAN said he feels the reporting to the Board should be about things of significance or key drivers and what steps are being taken to achieve these goals. Commissioner McGRATH said he likes the format and finds it helpful.

Staff shared the Binder of Documentation with the Board. Commissioner ORTEGA asked about the changes to the EAV and Tax Rate. Executive Director RESNICK said the most current figure is provided by the County as an estimate in November and a final figure is given in March or April. If this varies from the one in the report, it is updated in next year's report. Commissioner ORTEGA asked about success rates and the lower athletic league rates. He was told staff plans to address this with the addition of an Athletic Coordinator to focus on leagues and programs.

Executive Director RESNICK updated the Board on the Village's concept of the Diamond Lake area in their Comprehensive Long Range Plan. The Village is holding a public meeting to review this on March 19th and Park District staff will attend.

The offer of a reduction in impact fees for the Carriage Crossing was countered by the developer. The Park District's offer was to reduce the impact fee to \$189,240 or 46% and the developer has requested it be lowered to \$45,000. The Board felt this was not acceptable.

The Committee Meeting & Budget Hearing adjourned at 7:30 pm.

Secretary

**MUNDELEIN PARK AND RECREATION DISTRICT BOARD OF
PARK COMMISSIONERS, MUNDELEIN, LAKE COUNTY, ILLINOIS
HELD MONDAY, FEBRUARY 25, 2019 AT 7:30 P.M. AT THE
MUNDELEIN COMMUNITY CENTER ADMINISTRATION OFFICES,
1401 NORTH MIDLOTHIAN ROAD, MUNDELEIN, ILLINOIS**

The regular scheduled meeting of the Board of Park Commissioners of the Mundelein Park and Recreation District, Mundelein, Lake County, Illinois, was called to order at 7:40 p.m. by President DOLAN and he asked the assemblage to rise and recite the Pledge of Allegiance.

He then directed the secretary to call the roll. Commissioners DOLAN, FRASIER, McGRATH and ORTEGA were present. Staff present included Executive Director RESNICK, Golf Operations Manager BROLLEY, Golf Course Superintendent DORUFF, Superintendent of Buildings & Grounds SOLBERG, Superintendent of Recreation LaPORTE, and Superintendent of Business Services & Technology McINERNEY.

Commissioner ORTEGA moved to approve the minutes of the Committee Meeting and Regular Meeting February 11, 2019, second by Commissioner McGRATH. President DOLAN repeated the motion and asked if there were any corrections or additions and none were made. A voice vote was taken with all voting yes.

Commissioner FRASIER moved to approve Warrants 020519, 002219 and 022519 in the amount of \$231,612.75 second by Commissioner ORTEGA. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners FRASIER, ORTEGA, McGRATH and DOLAN voting yes.

Commissioner McGRATH moved to place the January Financials on file, second by Commissioner ORTEGA. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners McGRATH, ORTEGA, FRASIER, and DOLAN voting yes.

Commissioner FRASIER moved to place the January Police Report on file, second by Commissioner ORTEGA. President DOLAN repeated the motion and asked if there were any questions. Commissioner FRASIER asked why the police report included mention of a bus at Lincoln School. Staff did not have an answer. A roll call vote was taken with Commissioners FRASIER, ORTEGA, McGRATH and DOLAN voting yes

President DOLAN stated at the last meeting the Board authorized the Director to enter into a contract the supply of electricity and the Board need to approve this contract. Commissioner McGRATH moved to approve a one year contract with Constellation for supplying electricity to District facilities, second by Commissioner ORTEGA. President DOLAN repeated the motion and asked if there were any questions and none were raised.

A roll call vote was taken with Commissioners McGRATH, ORTEGA, FRASIER and DOLAN voting yes.

Staff has determined there is no longer a need for the 2002 Chevrolet Cavalier. Commissioner ORTEGA moved to declare the 2002 Chevrolet Cavalier as surplus property available for sale through auction or sealed bid, second by Commissioner FRASIER. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners ORTEGA, FRASIER, McGRATH and DOLAN voting yes.

A new switch was purchased for monitoring the District's computer network and the license is for three years, requiring Board approval. Commissioner McGRATH moved to approve a three year support contract with Cisco for the Meracki Enterprise license/support, second by Commissioner ORTEGA. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners McGRATH, ORTEGA, FRASIER and DOLAN voting yes.

Executive Director RESNICK informed the Board of an educational opportunity that has come up that was not included in the 2019 Budget and the approved travel expense. She is requesting to attend the Agents of Change Symposium in Tampa in April. Commissioner FRASIER moved to approve travel and education expenses of \$1,000 for the Executive Director to attend the Agents of Change Symposium in April, second by Commissioner McGRATH. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners FRASIER, McGRATH, ORTEGA and DOLAN voting yes.

The District was awarded a grant through IPRA and Playcore for the purchase of playground equipment and will not be going out to bid. Commissioner ORTEGA moved to approve Resolution 19-02-02 Purchasing Playground Equipment without competitive bid, second by Commissioner McGRATH. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners ORTEGA, McGRATH, FRASIER and DOLAN voting yes.

The addition of a part time Athletics Coordinator is included in the 2019 budget and a job description was presented for Board approval. Commissioner McGRATH moved to approve the Athletics Coordinator job description, second by Commissioner FRASIER. President DOLAN repeated the motion and asked if there were any questions and none were raised. A roll call vote was taken with Commissioners McGRATH, FRASIER, ORTEGA and DOLAN voting yes.

Board Business

SRACLC Executive Director John Buckner gave the annual report presentation to the Board. He highlighted information such as Mundelein had the highest number of participants of the seven communities and the second highest number of inclusion requests. He said the work on the Sensory Room at Washington School was moving along and they were very excited to offer this unique feature to participants. President DOLAN thanked him for the information and asked if there was anything the District could do to help SRACLC. Mr. Buckner said staff from both agencies were working very well together.

Staff Reports

Golf

President DOLAN commented on the activity at the clubhouse with the golf simulator. Golf Operations Manager BROLLEY said it was a good way to keep golf at the top of everyone's mind during the winter and has resulted in several equipment orders. Commissioner McGRATH asked if the deeper frost line was good for the golf course. Golf Course Superintendent DORUFF said it will help kill bugs.

Parks

Commissioner McGRATH asked why the Village of Mundelein was no longer selling salt to the Park District. Superintendent of Buildings & Grounds said since they started the season with a smaller amount, they were trying to purchase less. Commissioner ORTEGA asked if the pricing from Fremont Township was comparable. Superintendent of Buildings & Grounds SOLBERG said it was slightly lower. Commissioner McGRATH congratulated staff on the additional training they had taken.

Recreation

Commissioner FRASIER congratulated staff on the performance of the dance program. President DOLAN asked if the District had options for gymnastics since the vendor was closing their business. Superintendent of Recreation LAPORTE said staff was reaching out to other gymnastics facilities. Commissioner McGRATH congratulated staff on the strong enrollment for the Enchanted Princess. Commissioner FRASIER commented on the strong performance of early bird Barefoot Bay pass sales. Superintendent of Recreation LAPORTE said with a warm summer last year, people see the value of a season pass over purchasing multiple daily passes.

Business Services

President DOLAN asked how the audit was going. Superintendent of Business Services & Technology McINERNEY said it seemed to be moving along well. Commissioner ORTEGA asked if the District has a policy regarding disruptive participants and was told there is such a policy.

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President DOLAN announced service anniversaries: Rick Hanzel, 12 years; Tracie Ouimet, 3 years; and Sarah Bannon, 1 year.

There being no further business, Commissioner ORTEGA moved to adjourn at 8:07 p.m. second by Commissioner McGRATH. The motion was unanimously approved.

Secretary

User: mresnick

Post Dates: 01/01/2018 to 12/31/2018

DB: Mundelein Park D

GL Number	JNL CODE	POST DATE	REF#	DESCRIPTION	CHANGE TO BUDGET INCREASE (DECREASE)
20-20.200-5111	BA	01/01/2018	2759	SALARIES	(59,500.00)
20-20.200-5119	BA	01/01/2018	2759	WAGES PART TIME	(13,150.00)
20-20.200-5342	BA	01/01/2018	2759	BANK-CREDIT CARD FEES	(2,000.00)
20-20.201-5340	BA	01/01/2018	2759	OPERATING EXPENSES	(500.00)
20-20.204-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(300.00)
20-20.204-5217	BA	01/01/2018	2759	WATER-SEWER	(120.00)
20-20.204-5218	BA	01/01/2018	2759	ELECTRIC	(110.00)
20-20.204-5219	BA	01/01/2018	2759	NATURAL GAS	(75.00)
20-20.204-5310	BA	01/01/2018	2759	OPERATING SUPPLIES	(830.00)
20-20.204-5324	BA	01/01/2018	2759	Postage	(50.00)
20-20.204-5325	BA	01/01/2018	2759	ALARM SERVICE	(291.00)
20-20.204-5328	BA	01/01/2018	2759	Internet	(1,000.00)
20-20.204-5365	BA	01/01/2018	2759	Equip Rental-Lease	(1,000.00)
20-20.204-5370	BA	01/01/2018	2759	BUILDING MAINTENANCE	(175.00)
20-20.205-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(12,000.00)
20-20.323-5312	BA	01/01/2018	2759	PROGRAM SUPPLIES	(500.00)
20-20.572-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(700.00)
20-21.206-5210	BA	01/01/2018	2759	PROFESSIONAL SERVICES	(4,900.00)
20-24.282-5111	BA	01/01/2018	2759	SALARIES	(2,000.00)
20-24.282-5119	BA	01/01/2018	2759	WAGES PART TIME	(10,000.00)
20-24.282-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(13,500.00)
20-24.282-5226	BA	01/01/2018	2759	FOOD SERVICE	(3,000.00)
20-24.282-5309	BA	01/01/2018	2759	FOOD AND SNACKS	(2,000.00)
20-24.282-5316	BA	01/01/2018	2759	CUSTODIAL SUPPLIES	(1,000.00)
20-25.300-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(16,600.00)
20-25.300-5342	BA	01/01/2018	2759	BANK-CREDIT CARD FEES	(4,000.00)
20-25.325-5119	BA	01/01/2018	2759	WAGES PART TIME	(4,000.00)
20-25.325-5330	BA	01/01/2018	2759	CONTINUING EDUCATION/TRAINING	(500.00)
20-25.326-5119	BA	01/01/2018	2759	WAGES PART TIME	(2,000.00)
20-26.420-5345	BA	01/01/2018	2759	UNIFORMS/PPE	(500.00)
20-26.420-5360	BA	01/01/2018	2759	EQUIPMENT MT-SUPPLIES	(2,000.00)
20-26.420-5365	BA	01/01/2018	2759	EQUIP RENTAL-LEASE	(500.00)
20-26.420-5370	BA	01/01/2018	2759	BUILDING MAINTENANCE	(2,000.00)
20-26.430-5125	BA	01/01/2018	2759	WAGES SEASONAL	(1,000.00)
20-26.430-5322	BA	01/01/2018	2759	ADS - PROMOTIONS	(500.00)
20-26.430-5348	BA	01/01/2018	2759	CHEMS-FERTILIZERS	(250.00)
20-26.430-5360	BA	01/01/2018	2759	EQUIPMENT MT-SUPPLIES	(500.00)
20-26.440-5322	BA	01/01/2018	2759	ADS - PROMOTIONS	(1,000.00)
20-27.244-5210	BA	01/01/2018	2759	PROFESSIONAL SERVICES	(1,250.00)
20-27.244-5218	BA	01/01/2018	2759	ELECTRIC	(2,220.00)
20-27.244-5219	BA	01/01/2018	2759	NATURAL GAS	(700.00)
20-27.270-5215	BA	01/01/2018	2759	CUSTODIAL SERVICES	(13,300.00)
20-27.270-5309	BA	01/01/2018	2759	FOOD AND SNACKS	(1,500.00)
20-27.270-5323	BA	01/01/2018	2759	PRINTING	(500.00)

COMMERCIAL LEASE & MARKETING AGREEMENT

LEASE SUMMARY:

LESSOR: MUNDELEIN PARK & RECREATION DISTRICT
1401 N. Midlothian Road, Mundelein, Illinois 60060

LESSEE: RCI (WRS), Inc. dba NovaCare Rehabilitation
4714 Gettysburg Road, Mechanicsburg, PA 17055

PROPERTY: 1401 N. Midlothian Road, Mundelein, Illinois 60060

PREMISES: 936 square feet of office space located on first floor of the aforementioned property commonly known as the Activity Room, as more specifically depicted in Exhibit A.

DATE: _____, 2019

TERMS OF LEASE: Upon completion of construction and issuance of a Certificate of Occupancy for sixty (60) months.

RENT: \$50,000 per year, paid in semi-annual installments on January 1 and July 1

ADDITIONAL RENT: See Section 3.3

SECURITY DEPOSIT: \$0.00

RENT DUE DATE: January 1 and July 1, each year during the term
IDENTIFICATION OF
OWNER/AGENT Margaret Resnick, Executive Director
Mundelein Park District
AUTHORIZED TO
ACCEPT SERVICE/ 1401 N. Midlothian Road
RECEIPT OF NOTICE Mundelein, Illinois 60031

This commercial lease (Lease) is made and entered into as of _____ (the Effective Date), by and between MUNDELEIN PARK AND RECREATION DISTRICT (Lessor or "Park District") and RCI (WRS), INC. dba NovaCare Rehabilitation (Lessee or "Nova Care").

1. PREMISES.

In consideration of the mutual promises, covenants, and conditions herein set forth, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the premises (Leased Premises) (which are deemed to contain approximately 936 square feet of Floor Area which are located in the building commonly known as 1401 N. Midlothian Road, Mundelein, Illinois 60060 (Building), and which Leased Premises are approximately shown by crosshatching on Exhibit A hereto. The portion of the Leased Premises to be leased by Lessee subject to these Lease terms is situated in an area commonly known as the Activity Room on 1st floor of the Mundelein Community Center.

Lessor expressly reserves (a) the use of the exterior rear and side walls and roof of the Leased Premises and the exclusive use of any space between the ceiling of the Leased Premises and the floor above or the roof of the Building(s), and (b) the right to install, maintain, use, repair, service and replace the mechanical systems in the premises. Repair and replacement to and for the mechanical systems shall be at the sole cost and expense of the Lessor unless damage or repairs/replacements are caused by the misfeasance or malfeasance of the Lessee in which case Lessee shall solely be responsible for said expenses.

2. TERM.

2.1 Term. The Term of this Lease shall be for the period of five (5) years commencing on the date Lessee's construction is complete and a certificate of occupancy is issued and terminating on the last day of the last month of the Term (the "Lease Term" or "Term").

2.1.1 Lessor agrees to deliver and Lessee agrees to accept from Lessor possession of the Premises on the Effective Date.

2.1.2 For purposes of this Lease, Lessor shall deliver the Leased Premises in an AS-IS, WHERE-IS condition, with all faults. The foregoing shall not however relieve Landlord of its maintenance obligations contained in the Lease.

2.1.3 Notwithstanding the Effective Date occurring after the date hereof, (a) this Lease shall be a binding contractual obligation effective upon the execution and delivery hereof by Lessor and Lessee, and (b) as of the first date following such full execution and delivery that Lessee enters the Leased Premises for any purpose whatsoever, all of the terms and provisions of this Lease (except as excluded by this Lease) shall apply with respect thereto.

2.1.4 Lessor grants to Lessee an option (the "Option") to extend the Lease term for up to two additional periods (each a "Renewal Term") of three (3) years each on the same terms and conditions as this Agreement, except as hereafter set forth. The Option can be exercised only by Lessee delivering written notice of exercise to Lessor at least one hundred twenty (120) calendar days before the expiration of the Lease term. The fee for each Renewal Term shall be Fifty Five Thousand Dollars (\$550,000) per year.

2.1.5 Notwithstanding anything to the contrary, Lessee shall have the option and right to terminate this Lease Agreement prior to the expiration of the original term or renewal term, if any, such termination to be effective at any time after the completion of forty two (42) months from the original Commencement Date of the Lease. Lessee shall exercise such option by giving written notice thereof to the Lessor no less than one hundred twenty (120) days prior to the effective date of the termination, identifying the planned termination date.

2.1.6 Lessee shall not be required or obligated to open for business during certain days of the week or to conduct business during certain times of the day. Lessee shall have the right and option to terminate its operations in the Leased Premises and vacate same provided that such termination shall not relieve Lessee from its obligations to make payments under the Agreement or otherwise relieve Lessee from any other terms or conditions of the Lease. In the event Lessee vacates or abandons the Leased Premises, or ceases to conduct licensed physical therapy and related uses, for sixty consecutive days during any part of the Term or a Renewal Term. Lessor shall have the right to repossess and occupy the Leases Premises for Lessor's own park and recreational purposes.

3. RENT.

3.1 Rental Payment. Lessee shall pay to Lessor the Rent described in the Lease Summary in advance in semi-annual installments on or before the first day of January 1 and July 1 of each year of the Lease Term from and after the Effective Date. All Rent shall be payable without demand, deduction, or offset to Lessor at the address stated in the Lease Summary, or to such other persons or at such other places as Lessor may designate in writing.

3.2 Security Deposit. N/A

3.3 COMMON AREA EXPENSES, TAXES, AND INSURANCE. Lessor and Lessee agree that Lessee shall pay "Additional Rent" in addition to the Rent for Lessee's share of Lessor's Real Property Taxes and assessments. Lessor and Lessee agree that all Real Property Taxes attributable to Lessee's leasehold interest shall be paid in full by Lessee no later than ten (10) business days before such taxes are delinquent, provided that Lessee's aggregate liability for Real Property Taxes for each tax year shall not exceed One Thousand Five Hundred Dollars (\$1,500.00).

4. MARKETING OBLIGATIONS.

4.1 Building Name; Sponsorship.

4.1.1 The Building shall be named "NovaCare Fitness Center, a Mundelein Park & Recreation District facility." Such name shall be the sole name attached to the Building during the Term. The Park District and NovaCare shall use the full name whenever either party refers to the fitness center by name.

4.1.2 The Lessor represents and warrants to Lessee that the Lessor shall not enter into a similar agreement with any other party designating such party as the "Named Facility Sponsor", the "Main Facility Sponsor", the "Official Sponsor of the Facility" or similar means of reference involving the facility. Nevertheless, the Lessor may enter into other sponsorship agreements, advertising agreements or signage agreements that do not violate the requirements and prohibitions of this paragraph or this Agreement (including, but not limited to, 4.1.3 below).

4.1.3 In addition to the foregoing, the Lessor agrees that no other sponsorship agreement or advertising in or on the fitness center facility or sponsorship of or any other advertising sold by the Park District shall promote any other Physical Therapy Center (as defined below) without the prior written consent of Lessee.

Nothing in this Agreement shall limit the right of the Lessor to sell, or the right of any party (including other physical therapists) to purchase, tickets for any Park District events held at the Building or the rights to be identified during such events by public announcements. In addition, nothing herein shall prohibit the purchase or sale of the right to use any other area by any party (including other physical therapy providers) so long as the privilege of using such facilities is on a temporary use basis using only public displays and signage. Such parties may not place a permanent identification sign on or near any office, room or activity site if such business is in the physical therapy industry.

The Lessor and Lessee do hereby acknowledge that third parties may occupy all or part of the facility from time to time who may express opinions on various subject matter which may be contrary to the principles, beliefs and opinions of Lessee. Therefore, in the event a third party leases, licenses or otherwise obtains the right to use or occupy space within the Building, Park District agrees that it will incorporate into such lease, license or other occupancy document the following language:

Park District has a Naming Rights Agreement with RCI (WRS), INC. dba NovaCare Rehabilitation for its facility commonly referred to as NovaCare Fitness Center, a Mundelein Park & Recreation District facility. You agree, by signing the rental or use Agreement with Park District, for the use of such Park District facility, to inform your audience, verbal and/or with written communication, that any viewpoints, philosophies, or positions presented by you or your representatives, are strictly your own and in no way reflect the views, philosophies or positions of RCI (WRS), INC. dba NovaCare Rehabilitation, its sponsors, or its members of the staff. This notice is not intended to restrict in any way any person's free expression of beliefs which may be espoused by you or your organization consistent with Park District's general requirements and other rules and regulations promulgated by Park District from time to time.

The term "physical therapy center", "physical therapy provider" and/or physical therapy industry shall mean any person or entity engaged in the business of providing out-patient physical therapy and occupational therapy services, including physical therapy, occupational therapy, hand therapy, aquatic therapy, working condition, industrial rehabilitation, functional capacity assessment and sports performance enhancement services relating thereto.

The term "NovaCare" as used in the Agreement shall have the same meaning as the word "physical therapy center".

The parties acknowledge that the Building is owned by the Mundelein Park & Recreation District. The Park District shall at all times during the term of this Agreement be entitled to affix its name to the Building and Premises so long as such placement does not diminish the visual effect of the area of the Premises where NovaCare's name is affixed thereto.

4.1.4 In the event of a change in ownership or name of Lessee, Lessee may change the name of the facility with the prior approval of the Park District, which approval shall not be unreasonably withheld. In such event, the facility mark, the facility logo and the main facility name, as such items are defined in this Agreement, shall be modified accordingly. Lessee, or its successor, as the case may be, shall be responsible for the cost associated with a facility name change.

4.2 Facility Mark and Facility Logo. At no expense to the Lessor, Lessee with the collaboration of the Lessor shall design and produce one or more marks consisting of the words "NovaCare Fitness Center", a Mundelein Park & Recreation District facility, or such other name and logo as mutually agreed by the parties. Lessee represents to the Lessor that it intends to incorporate with its name its present logo currently in use at the Lessee's facility at { _____ }, Illinois. A copy of the NovaCare logo is attached hereto as Exhibit "B" and made a part hereof. Neither the facility mark nor the facility logo may be changed without the written consent of the Lessor which consent shall not be unreasonably withheld. The Lessor shall incorporate the facility mark and/or facility logo in printed materials produced and distributed by it including printed advertisements, press releases, direct mail pieces, and the Lessor's web site related to the fitness center.

The Lessor reserves all rights in and to the facility mark and the likeness of the facility except as may be otherwise specifically set forth in the Agreement. The facility logo utilizing the present logo of NovaCare when used separate and apart from the facility mark shall remain the exclusive property of Lessee. The Park District hereby grants to Lessee a royalty free, non-transferable, non-exclusive worldwide license to use the facility mark and facility logo for its purposes during the term of this Agreement.

4.3 Signage. The marquee and monument identification entry sign on Midlothian Road and the north lobby wall shall contain the name "NovaCare Fitness Center", a Mundelein Park & Recreation District facility. Such building mark shall be set forth on the sign and wall as set forth on the rendering which is attached hereto as Exhibit "C" and as hereinafter agreed to by the Park District's Executive Director, and Lessee. The Park District shall be responsible for all costs and expenses associated with the design, production, installation and maintenance of the main entry signs and any directional signage.

4.4 Cross Marketing. NovaCare and park District shall cooperate in good faith regarding the inclusion of marketing materials of the other in their respective public relations and marketing programs.

4.5 Lectures and Seminars. During the term of this Agreement, NovaCare shall have the privilege of conducting seminars and lectures pertaining to various general healthcare topics which have been agreed upon in advance with the Park District. The time, date and place of such seminars within the Building shall be mutually agreed to by the Park District and NovaCare. Such topics as injury prevention, senior strength and general sports condition and preventive care medical topics may be advertised by NovaCare in its brochures at NovaCare's expense. In the event NovaCare conducts a seminar on a topic which has not been agreed upon in advance by Park District, Park District shall deem such act to be a material breach of this Agreement.

4.6 Permitted Use of Intellectual Property.

4.6.1 NovaCare Intellectual Property. NovaCare's trademarks, emblems, names, logos, designs, art work and other symbols and devices associated with NovaCare products and services ("NovaCare Intellectual Properties") are and shall remain property of NovaCare, whether or not registered under trademark or copyright law. NovaCare hereby grants to the Park District a

royalty free worldwide license for the Term, to use NovaCare Intellectual Properties, but only for the purpose of advertising and promoting the Building or Premises and events therein; provided NovaCare shall have the right to approve all such uses, exercised reasonably, in writing, in advance of publication or distribution. In the event the Park District wishes to incorporate Nova Care Intellectual Properties into written materials or signs, the Park District shall submit its proposed use of NovaCare Intellectual Properties to NovaCare in writing. NovaCare shall use reasonable efforts to review and provide a final response within five (5) business days of receipt. Approval of such uses shall be deemed to have been given if a written objection thereto is not provided with said five (5) day period. The Park District shall use NovaCare Intellectual Properties in accordance with policies that NovaCare may promulgate from time to time or as may be otherwise approved by NovaCare. The right to use NovaCare Intellectual Properties is non-exclusive, non-assignable and non-transferable. The Park District shall affix NovaCare's trademark or other proper notice of NovaCare's mark on Park District material which displays NovaCare Intellectual Properties.

4.6.2 Park District Intellectual Property. Park District trademarks, service marks, emblems, designs, names, logos, art work and other symbols and devices associated with the Park District, including, but not limited to the building mark and building logo ("Park District Intellectual Properties") are and shall remain the property of the Park District, whether or not registered under trademark or copyright laws. In addition the Park District reserves all rights in and to the likeness of the Building. The Park District hereby grants to NovaCare a royalty free, non-transferable, non-exclusive worldwide license to use the building mark and building logo for its purposes during the Term, but only for the purpose of advertising and promoting the Building or Premises and events therein; provided Park District shall have the right to approve all such uses, exercised reasonably, in writing, in advance of publication or distribution. In the event NovaCare wishes to incorporate Park District Intellectual Properties into written materials or signs, Nova Care shall submit its proposed use of Park District Intellectual Properties to Park District in writing. Park District shall use reasonable efforts to review and provide a final response within five (5) business days of receipt. Approval of such uses shall be deemed to have been given if a written objection thereto is not provided with said five (5) day period. NovaCare shall affix the Park District's trademark or other proper notice of the Park District's mark on NovaCare materials which display Park District's Intellectual Property.

4.7 Right of First Refusal. If the Park District receives an offer for naming rights to commence upon the expiration of the Term from a third party prior to the expiration of Term, said offer shall be communicated by the Park District to NovaCare within fifteen (15) business days. Within fifteen (15) business days thereafter, NovaCare shall notify the Park District if it intends to exercise its right of first refusal and enter into an extension under terms no less than the third party's offer. In the event Nova Care's right of first refusal expires without exercise, the Park District shall have the right to enter into an agreement for naming rights upon the expiration of the Term including any renewal periods.

4.8 The parties acknowledge that the premises are publicly owned and subject to certain federal and state prohibitions regarding the establishment and free exercise of religion. As such the Park District may, at no cost to the Park District, prohibit the display and require the removal of items and symbols that the Park District reasonably determines may subject the Park District to liability or require the Park District to engage in litigation. Religious symbols may not be placed or affixed to the premises, nor may any religious material be disseminated therein. It is the intention of NovaCare to only disseminate information pertaining directly to issues of wellness and disease management and no religious proselytizing shall be permitted in, on or about the Premises by any employee or volunteer of NovaCare. Furthermore, the Park

District may, at no cost to the Park District, prohibit the display and require the removal of items and symbols that the Park District reasonably determines to be obscene or libelous.

5. COMMON AREA.

5.1 Common Area. "Common Area" is defined as all areas and facilities within the Building not appropriated to the exclusive occupancy of Lessees, and facilities, utilities, or equipment outside the Building which serve the Building, including, but not limited to, all vehicle parking spaces or areas, roads, traffic lanes, driveways, sidewalks, pedestrian walkways, landscaped areas, signs, service delivery facilities, common storage areas, common utility facilities, and all other areas for nonexclusive use in the Building that may from time to time exist. Common Areas shall include the roofs and exterior walls (other than storefronts) of premises in the Building, all shared utility systems to the point of entry to any individual leased premises, and all utility systems that are exterior to the Building other than (a) heating, ventilating, and cooling system components or elements that serve individual leased premises; and (b) sewer laterals to the point of junction with a common sewer line, which shall be the responsibility of individual Lessees whose premises are served by such lateral.

5.2 Common Area Maintenance. The term "Common Area Maintenance" shall include, without limitation, all amounts paid by Lessor for the maintenance, repair, replacement, operation, and management of the Common Area and the Building, including insurance covering the Common Area and the Building and shall include, without limitation, the costs of gardening; landscaping; security; alarm systems; signage; property management; painting; lighting and other utilities (including, but not limited to electricity, gas, water, and telephone); cleaning, snow and ice removal; Common Area trash removal; Lessee's trash removal (if contracted by the Building); any contracts for services or supplies to be provided in connection with the maintenance, management, and operation, of such Common Area; third-party management fees; any lien or encumbrance levied against the Common Area and discharged by Lessor; accounting and legal fees; and any other cost of operation of the improvements on the Common Area including all assessments, charges, association fees, and the like levied or assessed pursuant to any declaration of covenants, conditions, and restrictions, reciprocal easement agreement, or comparable document encumbering all or any portion of the Building; depreciation and replacement of equipment; and the costs of public liability and all-risk property damage insurance covering the Building (including earthquake and flood insurance, if purchased by Lessor). Notwithstanding the foregoing, Lessor shall, at its sole expense, maintain the building structure, roof, common areas and parking lot during the term of the Lease, including any extension thereto.

5.3 Control of the Common Area. Lessor shall have exclusive control of the Common Area and may exclude any person from use thereof except bona fide customers and service suppliers of Lessee. Lessee acknowledges that Lessor may change the shape, size, location, number, and extent of the improvements to any portion of the Building without Lessee's consent. Lessee and its agents, employees, sublessees, assignees, contractors, and invitees shall observe faithfully and comply with the rules and regulations for the Building delivered by the Lessor from time to time. Lessee agrees to keep the Common Area free and clear of any obstructions created or permitted by Lessee or resulting from Lessee's operation and to use the Common Area only for normal activities: parking, ingress, and egress by Lessee and its employees, agents, representatives, licensees, and invitees to and from the Leased Premises and Building. If unauthorized persons are using the Building by reason of the presence of Lessee in the Building, Lessee, upon demand of Lessor, shall correct such situation by appropriate action and proceedings against all such unauthorized persons. Nothing herein shall affect the rights of Lessor at any time to remove any such unauthorized persons from said areas or to prevent the use of said areas by such unauthorized persons.

6. TAXES. The term "Real Property Taxes" shall include, without limitation, any general or special assessment tax, commercial rental tax, in lieu tax, levy, charge, or similar imposition imposed by any authority, including any government or any school, agricultural, lighting, fire protection, police protection, street, sidewalk and road maintenance, refuse removal, sewer, storm drain, or recycled water facilities, or governmental services previously provided without charge (or for a lesser charge) to property owners and occupants, or other improvement or special assessment district or any agency or public body, as against any legal or equitable interest of Lessor in the Leased Premises and/or the Building, together with the reasonable costs of professional consultants and/or counsel to analyze tax bills and prosecute any protests, refunds, and appeals for the period covered during the Lease Term.

7. INSURANCE; INDEMNITY; SUBROGATION.

7.1 General. All insurance policies required to be carried by Lessee under this Lease shall (a) be written by companies rated A-/VIII or better in the most recent edition of BEST'S INSURANCE REPORTS and authorized to do business in the state in which the Building is located and (b) name Lessor and any parties designated by Lessor as additional insureds. Any deductible amounts greater than \$10,000 under any insurance policies required hereunder shall be subject to Lessor's prior written approval, which shall not be unreasonably withheld. Lessee shall deliver to Lessor certified copies of its insurance policies, or an original certificate evidencing that such coverage is in effect, on the Effective Date and thereafter at least five (5) business days before the expiration dates of expiring policies. Coverage shall not be canceled or materially reduced (and the certificate of insurance furnished by Lessee shall verify same), except after Lessee gives five (5) business days' prior written notice to Lessor's property administrator. Lessee's coverage shall be primary insurance with respect to Lessor and its property administrator, and the officers, directors, and employees of both of them. Any insurance or self-insurance maintained by Lessor and/or its property administrator shall be in excess of, and not contributing with, Lessee's insurance. Coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to any aggregate limit applicable to the insuring party's policy.

7.2 Lessee's Liability Insurance. Lessee shall keep in force during the term of this Lease a policy of commercial general liability insurance insuring against any liability arising out of Lessee's use, occupancy, or maintenance of the Premises and the acts, omissions, and negligence of Lessee, its agents, employees, contractors, and invitees in and about the Leased Premises and the Building. As of the Effective Date, such insurance shall provide coverage for and shall be in the amount of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury and property damage. Lessor shall have the right to increase the amount of insurance required hereunder to reflect changing market conditions or industry standards. Lessee shall also obtain and keep in force a policy or policies naming Lessor as an additional insured. Lessee shall be permitted to maintain the coverages herein subject to a self-insured retention.

7.3 Lessee's Other Insurance. Lessee shall maintain special form property coverage, with sprinkler leakage, vandalism, and malicious mischief endorsements on all of Lessee's fixtures, including Lessee improvements and betterments, equipment, and personal property on the Premises, in an amount not less than 100 percent of their full guaranteed replacement value, the proceeds of which shall, as long as the Lease is in effect, be used for the repair or replacement of the property so insured. Lessee shall maintain workers' compensation insurance in accordance with the laws of the State of Illinois in which the Premises are located and employer's liability insurance with a limit of not less than \$500,000.00 each accident and \$500,000 each disease. In the event that Lessee uses vehicles, owned and non-owned, in any way to carry out business on or about the Building, Lessee shall maintain automotive liability insurance with a limit of not less than \$1,000,000.00 combined single limit for bodily injury and property damage.

7.4 Lessor's Insurance. Lessor shall keep and maintain, in full force and effect, a policy of fire insurance in an amount not less than one hundred (100%) percent of the full replacement value of the Leased Premises and the Building as such value may exist from time to time, including foundations, footings, and excavations. The term "Lessor's Insurance" shall mean any and all insurance maintained by Lessor, including fire insurance and extended coverage or all-risk, public liability, and any other policy that may be carried by Lessor (including earthquake and flood insurance, if purchased by Lessor) insuring the Building, or portions thereof.

7.5 Indemnification and Waiver by Lessee. To the fullest extent permitted by law, Lessee agrees (and Lessee shall cause its contractors and subcontractors to agree) that neither Lessor, nor Lessor's officials, officers, employees, agents, representatives, attorneys and contractors, and each of their successors and assigns (each, "Lessor Party" and collectively "Lessor Parties") shall be liable for any injury to or death of persons or damage to property of Lessee (or its contractors and subcontractors) or any other person from the date of this Lease and fully releases the Lessor Parties from any and all such claims except for those resulting from the negligence or intentional acts of Lessor or Lessor Parties. Lessee shall defend, indemnify, and hold Lessor and the Lessor Parties harmless against and from any and all claims, liabilities, losses, damages, suits, costs, and expenses of any kind or nature including without limitation reasonable attorneys' fees (Claims) arising from or relating to (a) Lessee's use of the Leased Premises or the Common Areas, or (b) any acts, omissions, negligence, or default of Lessee or Lessee's agents, employees, members, partners, officers, directors, contractors, and invitees (each, "Lessee Party" and collectively "Lessee Parties). The terms of the indemnification by Lessee set forth in this Section 7.5 shall survive the expiration or earlier termination of this Lease.

7.6 Reservation of Immunity. The Park District specifically reserves any immunity it may enjoy under the law. Further, the Park District shall have the right to terminate this Agreement in the event any law, statute, or ordinance, rule or regulation, or case law declares or holds that the naming of a public building for a for-profit organization is unlawful. In such event, the Park District shall remit to NovaCare any payments which have been made by NovaCare to Park District for the year in which this Agreement is terminated.

8. USE.

8.1 Use Defined and Exclusivity. The Premises shall be used for licensed physical therapy purposes and related uses only and for no other purpose or use. Lessee shall operate its business at the Premises in a first-class manner and shall not operate its business in a manner or for such a use as would be inconsistent with first-class commercial service facilities. Lessee shall not conduct any sidewalk sale, auction, distress sale, or going-out-of-business sale on the Premises without the prior written consent of Lessor. Lessee shall use the Premises in such a way as not to create a nuisance or cause the cancellation of any insurance policy covering the Premises. Lessee shall keep the Premises and any service delivery facilities allocated for the use of Lessee clean and free from rubbish and dirt at all times and shall store all trash and garbage within the Premises or in designated refuse areas. The failure by Lessee to maintain the Premises pursuant to this Article 8 shall be considered a default under this Lease, and Lessor shall have the right to exercise any and all rights and remedies provided herein or by law. So long as Lessee is not in default of the Lease Agreement beyond any applicable cure periods, Lessor shall grant Lessee the exclusive right to perform physical therapy, occupational therapy, hand therapy and orthotics in the Building (which shall include the Project and/or Center) in which the Premises is located during the entire term of the Lease Agreement, including any Renewal Terms. Further, Lessor shall not permit the performance of chiropractic care or services by any other Lessee, or assignee/subtenant/licensee of any

Lessee, in the Building or Center in which the Premises are located. In the event Lessor has contractual discretion to deny any current Lessee's request for approval of a change of permitted use, or a sublease or assignment, which would permit a use in conflict with Lessee's Exclusive, then Lessor agrees to exercise its discretion to deny such request. Notwithstanding anything to the contrary herein, nothing herein shall be construed to prohibit Lessor from permitting or inviting other providers of chiropractic care or services to participate in Park District activities so long as they are not practicing such care or service during Park District activities.

8.2 Conditions of Record. Lessor's title is subject to (a) the effect of any covenants, conditions, restrictions, easements, development agreements, mortgages or deeds of trust, ground leases, rights of way, and any other matters or documents of record now or hereafter recorded against Lessor's title, (b) the effects of any zoning laws of the city, county, and state where the Building is situated; and (c) general and special taxes and assessments not delinquent. Lessee agrees that it will conform to and will not violate said matters of record and that this Lease is and shall be subordinate to said matters of record and any amendments or modifications thereto.

8.3 Prohibited Uses. The Premises shall not be used for any use that is inconsistent with the operation of a first-class office building. Without limiting the generality of the foregoing, the following uses shall not be suffered, permitted or performed, in the Premises: (a) any use that emits an obnoxious odor, noise, or sound that can be heard or smelled outside the Premises; (b) use as a storage warehouse operation (including but not limited to a self-storage facility) and any assembling, manufacturing, distilling, drilling, refining, smelting, agricultural, mining, or other industrial operation; (c) any secondhand store or surplus store, flea market, swap meet, or similar operation primarily selling used goods (d) any dumping, disposing, incineration, or reduction of garbage (exclusive of garbage compactors located near the rear of the Premises, if any, and any recycling facility required by applicable law, code, regulation, requirement, or ordinance in connection with an otherwise permitted use); (e) any fire sale, bankruptcy sale (unless pursuant to a court order), or auction house operation; (f) any central laundry, dry-cleaning plant, or laundromat; (g) any residential use (h) any veterinary hospital or animal raising or boarding facilities; (i) any establishment selling or exhibiting pornographic materials or drug-related paraphernalia (including any so called "headshop") or that exhibits live, or by other means to any degree, nude or partially clothed dancers or wait staff, and/or any nude massage parlors or similar establishments; (j) any bar, tavern, restaurant, or other establishment; (k) any training or educational facility, including but not limited to beauty schools, barber colleges, library or reading rooms, places of instruction, or other operations catering primarily to students or trainees rather than to customers; or (l) any of the prohibited uses or exclusive uses set forth in leases of future Lessees of the Building (provided that such prohibited uses and exclusive uses shall not prohibit Lessee from engaging in the Permitted Use).

8.4 Prohibited Uses of Building Systems. Lessee shall not use any Building system in excess of its capacity or in any other manner that may damage such system or the Building. Machinery and mechanical equipment shall be maintained by Lessee in settings sufficient in Lessor's reasonable judgment to absorb and prevent vibration, noise, and annoyance.

9. MAINTENANCE, REPAIRS, ALTERATIONS.

9.1 Lessee's Obligations. Subject to Lessor's obligations as expressly set forth in this Lease, Lessee shall keep at all times the Leased Premises in good order and repair, including without limitation the storefront, all doors, and plate glass. All mechanical systems, including, but not limited to, all plumbing, electrical, and lighting facilities and equipment within the Premises or exclusively serving the Premises shall be repaired or replaced at the Lessee's sole expense. Lessee shall keep and maintain the Premises in

accordance with the requirements of applicable laws concerning the manner, usage, and condition of the Premises and appurtenances to the Premises, as the same shall be in effect from time to time. Lessee shall also be responsible for the repair of any and all damage to the Leased Premises and/or Building caused by any act of Lessee or its employees, agents, or contractors and for any repairs necessitated by alterations, additions, or improvements made by or on behalf of Lessee. If Lessee fails to perform any of its obligations, Lessor may, at its option, after ten (10) business days' written notice to Lessee, enter the Premises and put the same in good order and repair, and the cost of Lessor's work shall become due and payable as additional Rent by Lessee to Lessor. Lessor shall maintain the HVAC equipment serving the Premises. Notwithstanding any provision of this Lease to the contrary, neither Lessee nor any sublessee, licensee, contractor, customer, agent, employee, or representative of Lessee shall penetrate the walls or roof of the Premises for any purpose at any time without Lessor's prior written consent, which may be withheld in Lessor's sole and absolute discretion, and then only in strict conformance with any conditions of such consent (including, without limitation, the use of such of contractors as Lessor shall require), as Lessor shall impose.

9.2 Lessor's Obligations.

9.2.1 General Maintenance. Subject to the foregoing, Lessor, at its sole expense, shall keep and maintain in good condition and repair (or replace, if necessary) all aspects of the Building including but not limited to the roof, parking lot, exterior walls, structural parts, structural floor of the Premises, fire protection services, heating, ventilation and air conditioning (HVAC) and pipes and conduits outside the Premises for the furnishing to the Building of various utilities (except to the extent that the same are the obligation of the appropriate public utility company); provided, however, that notwithstanding anything to the contrary set forth hereinabove, Lessee shall be responsible for the maintenance and repair of the Premises as set forth in Section 9.1 above. Notwithstanding anything to the contrary contained in this Lease, Lessor shall not be liable to Lessee for failure to make repairs as herein specifically required of Lessor, unless Lessee has previously notified Lessor in writing of the need for such repairs and Lessor has failed to commence and complete said repairs within the time periods set forth in Section 13.3 below, and in such event, Lessor's sole liability for such failure shall be limited to the cost of the repairs.

9.2.1 Tenant Build Out. Landlord shall construct or cause to be constructed, at Tenant's expense, the tenant premise improvements more specifically described in the plans attached hereto as Exhibit D ("Tenant Improvements"). Notwithstanding anything herein to the contrary, Rent shall not commence until Landlord delivers possession of the Premises to Lessee following substantial completion of the Tenant Improvements. Landlord shall pay for all costs of the Tenant Improvements and submit an invoice to Tenant for all costs and expenses related thereto, payment for which shall be due within ten (10) business days from receipt of the invoice. Any change orders related to the Tenant Improvements shall require the advance written consent of Tenant. Any payments due hereunder which are not paid on time shall be considered delinquent and shall be subject to the charges and interest described in Section 19 below.

9.3 Surrender. Upon the expiration or termination of this Lease, Lessee shall surrender the Premises to Lessor in good and broom-clean condition, with all of Lessee's trade fixtures, signs, and personalty removed, excepting ordinary wear and tear and damage that is caused by fire or other casualty that Lessor is obligated to repair. Lessee shall not be required to remove Lessee-installed improvements..

9.4 Alterations. Lessee shall not make any structural repairs or alterations of the Premises. Lessee shall not make any nonstructural repairs or modifications of the Premises costing in excess of \$ 5,000.00 in the aggregate without Lessor's prior written consent. In addition, Lessee shall not make any repair or

alteration that affects the storefront of the Leased Premises, the electrical, HVAC, or other utility or mechanical systems serving the Leased Premises, or the exterior walls or roof of the Premises (including roof penetrations), nor shall Lessee erect any mezzanine or increase the size of same, if one shall be initially constructed, without the prior written consent of Lessor. Upon the prior written approval of Lessor, Lessee shall have the right during the Term to make interior alterations, changes, and improvements in the Premises (except structural, electrical, mechanical, or roof alterations, changes, and improvements) that are necessary for the conduct of Lessee's business and for full beneficial use of the Premises, provided Lessee shall (a) pay all costs and expenses; (b) make the alterations, changes, and improvements in a good and workmanlike manner, with new materials of first-class quality, and in accordance with Lessor's specifications with respect thereto and otherwise in accordance with applicable Laws; (c) provide Lessor reasonable assurances, prior to beginning the alterations, changes, and improvements, that payment for the same shall be timely made by Lessee; (d) obtain and maintain during construction the proper insurance coverages commonly required therefor; and (e) cooperate and coordinate the work to be constructed with Lessor and pursuant to the governing rules and regulations of the Building to minimize interference with the entire Premises operation and the use thereof by the other Lessees.

10. UTILITIES.

10.1 Obligation To Pay. Lessor shall pay for all water, gas, electricity, and other utilities used by Lessee during the Lease Term.

10.2 Lessor's Responsibility. Lessor shall not be liable for, and Lessee shall not be entitled to, any damages, abatement, or reduction in Rent by reason of any interruption or failure in the supply of utilities. Lessee agrees that it shall not install any equipment that exceeds or overloads the capacity of the utility facilities serving the Leased Premises or Building, and that if equipment installed by Lessee requires additional utility facilities, installation of the same shall be at Lessee's expense, but only after Lessor's written approval of same. Lessor shall be entitled to cooperate with the energy and water conservation efforts of governmental agencies or utility suppliers. No failure, stoppage, or interruption of any utility or service shall be construed as an eviction of Lessee, nor shall it relieve Lessee from any obligation to perform any covenant or agreement under this Lease. In the event of any failure, stoppage, or interruption of utilities or services, Lessor shall use its reasonable efforts to attempt to restore all services promptly. Lessor represents that the HVAC system, all mechanical, electrical, plumbing systems, and doors are in proper operating condition. Lessor further represents that the roof is without leaks and the Leased Premises and Building are in sound condition. Lessor reserves the right from time to time to make reasonable and nondiscriminatory modifications to the utility systems serving the Building.

11. MECHANICS LIENS. Lessee shall keep the Leased Premises and the Building free and clear of all encumbrances, mechanics liens, stop notices, demands, and claims arising from work done by or for Lessee or for persons claiming under Lessee, and Lessee shall indemnify and save Lessor free and harmless from and against any Claims arising from or relating to the same. If Lessee fails to remove, insure over, bond over, or satisfy any such encumbrance, mechanics lien, stop notice, or claim in connection with work performed by or on behalf of Lessee within five (5) business days after written notice by Lessor, Lessor shall have the right (but not the obligation), in addition to any other rights or remedies of Lessor, to use whatever means in its discretion it may deem appropriate to cause said encumbrance, claim, stop notice, or lien to be rescinded, discharged, compromised, dismissed, or removed, including, without limitation, posting a bond. Any such sums paid by Lessor, including attorneys' fees and bond premiums, shall be immediately due and payable to Lessor by Lessee. Lessee shall immediately give Lessor notice of any encumbrance, claim, demand, stop notice, or lien made or

filed against the Leased Premises or the Building and/or any action affecting title to the Leased Premises or Building.

12. ASSIGNMENT AND SUBLETTING.

12.1 Lessor's Right of Consent. Lessee shall not transfer, assign, sublet, enter into any franchise, license, or concession agreements, pledge, or hypothecate all or any part of this Lease, Lessee's interest in the Leased Premises (collectively "Transfer") without first obtaining Lessor's written consent, which shall not be unreasonably withheld. Should Lessee desire to make a Transfer hereunder, Lessee shall give Lessor fifteen (15) business days' prior written notice thereof (Lessee's Notice), which shall (a) state that the Lessee intends to Transfer the Lease as of a specific date (Transfer Date); (b) identify the proposed transferee; (c) set forth all material terms and conditions of the proposed Transfer; (d) provide a description of the proposed use of the Leased Premises by the proposed transferee, including any required or desired alterations or improvements of the Leased Premises that may be undertaken by such transferee in order to facilitate its proposed use; (e) be accompanied by certified financial statements of the proposed transferee or such other documentation or information relating to the financial strength and creditworthiness of the proposed transferee; (f) be accompanied by similar information for any guarantor or other person who will be liable in any manner for the payment of any amounts under the Lease; and (g) be accompanied by any other information, documentation, or evidence that may be reasonably requested and accepted by Lessor. Lessor will exercise its reasonable consent in conjunction with Lessor's evaluation of the contents of the Lessee's Notice, and Lessor's reasonable disapproval thereof shall constitute reasonable grounds for disapproval of the Transfer. Any Transfer other than as permitted in this Section 12.1 shall be null and void. Notwithstanding the above, acceptance of any payment of rent and other charges by Lessor from any party other than Lessee named herein shall not be deemed a consent to a Transfer or a waiver of any of Lessor's rights in connection with any proposed Transfer hereunder.

12.2 Permitted Transfers. Notwithstanding anything to the contrary in this Article 12, Lessee shall have the right, with Lessor's consent, which consent shall not be unreasonably withheld, to assign the Lease to any parent, affiliate, or subsidiary corporation of Lessee or its parent company, provided that within ten (10) business days after the effective date of any such transfer the Transferee executes and delivers to Lessor an instrument containing an express assumption of all of Lessee's obligations under this Lease, such Transferee continues to operate the Premises as required under this Lease, and such Transferee has a net worth sufficient to operate the business and perform its obligations under this Lease.

12.3 No Release of Lessee. Should Lessee make a Transfer as permitted in this Article 12.2 herein, Lessee shall nevertheless remain primarily liable to Lessor for full payment of the Rent and other charges and full performance of Lessee's other obligations under this Lease. No consent by Lessor to any modification or amendment of this Lease, or extension, waiver, or modification of payment or performance of any obligation under this Lease shall affect the continuing liability of Lessee for its obligations and liabilities hereunder, and Lessee waives any defense arising out of or based thereon. With respect to any Transfer permitted in Article 12.2, such Transfer shall not be valid or effective unless and until Lessee delivers to Lessor a copy of a written agreement in form and substance satisfactory to Lessor pursuant to which, in the case of an assignment, the assignee assumes all of the obligations and liabilities of the Lessee under this Lease, and, in the case of any other Transfer, the transferee agrees that such Transfer shall be subject to all of the covenants, terms, and conditions of this Lease. Lessor may proceed directly against Lessee without first exhausting any remedies for default that Lessor may have against the assignee, sublessee, or transferee of Lessee. Lessor and Lessee stipulate and agree that this Article 12.4 shall not be applicable to any transfer pursuant to Article 12.1 herein.

13. DEFAULTS, REMEDIES.

13.1 Lessee's Default. Lessee shall be in default in the event of any of the following: (a) if Lessee fails to make any payment of Rent or any other sum or amount payable hereunder and such failure shall continue for ten (10) calendar days after written notice by Lessor; (b) if Lessee fails to perform any other non-monetary obligation to be performed by Lessee hereunder and such failure shall continue for thirty (30) days after written notice by Lessor; provided, however, if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) calendar day period, then Lessee shall not be deemed to be in default if it shall commence such cure within such thirty (30) calendar day period and thereafter rectify and cure such default with due diligence; (c) if Lessee files a petition or institutes any proceedings under the Bankruptcy Code or is the subject of an involuntary petition; (d) if any guarantor of Lessee's obligations hereunder under any guaranty of this Lease is in default; or (e) if Lessee is in monetary default three (3) times in any twelve (12) month period. Any notice given by Lessor pursuant to clauses (a) or (b) of this Section 13.1 shall be in lieu of, and not in addition to, any notice required under the forcible entry and detainer provisions of Article IX of the Code of Civil Procedure, 735 ILCS 5/9-101, et seq. (Forcible Entry and Detainer Statute), or of any similar superseding statute. When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by the Forcible Entry and Detainer Statute or any similar or successor statute.

13.2 Remedies in Default.

13.2.1 In the event of a default by Lessee, Lessor, in addition to any other remedies available to it at law or in equity, including injunction, at its option, without further notice or demand of any kind to Lessee or any other person, may (a) terminate this Lease and Lessee's right to possession of the Premises and recover possession of the Premises and remove all persons therefrom; (b) have the remedies available at law or in equity (Lessor may continue the Lease in effect after Lessee's breach and abandonment and recover Rent as it becomes due, if Lessee has the right to sublet or assign, subject only to reasonable limitations); or (c) even though it may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Lessee in or to the Premises.

13.2.2 Lessee's right to possession shall not be deemed to have been terminated by efforts of Lessor to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, including its entry upon the Premises, appointment of a receiver to protect Lessor's interests hereunder, or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Lessor shall have notified Lessee in writing that Lessor has so elected to terminate this Lease. In the event of any entry or taking possession of the Premises as aforesaid, Lessor shall have the right, but not the obligation, to (a) remove therefrom all or any part of the personal property located therein and place the same in storage at the expense and risk of Lessee, and/or (b) erect a barricade and partition the Premises at the expense of Lessee.

13.2.3 Should Lessor elect to terminate this Lease pursuant to the provisions of clauses (a) or (c) of Section 13.2.1 above, Lessor may recover from Lessee as damages, the following: (a) the worth at the time of the award of any unpaid Rent and other charges that had been earned at the time of termination; plus (b) the worth at the time of the award of the amount by which the unpaid Rent and other charges that would have been earned after termination until the time of the award exceeds the amount of the loss of such Rent and other charges that Lessee proves could have been reasonably avoided; plus (c) the worth at the time of the award of the amount by which the unpaid Rent and other charges for the balance of the Lease Term after the time of the award exceeds the amount of the loss of such Rent and other charges that

Lessee proves could have been reasonably avoided; plus (d) any other amount necessary to compensate Lessor for all of the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom.

13.2.4 In the event that Lessor shall elect to relet, rentals received by Lessor from such reletting shall be applied first, to the payment of any indebtedness (other than Rent) due hereunder from Lessee to Lessor; second, to the payment of any cost of such reletting (including brokerage commissions); third, to the payment of the cost of any alterations and repairs to the Premises required to relet the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future Rent as the same may become due and payable hereunder. Should reletting, during any month to which such Rent is applied, result in the actual payment of rentals at less than the Rent payable during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor immediately upon demand therefor by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor as soon as ascertained, any costs and expenses incurred by Lessor in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

13.2.5 Lessee hereby waives for Lessee and for all those claiming under Lessee all right, now or hereafter existing, to redeem by order or judgment of any court or by any legal process or writ Lessee's right of occupancy of the Premises after any termination of this Lease.

13.3 Default by Lessor. Lessor's failure to perform any of the terms, covenants, conditions, agreements, or provisions of this Lease required to be done by Lessor, within fifteen (15) business days after written notice by Lessee to Lessor of said failure shall be deemed a default by Lessor (except that when the nature of the Lessor's obligation is such that more than fifteen (15) calendar days are reasonably required for its performance, then the Lessor shall not be deemed in default if it commences performance within the fifteen (15) calendar day period and thereafter diligently pursues the cure to completion). Lessee's sole remedy for breach of this Lease by Lessor shall be an action in equity for injunction, specific performance, or termination of this Lease. Except as otherwise specifically provided in this Lease, Lessee shall have no right to terminate this Lease on account of any breach or default by Lessor, unless termination is granted by a court of competent jurisdiction. In no event shall Lessor be liable for consequential damages, nor shall Lessee be excused from the payment of Rent due hereunder as a result of any default by Lessor.

14. DESTRUCTION.

14.1 Option To Terminate. In the event of (a) damage to the Leased Premises or Building caused by an uninsured casualty (or the amount of damage exceeds the applicable insurance coverage(s) available for repair of the damage); (b) a casualty causing damage to the Premises or Building that cannot be repaired within 120 calendar days from the date of damage or destruction under the laws and regulations of the state, federal, county, and municipal authorities or other authorities with jurisdiction; or (c) a casualty occurring during the last year of the Lease Term (subject to Section 14.4 below), either Lessor or Lessee may terminate this Lease at the date of the damage upon written notice to the other party given within thirty (30) calendar days following the date of the casualty.

14.2 Repairs; Rental Abatement. In the event of an insured casualty that may be repaired within forty-five (45) calendar days from the date of the damage or, in the alternative, in the event that the Lessor or Lessee does not elect to terminate this Lease under the terms of Section 14.1 above, then this Lease shall continue in full force and effect and the Premises shall be reconstructed with the obligations

of the parties being as set forth in Section 14.3 below. Such partial destruction shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction of Rent following the casualty until the time the Premises are restored. Such reduction shall be an amount that reflects the degree of interference with Lessee's business. As long as Lessee conducts its business in the Premises, there shall be no abatement until the parties agree on the amount thereof.

14.3 **Limitation on Repairs.** In the event of any reconstruction of the Premises under this Article 14, Lessor's obligation to reconstruct the Premises shall be, to the extent reasonably practicable and to the extent of available proceeds, to restore the Premises to the condition in which they were delivered to Lessee. Lessor's repair obligations shall in no way include any construction obligations originally imposed on Lessee or subsequently undertaken by Lessee.

14.4 **Waiver of Lessee's Rights of Termination.** Lessee hereby waives all statutory or common-law rights of termination in respect to any partial destruction or casualty that Lessor is obligated to repair or may elect to repair under the terms of this Article.

14.5 **Building Damage.** In the event that the Building is destroyed to the extent of not less than fifty (50%) percent of the replacement cost thereof, Lessor may elect to terminate this Lease, whether the Leased Premises be injured or not, in the same manner as in Section 14.1 above. At all events, a total destruction of the Building or the Premises shall, at Lessor's option, terminate this Lease.

15. CONDEMNATION.

15.1 **Taking.** If any portion of the building that contains the Leased Premises, Building or the Common Area shall be taken under any right of eminent domain, or any transfer in lieu thereof and such taking renders the Premises unsuitable, in the reasonable judgment of Lessor, for Lessee's business operations, then Lessee or Lessor may terminate this Lease by giving written notice to the other within thirty (30) calendar days after such taking. If this Lease is not so terminated, Lessor shall repair and restore the Building and/or the Building, as the case may be, as practicable (but shall not be required to expend more than the amount of the award received by Lessor for such purpose), and this Lease shall continue in full force and effect, but commencing with the date on which Lessee is deprived of the use of any portion of the Premises, then all rents and costs due Lessor from Lessee including, but not limited to, Rent shall be proportionately abated to the extent to which Lessee's use of the Premises is impaired, as reasonably determined by Lessor, and Lessee's Pro Rata Share shall be recalculated pursuant to the terms of Article 4 hereof.

15.2 **Award.** Any and all awards payable by the condemning authority or other governmental agency in connection with a taking under the right of eminent domain shall be the sole property of Lessor. Notwithstanding the foregoing, Lessee shall be entitled to make a separate claim to the condemning authority for the value of merchandise and fixtures purchased and installed by Lessee, if applicable.

16. **ADVERTISING, SIGNS AND DISPLAYS.** Lessee shall not erect or install in, on, or about the Premises any exterior or interior signs or advertising media, or window or door lettering or placards, without Lessor's consent, which may not be unreasonably withheld. All such signs shall comply with all applicable laws, ordinances, rules, and regulations. Lessee shall not use any advertising media that can be heard or seen outside the Premises, such as loudspeakers, phonographs, or radio broadcasts. Lessee shall maintain the sign installed hereunder in good condition during the term of this Lease. Upon expiration of this Lease, Lessee shall promptly remove all signs installed hereunder, "cap off" the electrical wiring thereto, and repair all damage caused thereby.

17. COMPLIANCE WITH LAWS.

17.1 Laws Generally. Lessee, at its sole cost and expense, shall comply with all existing and future laws, ordinances, orders, rules, regulations, and requirements of all governmental and quasi-governmental authorities (including the Americans with Disabilities Act, and any amendments thereto) having jurisdiction over the Premises and shall perform all work required to comply therewith inside the Premises. If any such work would involve changes to the structure, exterior, or mechanical, electrical, or plumbing systems of the Building, then such work shall be performed by Lessor, and Lessee shall reimburse Lessor the cost thereof within five (5) business days after receipt of billing. Lessor shall at its sole cost and expense comply with all existing and future laws, ordinances, orders, rules, regulations, and requirements of all governmental and quasi-governmental authorities (including the Americans with Disabilities Act, and any amendments thereto) having jurisdiction over the Premises and shall perform all work required to comply therewith as they relate to the common areas including walkways and parking lots.

17.2 Compliance with Environmental Laws. Lessee shall not cause or permit any Hazardous Materials (as defined below) to be brought, stored, used, handled, transported, generated, released, or disposed of, on, in, under, or about the Premises, the Common Areas, or any portion of the Building by Lessee or any of the Lessee Parties; provided Lessee shall have the right to maintain upon the Premises such Hazardous Materials as are reasonably necessary for the conduct of Lessee's business and the proper maintenance of the Premises as long as such Hazardous Materials are used and stored in compliance with all federal, state, and local laws, statutes, ordinances, orders, rules, regulations, and requirements (Requirements) of all governmental and quasi-governmental authorities (Authorities) with jurisdiction and all regulations relating to Hazardous Materials. At all times and in all respects, Lessee and the other Lessee Parties shall comply with all Requirements. As used in this Lease, "Hazardous Materials" shall mean any hazardous, toxic, or radioactive substance, material, matter, or waste that is or becomes regulated by any Environmental Regulation, and shall include asbestos, petroleum products, radon gas, polychlorinated biphenyls (PCBs), and all substances classified under the terms "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. §6901, et seq., and all environmental protection statutes of the state and municipality in which the Premises are located. Lessor indemnifies Lessee from any liability for Hazardous Materials or environmental issues caused by Lessor

18. HOLDING OVER. If Lessee, with Lessor's consent, remains in possession of the Premises after the expiration or sooner termination of the Lease Term, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable upon thirty (30) calendar days' prior written notice given at any time by either party. All provisions of this Lease shall apply to the month-to-month tenancy, except those specifying the Lease Term, options to extend, and Monthly Rent, which shall be equal to one hundred fifty percent (150%) percent of the Monthly Rent paid in the month immediately preceding the month-to-month tenancy. Neither any provision hereof nor acceptance by Lessor of Rent (or partial payment of Rent) after such expiration or earlier termination without Lessor's written consent shall be deemed a consent to a holdover hereunder or result in a renewal of this Lease or an extension of the Term, or a waiver of any of Lessor's rights or remedies with respect to such holdover. Notwithstanding any provision to the contrary contained herein, (a) Lessor expressly reserves the right to require Lessee to surrender possession of the Premises upon the expiration of the Term of this Lease or upon the earlier termination hereof or at any time during any holdover, the right to reenter the Premises, and the right to assert any remedy at law or in equity to evict Lessee and collect damages in connection with any such

holding over; and (b) Lessee shall indemnify, defend, and hold Lessor harmless from and against any and all claims, demands, actions, losses, damages, liabilities, obligations, costs, and expenses, including, without limitation, attorneys' fees, consultants' fees, and court costs incurred or suffered by or asserted against Lessor by reason of Lessee's failure to surrender the Premises upon the expiration or earlier termination of this Lease in accordance with the provisions of this Lease. Lessor shall have no duty whatsoever to notify or remind Lessee of any pending expiration of this Lease.

19. LATE CHARGE AND INTEREST.

19.1 Late Charge. Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any installment of Rent or other sum due from Lessee shall not be received by Lessor's designee on the date such Rent or other sums are due Lessor, Lessee shall pay to Lessor a late charge equal to five (5%) percent of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. In addition, Lessee shall pay to Lessor any attorneys' fees and expenses incurred by Lessor by reason of Lessee's failure to pay Rent and/or other charges when due hereunder.

19.2 Interest. Any sum due and payable to Lessor under the terms of this Lease that is not paid when due shall bear interest from the date when the same becomes due and payable by the provisions hereof until paid at a per annum interest rate equal to three percent (3%).

20. QUIET ENJOYMENT. As long as Lessee is not in default hereunder, then, subject to the other terms and conditions of this Lease, Lessee shall not incur any manner of hindrance or interference with its quiet enjoyment, possession, and use from Lessor, subject to the provisions of this Lease and to the provisions of any (a) easements, licenses, covenants, conditions, and restrictions of record, including without limitation, any and all reciprocal easement agreements, development agreements, declarations of covenants, conditions, and restrictions of record, as the same may be amended or modified from time to time, and (b) any mortgage, ground lease or other lien, or restriction of record to which this Lease is subordinate or may be subordinated (collectively "Superior Encumbrances"). This Lease shall be subordinate to each of the Superior Encumbrances, and Lessee agrees for itself and all persons in possession or holding under it that it and they will comply with and not violate each such Superior Encumbrance. Lessor reserves the right, from time to time, to grant such new or additional easements, rights, and dedications as Lessor deems necessary or desirable, and to cause the recordation of parcel maps and covenants, conditions, and restrictions affecting the Premises and/or Building. At Lessor's request, Lessee shall join in the execution of any of the aforementioned documents.

21. RIGHT OF ENTRY. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times upon reasonable notice to make repairs or alterations to the systems serving the Premises, or for any other purpose without diminution or abatement of Rent. During the last two hundred seventy (270) days of the Lease Term, Lessor shall have the right to show the Premises to prospective Lessees upon reasonable notice to Lessee, and Lessor reserves the right to place a "For Lease" sign on the outside of the Premises.

22. WAIVERS. No delay or omission in the exercise of any right or remedy of either party with respect to any default by Lessee shall impair such right or remedy or be construed as a waiver. No waiver of any of the terms, provisions, covenants, conditions, rules, and regulations shall be valid unless it shall be in writing signed by Lessor. The receipt and acceptance by Lessor of delinquent Rent or other

payments due hereunder shall not constitute a waiver of any other default. Lessor's consent or approval shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee, whether or not similar to the act so consented to or approved.

23. TRANSFER OF LESSOR'S INTEREST. If Lessor conveys in a sale, exchange, or otherwise all of its interest in the Premises, then Lessor, on consummation of the conveyance, shall thereupon automatically be released from any obligation or liability thereafter accruing under this Lease and such obligations shall transfer to the purchaser/subsequent Lessor.

24. ESTOPPEL CERTIFICATES.

24.1 Lessee shall, within fifteen (15) business days after notice from Lessor, execute and deliver to Lessor an Estoppel Certificate, as Lessor may reasonably require. Failure to deliver the certificate within said fifteen (15) business-day period shall be a default under this Lease and an acknowledgment that (a) this Lease is in full force and effect and has not been modified except as represented by Lessor; (b) there are no uncured defaults in Lessor's performance hereunder; (c) not more than one month's Minimum Monthly Rent has been paid in advance; and (d) there is no security deposit. Lessee agrees that the foregoing estoppel certificate may be relied on by anyone holding or proposing to acquire any interest in the Building from or through Lessor or by any mortgagee or prospective mortgagee of the Building or of any interest therein, and, if the prospective lender or purchaser is an institutional entity, the standard form estoppel provided by such entity shall be utilized instead and may also be relied on by the applicable parties.

25. ATTORNEY'S FEES. If either party hereto brings an action at law or in equity to enforce, interpret, or seek redress for the breach of this Lease, then the prevailing party in such action shall be entitled to recover all court costs, witness fees, and reasonable attorneys' fees, at trial or on appeal, in addition to all other appropriate relief.

26. REAL ESTATE BROKER; FINDERS. Each party represents that it has not had dealings with any real estate broker, finder, or other person with respect to this Lease in any manner. Each party shall indemnify, defend, protect, and hold the other party harmless from and against all claims, costs, demands, action, liabilities, losses, and expenses (including the reasonable attorneys' fees of counsel chosen by the other party) arising out of or resulting from any claims that may be asserted against such other party by any broker, finder, or other person with whom the party bearing the indemnity obligation has or purportedly has dealt, other than any party referenced in this Article 26.

27. ATTORNMENT. Upon enforcement of any rights or remedies under any mortgage or deed of trust to which this Lease is subordinated, Lessee shall, at the election of the purchaser or transferee under such right or remedy, attorn to and recognize such purchaser or transferee as Lessee's Lessor under this Lease without any deduction or setoff whatsoever. Lessee shall execute and deliver any document or instrument required by such purchaser or transferee confirming the attornment hereunder.

28. LESSOR'S LIMITATION ON LIABILITY. In consideration of the benefits accruing hereunder, Lessee, on behalf of itself and all successors and assigns of Lessee, covenants and agrees that, in the event of any actual or alleged failure, breach, or default hereunder by Lessor, (a) the sole and exclusive remedy shall be against Lessor's interest in the Building; (b) no officer, employee, partner or member of Lessor shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction); and (c) the obligations under this Lease do not constitute personal obligations of the members, partners, directors, officers, employees, or shareholders of Lessor, and Lessee shall not seek

Lessee has and is qualified to do business in the State of Illinois, that Lessee has full right of power and authority to enter into this Lease, and that each person signing on behalf of the corporation or limited liability company, as the case may be, is authorized to do so in accordance with the terms of such entity's articles or certificate of incorporation, bylaws, or other organizational documents. If Lessee is a partnership or trust, each individual executing this Lease on behalf of Lessee hereby covenants and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee in accordance with the terms of such entity's partnership or trust agreement. Lessee shall provide Lessor on demand with such evidence of such authority as Lessor shall reasonably request.

32. MISCELLANEOUS.

32.1 Cumulative Remedies. No remedy herein conferred on or reserved to Lessor is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now hereafter existing at law or in equity by statute.

32.2 Waiver of Trial by Jury. Lessor and Lessee desire and intend that any disputes arising between them with respect to or in connection with this Lease be subject to expeditious resolution in a court trial without a jury. Therefore, Lessor and Lessee each hereby waive the right to trial by jury of any cause of action, claim, counterclaim, or cross-complaint in any action, proceeding, or other hearing brought by either Lessor against Lessee or Lessee against Lessor or any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

32.3 Severability. The unenforceability, invalidity, or illegality of any provision of this Lease, or any application thereof, shall not render the other provisions, and all other applications, unenforceable, invalid, or illegal.

32.4 Governing Laws. The laws of the State of Illinois shall govern the validity, performance, and enforcement of this Lease. No conflict-of-law rules of any state or country (including, without limitation, Illinois conflict-of-law rules) shall be applied to result in the application of any substantive or procedural laws of any state or country other than Illinois. All controversies, claims, actions, or causes of action arising between the parties hereto and their respective successors and assigns shall be brought, heard, and adjudicated by the courts of the State of Illinois, with venue in Lake County, Illinois.

32.5 Force Majeure. If, by reason of any event of force majeure, either party to this Lease is prevented, delayed, or stopped from performing any act that such party is required to perform under this Lease other than the payment of Rent or other sums due hereunder, the deadline for performance of such act by the party obligated to perform shall be extended for a period of time equal to the period of prevention, delay, or stoppage resulting from the force majeure event, unless this Lease specifies that force majeure is not applicable to the particular obligation. As used in this Lease, the term "force majeure" shall include, but not be limited to, fire or other casualty; bad weather; inability to secure materials; strikes or labor disputes (over which the obligated party has no direct or indirect bearing in the resolution thereof, or if said party does have such bearing, said dispute occurs despite said party's good-faith efforts to resolve the same); acts of God; acts of the public enemy or other hostile governmental action; civil commotion; terrorist acts; governmental restrictions, regulations, or controls; judicial orders; and/or other events over which the party obligated to perform (or its contractor or subcontractors) has no control.

32.6 Successors and Assigns. Subject to the provisions of Article 12 regarding assignment and subletting, all of the provisions, terms, covenants, and conditions of this Lease shall be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.

32.7 Relationship. Nothing contained in the Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between Lessor and Lessee.

32.8 Entire Agreement; Modification. This Lease and all exhibits and/or addendums, and/or riders, if any, attached to this Lease are hereby made a part of this Lease, with full force and effect as if set forth herein. This Lease supersedes all prior agreements between the parties and sets forth all the covenants, promises, agreements, and conditions, and understandings between Lessor and Lessee concerning the Premises, and there are no actual or implied covenants, promises, agreements, conditions, or understandings, either oral or written, between them other than as are set forth herein and none thereof shall be used to interpret, construe, supplement, or contradict this Lease. No alteration, amendment, change, or addition to this Lease shall be binding on Lessor or Lessee unless reduced to writing and signed by each party.

32.9 Time of Essence. Time is of the essence with respect to the performance of every provision of this Lease in which time for performance is specified. If Lessee elects to dispute any billing or reconciliation from Lessor, Lessee must do so within 90 days after Lessee's receipt of such billing or reconciliation, or Lessee shall be deemed to have waived all rights to so dispute the same.

32.10 Survival of Obligations. All obligations of Lessee accrued as of the date of acceptance or rejection of this Lease due to the bankruptcy of Lessee, and those accrued as of the date of termination or expiration of this Lease for any reason whatsoever, shall survive such acceptance, rejection, termination, or expiration.

32.11 Memorandum of Lease. Lessee shall not record this Lease. In addition, without the prior written consent of Lessor, which consent Lessor may withhold in its sole and absolute discretion, Lessee shall not record any memorandum of this Lease, short form, or other reference to this Lease.

32.12 No Grant of Property Rights. Nothing herein shall be construed to grant or transfer any legal or equitable real property rights whatsoever in or to the Premises which are not expressly granted herein.

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

LESSOR: MUNDELEIN PARK & RECREATION DISTRICT

By _____
President

LESSEE: RCI (WRS) Inc. dba NovaCare Rehabilitation

By: _____
Randall K. Watts, Vice President Corporate Real Estate Services

EXHIBIT A
DEPICTION OF PREMISES

[SEE ATTACHED]

4829-6748-2743, v. 2

Recreational Trails Program

(Please Type or Print in Ink)

Form RT/DOC-5

Financial Certification Statement

Applicant (Sponsor) Legal Name: Mundelein Park & Recreation District

Project Title: Diamond Lake Sports Complex Trail Rehabilitation

As the individual duly designated to represent the Mundelein Park & Recreation District (Sponsor), I do hereby certify that the information presented in this grant application is true and correct. I do further certify that the project, if approved for funding, will be completed in accordance with the provisions set forth in the Recreational Trails Grant Manual and that the Mundelein Park & Recreation District (Sponsor) has the financial resources to initially fund 100% of the proposed project costs within the time frame imposed by the Illinois Department of Natural Resources for project execution prior to receiving grant reimbursement. Failure to complete said project within the specified time frame could be cause for project termination. In addition, failure to complete a project or withdrawal of a project due to lack of performance, insufficient funds or change in recreation priorities by the applicant shall result in the ineligibility of the project applicant for IDNR grant assistance consideration in the next two (2) consecutive grant cycles.

Acquisition and Development Projects

It is understood that the project should be completed within the timeframe established in the project agreement and the reimbursement request must be submitted within one year of the expiration date.

Failure to do so will result in the Project Sponsor forfeiting all project reimbursements, and relieves IDNR from further payment obligations on the grant.

The Mundelein Park & Recreation District (Sponsor) hereby further certifies that 1) it will indemnify, protect and hold harmless the State of Illinois, Department of Natural Resources and its representatives from any and all liabilities, costs, damages or claims arising as a direct or indirect result of the actions and/or omissions of the Mundelein Park & Recreation District (Sponsor) or its representatives in the construction, operation or maintenance of the above referenced project, and 2) that adequate public notice was given and local approval solicited on the proposed project and 3) that the facility will be operated and maintained in an attractive and safe manner, and open and available to the public without regard to race, color, sex, national origin, age, disability or place of residence in accordance with provisions of IDNR trail grant program regulations.

This Certification Statement was duly acted upon and adopted by the Mundelein Park & Recreation District (Sponsor) on the _____ day of _____ (month), 2019 (year)

Margaret Resnick

Name (printed / typed)

Attested by: _____

Signature

Date: _____

Executive Director

Title