

SHUMWAY BUILDING LEASE

This lease is made and entered this ___ day of ___, 20__ by and between the CITY OF ROCKFORD, a municipal corporation; (hereinafter referred to as "City"); and THE ROCKFORD AREA ARTS COUNCIL, a not-for-profit corporation, (hereinafter referred to as the "RAAC").

WHEREAS, the City is the owner of the real estate located at 713 East State Street in Rockford, Illinois more particularly described in Exhibit A attached hereto and made part hereof commonly known as the Shumway Building (hereinafter referred to as the "premises"); and

WHEREAS, the RAAC does hereby rent and take possession of the building located on the premises described in Exhibit A; and

WHEREAS, the City has leased the Premises directly to the RAAC.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Lease of Premises. The City does hereby lease and demise to the RAAC the Building, commonly known as the Shumway Building, located on the premises described in Exhibit A, attached hereto and made part hereof.
2. Term. The term of this lease shall be for three (3) years, beginning January 1, 2026 and ending December 31, 2028. The City and the RAAC may agree to extend this lease for additional time periods at any time.
3. Rent. The RAAC shall not be charged monthly rent.
4. Use. The Premises may be used by the RAAC as (1) a regional "information center for Rockford, Winnebago County, and other counties of northern Illinois; (2) ticket outlet for cultural, artistic, and special events; and (3) general office use for implementation of RAAC programs. Other uses may be proposed by the RAAC and approved by resolution of the City Council.
5. Maintenance.
 - (A) Restrooms. The RAAC will keep restrooms clean and sanitary with toilet paper, hand towels, and soap.
 - (B) Other. The RAAC shall keep the Premises clean and keep sidewalks on the Premises free of ice and snow. All other maintenance and repair not caused by the negligent or intentional acts of the RAAC or its agent shall be the responsibility and cost of the City. The RAAC shall give the city reasonable notice in writing of items in need of maintenance or repair.
6. Utilities and Supplies. City agrees to provide utilities including electricity, heat and water, and to provide toilet paper and hand towels, as needed. The RAAC agrees to provide all other supplies, labor, and materials necessary to comply with their obligations.
7. Parking. The City agrees to make three rental parking spaces available to RAAC at market rates in the adjacent Shumway parking lot.

8. Loss or Destruction. The City shall not be obligated to repair or rebuild the building on the Premises if greater than fifty percent (50%) of the fair market value of the building, as determined by a qualified appraiser, is destroyed by fire, windstorm, or other casualty. In the event the building is not rebuilt or repaired, that portion attributed to the lease shall be cancelled without further liability to either party. The City shall not be responsible for loss or destruction of personal property or fixtures of the RAAC, its employees, visitors, customers, etc.
9. Changes. The RAAC covenants and agrees that no interior structural modifications or exterior changes of any type shall be made upon the Premises without the advanced written consent of the City.
10. Indemnity and Insurance.
 - (A) The RAAC shall indemnify and save harmless City from all claims, liens, and encumbrances of every kind and character except those obligations inuring to City pursuant to this lease, including but not exclusive of mechanic's liens, which may be charged against all claims, damages, and liability which might be asserted against said city by any person whomsoever for any injury or claim arising out of the use or occupancy of the Premises or any entranceways, exits, stairways, sidewalks, or areaways, thereon, except when caused by the City's negligence or breach of this lease.
11. The RAAC shall procure and maintain during the term of this lease at its sole expense comprehensive general public liability insurance in companies and through brokers and in form and amount acceptable to City. RAAC shall also at its expense, obtain and carry at all times during the term of this lease fire insurance with extended coverage, vandalism and malicious mischief and theft and mysterious disappearance endorsements covering the contents of the Premises and all alterations, additions, and leasehold improvements in the amount of their full replacement value. Such policies shall cover both City and the RAAC, as their interest may appear. The RAAC shall present to City a certificate of insurance from the insurance companies showing such coverage, which certificate shall contain a statement that City shall receive from said companies a ten (10) day notice prior to any change of cancellation of the policies or coverage thereunder.
12. Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this lease by the RAAC.
 - a. The vacating or abandonment of the premises by the RAAC for ten (10) or more consecutive days; without properly exercising the RAAC's early right of termination
 - b. The failure by RAAC to observe or perform any of the covenants, conditions, or provisions of this lease to be observed or performed by the RAAC, where such failure shall continue for a period of thirty (30) days after written notice thereof by the City to the RAAC: provided, however, that if the nature of the RAAC's default is such that more than thirty (30) days are reasonably required for its cure, then the RAAC shall not be deemed to be in default if the RAAC

commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. The City shall have sole discretion to determine whether the RAAC has undertaken and continued to diligently prosecute such cure to completion.

- c. The making by the RAAC or general assignment of its interest in this lease for the benefit of creditors; or the filing by or against the RAAC of a petition to have the RAAC adjudged bankrupt or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against the RAAC, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of the RAAC's assets located at the premises; or the attachment, execution or other judicial seizure of substantially all of the RAAC's assets located at the premises or of the RAAC's interest in this lease, where such seizure is not discharged within thirty (30) days.

13. Remedies Upon RAAC's Default. In the event of any such default or breach by the RAAC, the City may at any time thereafter, in its sole discretion, with or without notice or demand and without limiting the City in the exercise of a right or remedy, which the City may have because of such default or breach:

- a. Terminate the RAAC's right to possession of the premises by any lawful means, in which case this lease shall terminate and the RAAC shall immediately surrender possession of the premises to the City. In such an event, the City shall be entitled to recover from the RAAC all damages incurred by the City by reason of the RAAC's default including, but not limited to, the cost of recovering possession of the premises; expenses of reletting, reasonable attorney's fees, and any unpaid installments of rent.
- b. Maintain the RAAC's right to possession, in which case this lease shall continue in effect whether or not the RAAC shall have abandoned the premises. In such an event, the City shall be entitled to enforce all of City's rights and remedies under this lease, including the right to recover any charges and adjustments as may become due hereunder.
- c. Pursue any other remedy or combination of remedies now or hereafter available to the City under the laws or judicial decisions of the state in which the premises are located.

14. Default by the City. The City shall not be in default unless the City fails to perform obligations required of the City within a reasonable time, but in no event later than thirty (30) days after written notice by the RAAC to the City specifying wherein the City has failed to perform such obligation. If the nature of the City's obligation is such that more than thirty (30) days are required for performance in the City's sole determination, then the City shall not be in default if the City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In the event the City's default has

not been cured within ninety (90) days, the RAAC shall have the option to terminate this lease.

15. No Waiver. In the event said City should waive any breach or default on the part of said the RAAC; such waiver shall not be deemed to be a waiver of any other or subsequent breach or default, irrespective of whether or not such other or subsequent breach or default is of like character of the breach or default waived.

16. Notice. Wherein it is required by this lease that notice be given in writing, or any payment made by either of the parties hereto, such notice or payment shall be deemed to have been validly given or made if enclosed in an envelope, with sufficient postage affixed and deposited in the United States Post at Rockford, Illinois, addressed as follows:

To City: Director, Public Works Dept.
 425 E. State St.
 Rockford, IL 61104

CC: City of Rockford Legal Dept.
 425 E State St.
 Rockford, IL 61104

To RAAC: Executive Director
 Rockford Area Arts Council
 713 East State St.
 Rockford, IL 61104

Or such a place as either of the parties thereto shall, from time to time, in writing designate.

17. Holding Over. In the event that the RAAC shall holdover and remain in possession of the demised premises after the expiration date of the lease term with the consent of the City, such holding over shall be deemed a month-to-month tenancy according to all the provisions of this lease agreement.

18. Sublease. The RAAC shall not assign this lease or sublease the premises or any part thereof, except upon receipt of prior written consent from the City.

19. Prior Agreement. This lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this lease may be amended or added except by an agreement in writing signed by the parties hereto or their respective successors in interest. This lease shall not be effective or binding on any other cause beyond the reasonable control by the City.

20. Choice of Law/Venue. This lease shall be governed by the laws of the State of Illinois with venue lying in the Circuit Court for Winnebago County, Illinois.

21. Successors and Assigns. This lease shall be binding upon and inure to the benefit of the successors and assigns of both the City and the RAAC.

22. Cancellation of Lease. Either party to this lease may cancel this lease by giving the other party at least 60 days written notice of intent to cancel.

IN WITNESS WHEREOF, the City has caused this lease to be executed in its name by its mayor and its corporate seal to be affixed and to attested by its Legal Director; and the RAAC has caused this lease to be executed in its name by its duly authorized officer (s).

CITY OF ROCKFORD
A Municipal Corporation

BY: _____
Thomas P. McNamara, Mayor Date

ATTEST: _____
Angela Hammer, Legal Director Date

Rockford Area Arts Council
An Illinois not-for-profit Corporation

BY: _____
Mary McNamara Bernsten, Executive Director Date

EXHIBIT A

Lot Seven (7) and the westerly sixteen (16) feet in width of the Northerly two hundred thirty-one (231) feet of Lot Six (6) in Block Three (3) of Gregory's Addition to the City of Rockford; East of the Rock River, in the City of Rockford.

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