

# COMMERCIAL LEASE AGREEMENT

## Northside Food Center - Chicago, Illinois

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### PAGE 1: LEASE SUMMARY & PARTIES

#### COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Agreement") is entered into on September 1, 2020, between the parties identified below:

**LANDLORD:** Windy City Properties LLC

233 South Wacker Drive, Suite 4500

Chicago, IL 60606

Phone: (312) 555-3000

Tax ID: 36-5432198

**TENANT:** FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Phone: (303) 555-4321

Tax ID: 87-9876543

**PROPERTY ADDRESS:** 3890 North Lincoln Avenue

Chicago, IL 60613

**LEASE TERM:**

- **Commencement Date:** September 15, 2020
- **Expiration Date:** September 12, 2025
- **Initial Term:** 4 years and 362 days
- **Total Square Footage:** 26,000 square feet

**MONTHLY BASE RENT:** \$65,000.00 per month (\$30.00 per square foot annually)

**SECURITY DEPOSIT:** \$195,000.00 (equivalent to three months' base rent)

This Agreement shall be governed by the laws of the State of Illinois and the City of Chicago municipal codes.

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## PAGE 2: PROPERTY DETAILS

**PROPERTY DESCRIPTION:** The leased premises consists of a neighborhood grocery store located in the vibrant Lincoln Park area of Chicago's North Side. The property features classic Chicago architecture with modern interior upgrades and serves a diverse urban community with convenient CTA access.

**TOTAL SQUARE FOOTAGE BREAKDOWN:**

- **Total Retail Space:** 26,000 square feet
- **Produce Department:** 4,420 square feet
- **Dairy Section:** 2,860 square feet
- **Meat Department:** 3,900 square feet
- **Packaged Goods:** 6,500 square feet
- **Storage/Office/Deli/Bakery:** 8,320 square feet

**PERMITTED USE:** The premises shall be used exclusively for retail grocery operations, including the sale of food products, beverages, prepared foods, bakery items, deli service, and related merchandise typical of a full-service urban grocery store.

**PARKING SPECIFICATIONS:**

- **Customer Parking:** 52 spaces (2 spaces per 1,000 sq ft - urban ratio)
- **Employee Parking:** 15 dedicated spaces
- **Handicap Accessible:** 4 spaces
- **15-Minute Parking:** 8 quick-shop spaces
- **Loading Zone:** Street-level loading with city permit
- **Cart Storage:** Indoor storage for 180 shopping carts
- **Bicycle Storage:** Secure storage for 25 bicycles

**PROPERTY FEATURES:** Exposed brick walls, hardwood accent flooring, industrial-style lighting, 12-foot ceilings, large street-facing windows, energy-efficient HVAC system, and modern security system with integrated POS connectivity.

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## PAGE 3: FINANCIAL TERMS

**BASE RENT SCHEDULE:**

- **Years 1-2:** \$65,000.00/month (\$30.00/sq ft annually)

- **Years 3-4:** \$68,250.00/month (\$31.50/sq ft annually)
- **Year 5:** \$71,500.00/month (\$33.00/sq ft annually)

**RENT ESCALATION:** Base rent increases by 5% every two years, with the first increase effective September 15, 2022.

**SECURITY DEPOSIT:** \$195,000.00 held in interest-bearing escrow account with Chicago Metropolitan Bank. Interest at 1.5% annually accrues to Tenant benefit. Deposit refundable within 30 days of lease termination, less any damages or unpaid amounts.

**COMMON AREA MAINTENANCE (CAM) CHARGES:** \$7.50 per square foot annually = \$16,250.00 monthly CAM includes:

- Parking lot maintenance and snow removal
- Landscaping and seasonal plantings
- Exterior building maintenance and tuckpointing
- Common area utilities and street lighting
- Property management fees
- CTA stop maintenance contribution

**ADDITIONAL COSTS:**

- **Property Taxes:** Tenant responsible for increases over base year 2020 (\$22,400)
- **Utilities:** Tenant responsible for all interior utilities
- **Snow Removal:** Additional \$150/month during winter months (November-March)
- **Waste Management:** \$625/month for comprehensive waste service

**CHICAGO BUSINESS TAX:** Tenant responsible for all applicable Chicago business taxes and fees

**LATE PAYMENT PENALTY:** 10% annual interest on overdue amounts plus \$100 administrative fee if payment received after the 5th of each month.

**ANNUAL RECONCILIATION:** CAM charges reconciled annually by February 28th. Tenant billed for overages or credited for under-charges within 60 days of reconciliation.

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## **PAGE 4: TENANT RESPONSIBILITIES**

**MAINTENANCE OBLIGATIONS:** Tenant shall maintain the interior of the premises in good condition, including:

- All interior fixtures, exposed brick, and architectural features
- Plumbing systems and fixtures including deli equipment
- Electrical systems and industrial lighting fixtures
- HVAC system maintenance and filter replacement
- Refrigeration equipment and walk-in coolers
- Daily professional cleaning and floor maintenance
- Deli and bakery equipment maintenance

**INSURANCE REQUIREMENTS:** Tenant must maintain the following insurance coverage:

- **General Liability:** \$2,500,000 per occurrence, \$5,000,000 aggregate
- **Property Insurance:** Full replacement cost including architectural features
- **Workers' Compensation:** As required by Illinois law
- **Business Interruption:** 15 months minimum coverage
- **Product Liability:** \$1,500,000 coverage
- **Cyber Security:** \$750,000 coverage for POS and customer data
- **Crime Coverage:** \$500,000 for urban location risks

Landlord must be named as additional insured on all policies. Certificate updates required 30 days before expiration.

**UTILITY RESPONSIBILITIES:** Tenant responsible for all utilities serving the premises:

- Electricity (including all lighting and refrigeration)
- Natural gas for heating and bakery equipment
- Water and sewer services including deli operations
- Telecommunications and high-speed internet
- Waste disposal and recycling services

**OPERATING HOURS:**

- **Monday-Saturday:** 6:00 AM to 11:00 PM
- **Sunday:** 7:00 AM to 10:00 PM
- **Extended Hours:** Permitted during CTA schedule changes
- **Holiday Hours:** As appropriate for neighborhood needs
- **Early Access:** 5:30 AM permitted for deliveries

**COMPLIANCE REQUIREMENTS:** Tenant must maintain all required licenses including Illinois Department of Public Health permits, City of Chicago business licenses, food service licenses, and compliance with Chicago zoning ordinances.

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## **PAGE 5: LANDLORD RESPONSIBILITIES & PROPERTY MANAGEMENT**

**LANDLORD MAINTENANCE OBLIGATIONS:** Landlord shall maintain structural elements and building exterior:

- Building structure and foundation systems
- Roof maintenance and Chicago weather protection
- Exterior walls, tuckpointing, and brick maintenance
- Parking lot maintenance and winter snow removal
- Building HVAC systems (major repairs over \$2,000)
- Street-level sidewalk maintenance and compliance

**PROPERTY MANAGEMENT COMPANY: Chicago Urban Property Management Inc.**

Contact: Michael O'Brien, Senior Property Manager

Office: (312) 555-6200

Mobile: (312) 555-6201

Email: [m.obrien@chicagourban.com](mailto:m.obrien@chicagourban.com)

Office Hours: Monday-Friday, 8:00 AM - 5:30 PM

### **EMERGENCY MAINTENANCE PROCEDURES:**

- **Emergency Hotline:** (312) 555-CITY (2489) - Available 24/7
- **Primary Emergency Contact:** Tony Kowalski, Building Supervisor
- **Emergency Mobile:** (312) 555-6210
- **Response Time:** 1 hour for emergencies, 4 hours for urgent issues

### **BUILDING MANAGEMENT POLICIES:**

- Weekly property inspections including parking areas
- Monthly building system maintenance and testing
- Quarterly exterior maintenance and brick inspection
- Semi-annual parking lot maintenance and line painting
- Seasonal preparation for Chicago weather conditions

**LANDLORD CONTACT INFORMATION: Primary Contact:** Katherine Mueller, Asset Manager

**Phone:** (312) 555-6205

**Email:** [k.mueller@windycityproperties.com](mailto:k.mueller@windycityproperties.com)

**Building Operations: Contact:** James Sullivan, Operations Manager

**Phone:** (312) 555-6207

**Email:** [j.sullivan@windycityproperties.com](mailto:j.sullivan@windycityproperties.com)

**Legal/Administrative Contact: Address:** Windy City Properties LLC

233 South Wacker Drive, Suite 4500

Chicago, IL 60606

**Legal Counsel:** Chicago Commercial Real Estate Law

**Phone:** (312) 555-8000

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## **PAGE 6: RENEWAL TERMS & CONTACT INFORMATION**

**LEASE RENEWAL OPTIONS:** Tenant has the right to renew this lease for one additional 5-year term under the following conditions:

- Written notice of intent to renew must be provided 8 months prior to lease expiration (by January 12, 2025)
- Tenant must be current on all rent and charges
- No material defaults during initial lease term
- Continued compliance with Chicago municipal requirements

### **RENEWAL TERMS:**

- **Notice Period:** 240 days written notice required
- **Rent Determination:** Market rate for Lincoln Park area retail space
- **Chicago Compliance:** Continued adherence to all city ordinances
- **CTA Access:** Maintained access and relationship with transit authority
- **Security Deposit:** Reduced to two months' rent after successful first term

### **EARLY TERMINATION CLAUSES:**

- **Tenant Early Termination:** Permitted after Year 3 with 12 months notice and penalty equal to 6 months base rent
- **CTA Changes:** Rent adjustment provisions if major transit changes affect foot traffic
- **City Development:** Negotiation rights if major city development impacts business

- **Condemnation:** Either party may terminate if more than 30% of premises affected

## **KEY CONTACT INFORMATION:**

**PRIMARY PROPERTY MANAGER:** Michael O'Brien, Senior Property Manager

Chicago Urban Property Management Inc.

Phone: (312) 555-6200

Mobile: (312) 555-6201

Email: [m.obrien@chicagourban.com](mailto:m.obrien@chicagourban.com)

**EMERGENCY MAINTENANCE:** Tony Kowalski, Building Supervisor

24/7 Emergency Hotline: (312) 555-CITY (2489)

Mobile: (312) 555-6210

Email: [t.kowalski@chicagourban.com](mailto:t.kowalski@chicagourban.com)

**LANDLORD REPRESENTATIVE:** Katherine Mueller, Asset Manager

Windy City Properties LLC

Phone: (312) 555-6205

Email: [k.mueller@windycityproperties.com](mailto:k.mueller@windycityproperties.com)

**BUILDING OPERATIONS:** James Sullivan, Operations Manager

Phone: (312) 555-6207

Email: [j.sullivan@windycityproperties.com](mailto:j.sullivan@windycityproperties.com)

**LEASE ADMINISTRATION:** Diana Rodriguez, Lease Administrator

Phone: (312) 555-6203

Email: [d.rodriguez@windycityproperties.com](mailto:d.rodriguez@windycityproperties.com)

**RENT PAYMENT ADDRESS:** Windy City Properties LLC

Rent Collection Department

P.O. Box 60600

Chicago, IL 60660

**LEGAL NOTICES ADDRESS:** Windy City Properties LLC

233 South Wacker Drive, Suite 4500

Chicago, IL 60606

Attention: Legal Department

**LOCAL BUILDING MANAGEMENT:** Lincoln Park Property Office

3890 North Lincoln Avenue, Suite B

Chicago, IL 60613

Phone: (312) 555-6220

Hours: Monday-Friday, 9:00 AM - 4:00 PM

**TENANT CONTACT FOR NOTICES:** FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Attention: Midwest Regional Manager

This lease agreement has been executed on the date first written above.

**SIGNATURES:** [Signature blocks for both parties with date and witness lines]