

Notes to preparer:

- (1) *If you are not certain whether the appropriate legal instrument would be a license or a lease or an amendment, please consult with OLS in advance.*
- (2) *Please send a separate memorandum or make notes on the transmittal memorandum with any tenant or site-specific information that you wish to convey to OLS but not include in the term sheet because, among other things, the term sheet is viewed by tenant.*
- (3) *If you are considering any unusual terms or significant deviations from the term sheet having potential legal importance, please consult OLS in advance.*
- (4) *Bullet points in simple language are better than narrative paragraphs.*
- (5) *Please avoid use of “per old lease”. Oftentimes, the old lease was not as clear as the most recent lease form or the issue was framed differently.*
- (6) *Comments in italics and bracket marks [] should be deleted from final version that is sent to parish and then to tenant. Easiest way to make sure these are deleted is to do a CTRL+F for [and then].*

Lease Term Sheet

Date prepared or revised:	<i>[Please remember to update this and include all dates so we know when one version has been superceded by another. For example: “Prepared 3/10/08; Revised 4/10/08”]</i>
Prepared by:	
Parish site/campus:	<i>[In some cases, the parish site will be the site of a closed parish. Please note the name of the closed parish. If the parish site was merged with another parish so that it has a new parish name, please note the current parish name in addition to the old parish name. E.g. The former St. Casimir campus, now part of Our Lady of Tepeyac parish.]</i>
Property administered by:	<i>[If parish is open, this will usually be the same as the name of the parish site. If parish is closed, this will be the name of another parish or “Pastoral Center”. In any event, it is not the name of an individual person.]</i>
Buildings/address(es) of Landlord’s Property at that site/campus:	<p><i>[Delete only those bullet points that are N/A. If there are multiple school buildings or parking lots, identify each one; if building has a new name, note the same. For example: “Convent, a/k/a Parish Resource Center”. If you cannot find an address but the building, improvement or area exists, it’s fine to simply list the descriptor. For example: “Playground”.]</i></p> <ul style="list-style-type: none"> • Church: • School: • Rectory: • Convent:

	<ul style="list-style-type: none"> • Parish Hall: • Gymnasium: • Green space/field/large yard: • Parking lot: • Mobile unit: <p><i>[Each of these buildings or areas should be labeled on <u>Exhibit A.</u>]</i></p>
Exhibit A – Landlord’s Property:	Attached hereto or sent simultaneously with this term sheet.
Leased Premises:	
Depiction of leased Premises:	<i>[Usually delete this row if Tenant is leasing entire building.]</i> Floor plans showing floor and room numbers attached hereto or sent simultaneously with this term sheet.
Description of leased Premises:	<i>[Delete bullet points that are N/A.]</i> <ul style="list-style-type: none"> • Entire building • Entire building except _____, which is or shall be separately locked. • Floor(s) _____, which is or shall be separately locked from remainder of building or else each individual room will have separate locks • Room(s) _____, each of which has a lock
Landlord’s reserved spaces/uses/times: <i>[Select the bracket that applies. The second bracket is intended for reservation of space that is not the entire Premises.]</i>	<i>[Delete N/A bullet points.]</i> <ul style="list-style-type: none"> • Landlord reserves use of [the Premises] [a portion of the Premises which is _____] on weekdays, starting at ____ PM. • Landlord reserves use of [the Premises] [a portion of the Premises which is _____] all day on weekends. • Landlord expressly reserves _____ <i>[Use this bullet point when there are rooms or areas that parish does not want Tenant to use, e.g. closet room #24 or kitchen in basement.]</i>
Legal name of Tenant. In addition, any “a/k/a” or “d/b/a” names of Tenant:	<i>[If tenant contact does not know tenant’s legal name, tenant contact should consult with his/her manager, superior, counsel. Confirm name at Secretary of State website. If tenant does not appear on Secretary of State website or tenant appears on the website but the website states that the tenant is not in good standing, ask tenant to file appropriate documents to be registered in the State of IL or to return to good standing. If the tenant entity is a state, county or municipal entity, it still has a legal name that usually references some</i>

	<i>statutory authority.]</i>
Use:	<i>[Include names of programs, specific type of services, age and key characteristics of target audience, whether people will be coming and going during the day, whether residential or daytime. Check Tenant’s website for details and to confirm whatever the tenant tells you. “Multi-purpose social services” is not sufficiently specific. If there is more than one use, specify the areas for the different uses, e.g. first floor for head-start program, second floor for offices.]</i>
Days and hours of Use:	
Commencement date:	
Expiration date:	
Options to extend:	<i>[Delete row if N/A.]</i> ___ options of ___ year(s) each

Rent:

(i) Initial Term

Period	Annual Amount	Monthly Amount
		\$
		\$
		\$
		\$

(ii) Extension Term *[Delete if N/A.]*

Period	Annual Amount	Monthly Amount
		\$
		\$
		\$

Security deposit:	<ul style="list-style-type: none"> • \$_____ To be delivered with signed copies of lease <i>[Do not delete unless our possession of a past security deposit is confirmed.]</i> • \$_____ Currently held by parish <i>[Confirm that parish</i>
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	<i>still has the security deposit]</i>
Rent payable to and delivered to:	<p>_____ <i>[Parish / Pastoral Center]</i></p> <p>_____</p> <p>Attention: _____ <i>[Pastor / Business Manager / Real Estate Manager]</i></p>
Electricity: <i>[For Electricity, Gas and Insurance, please exercise care in selecting the correct bullet point. The Premises is not always the same as the metered building.]</i>	<p><i>[Delete bullet points that are N/A.]</i></p> <ul style="list-style-type: none"> • Premises is separately metered; Tenant responsible for 100% • Premises is separately metered; Tenant responsible for _____ % of Premises • Premises is not separately metered. Other areas of the building also served by same meter. Tenant responsible for ___% of bill for that building. • Premises is not separately metered. Meter that serves Premises also serves _____ building(s). Tenant responsible for ___% of bill for said building(s). • Premises is not separately metered. Meter that serves Premises also serves all of Landlord's Property. Tenant responsible for ___% of bill for all of Landlord's Property.
Gas:	<p><i>[Delete bullet points that are N/A.]</i></p> <ul style="list-style-type: none"> • Premises is separately metered; Tenant responsible for 100% • Premises is separately metered; Tenant responsible for _____ % of Premises • Premises is not separately metered. Other areas of the building also served by same meter. Tenant responsible for ___% of bill for that building. • Premises is not separately metered. Meter that serves Premises also serves _____ buildings. Tenant responsible for ___% of bill for said building(s). • Premises is not separately metered. Meter that serves Premises also serves all of Landlord's Property. Tenant responsible for ___% of bill for all of Landlord's Property.
Repairs and maintenance which Tenant must perform : <i>[It will be Landlord's responsibility to perform any items deleted from this list. Make sure Parish understands this even though the term sheet will not show the items.]</i>	<p><i>[Delete only those bullet points that are N/A.]</i></p> <ul style="list-style-type: none"> • None • Cleaning • Trash and waste removal • Boiler inspection, maintenance • Asbestos inspection, maintenance • R & M of Premises that are not capital improvements

	<ul style="list-style-type: none"> • Fire protection system • Security alarm system • Snow, ice, debris removal in the following areas: _____ • Landscaping around the following areas: _____ • Other: _____
<p>Pass-through expenses for items which Landlord performs but for which Tenant has partial or total payment responsibility:</p>	<p><i>[Delete N/A bullet point.]</i></p> <ul style="list-style-type: none"> • 100% of Premises or _____ building • _____% of [_____ building(s)] [Landlord's Property] <p><i>[Delete only those bullet points that are N/A.]</i></p> <ul style="list-style-type: none"> • None • Cleaning • Trash and waste removal • Boiler inspection, maintenance • Asbestos inspection, maintenance • R & M of Premises that are not capital improvements • Fire protection system • Security alarm system • Snow, ice, debris removal in the following areas: _____ • Landscaping around the following areas: _____ • Other: _____
<p>Property Insurance:</p>	<ul style="list-style-type: none"> • Landlord's property insurance premium for Premises which is _____ % of premium for _____ building
<p>Insurance: <i>[This is for Tenant's information. Do not change without consulting with OLS and Risk Management]</i></p>	<p><i>Any variation from the amounts listed below must be approved by Don Turlek in advance of the term sheet being delivered to parish or tenant for review. At a minimum, Don should see tenant name, use, description of Premises as they appear on this term sheet.</i></p> <ol style="list-style-type: none"> 1) Broad form Commercial General Liability insurance policy naming Landlord as an Additional Insured with a policy limit of \$2,000,000 per occurrence, \$3,000,000 in the aggregate. 2) Excess liability insurance, naming Landlord as an Additional Insured, with a minimum policy limit <i>[for small non-school institution: \$5,000,000] [for any school or full-time program for children: \$20,000,000] [for a large school or operation occupying much of</i>

	<p><i>parish campus: \$50,000,000 J.</i> If the Tenant owns an automobile, automobile liability insurance for each automobile owned or leased by Tenant, with a \$1,000,000 per occurrence policy limit naming Landlord as Additional Insured.</p> <p>3) Workers' Compensation/Employer's Liability with statutory coverage with a \$500,000/accident, \$500,000/Disease-Policy, \$500,000/Disease-per employee.</p> <p>4) Personal property damage insurance, together with insurance against vandalism and malicious mischief, with coverage limits of not less than the full replacement value of Tenant's personal property located in or on the Premises.</p>
<p>Capital improvements (e.g. substantial repairs to, or replacements of, foundations, roofs, structural walls, boiler and heating systems):</p>	<p><i>[Delete N/A bullet points.]</i></p> <ul style="list-style-type: none"> • Landlord responsible for 100%. • Landlord responsible for ____%. • Tenant responsible for 100%. • Tenant responsible for ____% of Capital Improvements per lease year. • Tenant responsible for ____% of Capital Improvements; to be capped at \$_____ per lease year. • Tenant is responsible for the first \$_____ of Capital Improvement costs in any given lease year. • Tenant's is responsible for the \$_____ of capital improvements per year, which amount shall be put in a Capital Improvement Reserve and carried forward from year to year to address Capital Improvements. <i>[This is how much of the commercial world handles this issue. In order for it to be effective, a full study of the condition of the building is performed prior to negotiation of an amount so that Landlord can take a good guess at how much total capital improvement costs there will be and how much they want tenant to contribute. Sometimes, the lease will spell out what work is anticipated and toward which the Capital Improvement Reserve will be applied. In the alternative, factor the amount into the rent.]</i>
<p>Tenant work:</p>	<p><i>[Delete N/A bullet points. Include on the Tenant Improvement list any and all work we expect tenant to perform, including work that Tenant must do in order to conform to applicable laws for buildings generally or tenant's Use specifically.]</i></p> <ul style="list-style-type: none"> • None. • Tenant agrees to repair, replace, alter or make the

	addition(s) shown on the “Tenant Improvement” sheet attached hereto or sent simultaneously with this term sheet.
Landlord work:	<p><i>[Delete N/A bullet points.]</i></p> <ul style="list-style-type: none"> • None. • Landlord agrees to repair, replace, alter make the following addition(s) _____ before _____ (date).
Parking rights:	<p><i>[Note: If there is more than one parking lot, please be sure to state which parking lot Tenant may use.]</i></p> <p><i>[Delete N/A bullet points.]</i></p> <ul style="list-style-type: none"> • Tenant does not have any parking rights • Tenant has exclusive right to ____ spaces between ____ AM and ____ PM, which spaces will be <i>[located _____]</i> <i>[designated by a sign]</i> <i>[anywhere in parking lot so long as car displays permit provided by Landlord]</i> • Non-exclusive rights to parking in parking lot, except that Tenant may <u>not</u> park in _____ <i>[number, type, description]</i> spaces and, further, except as and when needed by Landlord for parish events • Non-exclusive rights to parking spaces, except as and when needed by Landlord for parish events. <i>[Such parking spaces are <i>[located _____]</i> <i>[designated by a sign]</i> <i>[anywhere in parking lot so long as car displays permit provided by Landlord]</i>].</i> • Non-exclusive rights to parking, on a first come, first serve basis, except as and when needed by Landlord for parish events <i>[Note: this is good if there are other tenants or if there are no parish activities on the site because the parish is closed]</i>
Access to other parts of Landlord’s Property other than the Premises: <i>[If there are any time restrictions to the use of any of the items listed, please note them. E.g. Church basement/hall on first Monday of each month from 7:00 pm to 9:00 pm.]</i>	<p><i>[Delete only those bullet points that are N/A.]</i></p> <ul style="list-style-type: none"> • None. • _____ walkways around the building • _____ courtyard, playground or large open green space [use the terms • _____ bathrooms <i>[where only certain floors or rooms are leased]</i> • _____ kitchen • Church basement/hall • Maintenance room/closet • Storage room/closet • Other
Specific entrance to Premises:	Except in emergencies, Tenant shall enter and exit using the

	_____ door.
Personal property at the Premises which Tenant may use:	<p><i>[Delete N/A bullet points. Add further descriptors if relevant. If the list is long prepare a separate page at the end of this document that can be transformed into an Exhibit.]</i></p> <ul style="list-style-type: none"> • Tables and chairs • Student desks • Kitchen equipment • Gym equipment • Cleaning equipment and materials • Furniture • Other:
Tenant notice address/title/fax:	<p>_____ <i>[Tenant Name]</i></p> <p>_____</p> <p>_____</p> <p>Attention: _____ <i>[Title of person]</i></p>
Other:	

This term sheet is **not contractually binding** on the parties and is only an expression of the basic terms and conditions to be incorporated in a formal written agreement. This term sheet does not obligate either party to negotiate in good faith or to proceed to the completion of a formal written agreement. The parties shall not be contractually bound unless and until a formal written agreement is executed by the parties, which must be in form and content satisfactory to each party and its counsel in their sole discretion. Neither party may rely on this letter as creating any legal obligation of any kind.

Furthermore, the Premises shall be leased in **AS IS, WHERE IS** condition. It is Tenant's sole responsibility to investigate and determine the condition of the Premises.

Please **initial** to signify review and acceptance of this term sheet subject to the above paragraph.

Real Estate _____ Pastor _____ Tenant _____

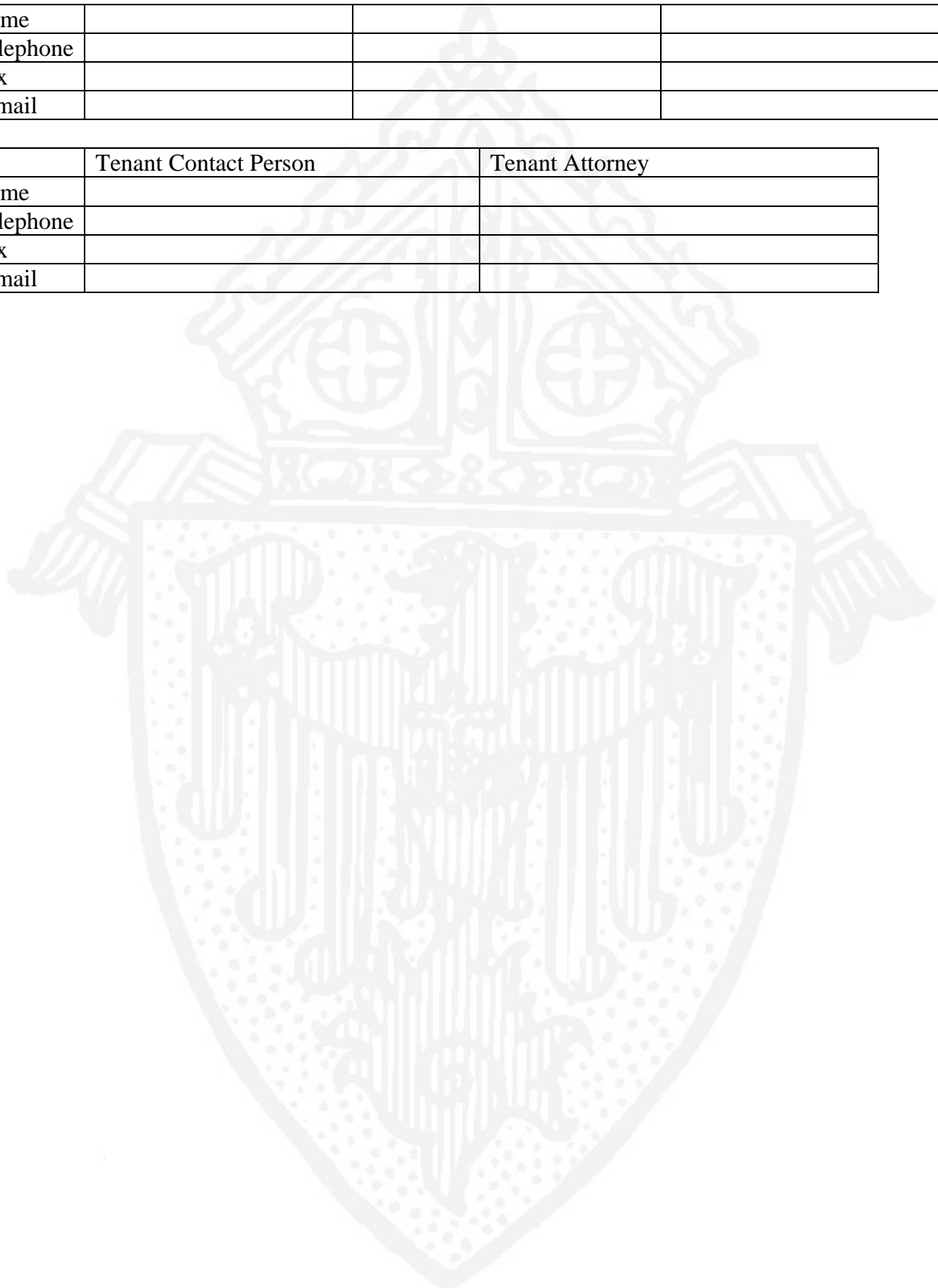
[If significant changes are made to term sheet after it is initialed by all parties, then RE can either revise and re-circulate the term sheet or else forward e-mails confirming accepting the specific changes.]

For information purposes only:

	Pastor	Parish Business Manager	Real Estate Dept. Contact Person
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Name			
Telephone			
Fax			
E-mail			

	Tenant Contact Person	Tenant Attorney
Name		
Telephone		
Fax		
E-mail		



FORM TENANT IMPROVEMENT EXHIBIT

Notes to preparer:

- (1) Where applicable, attach the following into Term Sheet. Delete instructional notes in italics before forwarding to tenant or parish for review. Be as specific as possible so Tenant has no doubt regarding what it has promised to do. If we expect Tenant to do x and they do only half of x, then we need to be able to point to some clear communication of their promise to do x. If a single project has multiple components, it may be easier to break down the components as separate items, even if in the final two columns you write “Include in estimate for Item #1”, or “Same as deadline for Item #2”.*
- (2) It is fine for this exhibit to carry over and be multiple pages.*

Tenant Improvements

	Item description	Estimated cost of item (including ___% contingency)	Date by which Tenant must complete the item
	<ul style="list-style-type: none"> • <i>Action to be performed (e.g. repair, replace, upgrade, conform to law, perform, conduct, remove, demolish)</i> • <i>Item on which action will be performed (e.g. toilet, boiler, wall, sink, electrical system)</i> • <i>Specific materials, standard or brand to be used (e.g. with copper wires, to building code standard, with matching Kohler faucets)</i> • <i>Location of item (e.g. 3rd floor, classrooms 211 and 212, throughout the premises, exterior wall, mechanical room)</i> • <i>Any other important descriptions</i> 		
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

This term sheet is not contractually binding on the parties and is only an expression of the basic terms and conditions to be incorporated in a formal written agreement. This term sheet does not obligate either party to negotiate in good faith or to proceed to the completion of a formal written agreement. The parties shall not be contractually bound unless and until a formal written agreement is executed by the parties, which must be in form and content satisfactory to each party and its counsel in their sole discretion. Neither party may rely on this letter as creating any legal obligation of any kind.