

[Chapter Name] Housing, LLC
a subsidiary of SAE Financial & Housing Corporation

1856 Sheridan Road
Evanston, IL 60201
800-233-1856 (Main)
847-475-2250 (Fax)

LEASE AGREEMENT

by and between

[CHAPTER NAME] HOUSING, LLC
(“Landlord”)

and

[CHAPTER NAME] CHAPTER OF
SIGMA ALPHA EPSILON FRATERNITY

(“Tenant”)

dated as of

[Date]

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into as of the _____ day of _____, 20____, by and between Landlord and Tenant.

W I T N E S S E T H:

1. **Certain Definitions.** The following terms are defined for purposes of this Lease:

(a) **Landlord:** [Chapter Name] Housing, LLC, an Illinois limited liability company. The term “Landlord” shall include Landlord and its successors, assigns, and successors-in-title.

(b) **Landlord’s Address:**

c/o SAE Financial and Housing Corporation
1856 Sheridan Road
Evanston, IL 60201
Attn: Executive Director

(c) **Tenant:** [Chapter Name] Chapter of Sigma Alpha Epsilon Fraternity [Check Corporate Status:, a _____ nonprofit corporation]. The term “Tenant” shall include Tenant and its heirs, legal representatives and successors, and also shall include Tenant’s approved assignees and sublessees, as applicable.

(d) **Tenant’s Address:**

Attn: Eminent Archon & House Manager

(e) **Premises:** The real property, improvements, and certain personal property located at [Full Address], and which historically has been known as the “Sigma Alpha Epsilon Fraternity House.”

(f) **Lease Term:** Thirty Six (36) months.

(g) **Commencement Date:** 12 midnight on _____, 20____.

(h) **Termination Date:** 12 midnight on _____, 20____.

(i) **Rent:** For each Rental Period set forth on Exhibit “A”, an amount equal to: (a) “Rent” for the applicable Rental Period as all such rental amounts and due dates are set forth on the same Exhibit “A”; and (b) the “Parlor Fee” for each non-resident member of the Tenant as all such parlor fee amounts and due dates are set forth on the same Exhibit “A”.

2. **Lease of Premises.** Landlord, in consideration of the covenants and agreements to be performed by Tenant, and upon the terms and conditions of this Lease, leases to Tenant, and Tenant leases from Landlord, the Premises, which primarily consists of a dormitory style building. The Premises also includes all land, buildings, parking facilities, walkways, common areas, landscaping, and any other improvements on the property, as well as a license to use Landlord's personal property associated with and remaining on the Premises for Tenant's use ("**Landlord's Property**"). Tenant accepts the Premises "AS IS, WHERE IS, WITH ALL FAULTS."

3. **Term.** Subject to the other terms of this Lease, the Lease Term commences on the Commencement Date and shall end on the Termination Date.

4. **Possession.** For so long as Tenant timely pays the Rent and complies with and performs all obligations and covenants required by it under this Lease, Tenant shall have the right to hold and occupy the Premises for the Lease Term. Tenant agrees that it will occupy the Premises solely for boarding house purposes and for activities reasonably related to Tenant's fraternity operations. Landlord and Tenant agree that at all times Landlord and Landlord's representatives, agents, assignees, and designees shall retain the right to access the Premises for any purpose whatsoever, including maintenance, making improvements, and inspection. [ADD IF APPLICABLE: Additionally, Landlord and Tenant agree that the [Chapter Name] Alumni Association, Inc. ("**Alumni Association**"), may use the Premises, including the [Name Common Areas], kitchen, and all exterior portions of the Premises, for special events and alumni meetings at such reasonable times as Landlord may determine in its sole discretion with reasonable advance notice to Tenant; accordingly, Tenant's possession of the Premises is subject to the aforementioned reservation of rights and license to use the Premises and Landlord's Property by the designated third parties.]

5. **Rental Payments.**

(a) Beginning before the Commencement Date and continuing throughout the Lease Term, Tenant agrees to pay the Rent due and payable under this Lease. The Rent shall be due and payable on those due dates and in the installment amounts as shown on the attached Exhibit "A" and as set forth in Paragraph 1(i).

(b) Tenant may make rental payments in excess of the amount due at any installment date, and such advance payment shall be credited towards the next installment amount due.

(c) Rent installment payments which are more than ten (10) days past due shall incur a late fee of five percent (5%) of the total installment amount then outstanding, provided, however, that Landlord agrees to accept any such past due amounts.

(d) Payments made by Tenant to Landlord pursuant to this Lease, shall be applied as follows and in the following order and notwithstanding any Tenant correspondence or notation regarding the same: (i) towards any attorneys fees and collection costs incurred by Landlord to compel Tenant's compliance with the terms of this Lease; (ii) towards any fines levied by Landlord pursuant to Paragraph 24(c) below; (iii) towards costs incurred by Landlord to repair any damages to the Premises caused by Tenant pursuant to Paragraph 8(g) below or to pay for

any other cost expressly assigned to Tenant pursuant to the terms of this Lease; (iv) towards any late fees payable to Landlord pursuant to subsection (c) above; and, (v) towards the payment of Rent.

(e) For the purposes of Paragraphs 7(e) and 7(f) of this Lease (i.e., property taxes and property insurance), Landlord and Tenant have determined the Rent on the assumption that each such expense may increase by no more than 3% in each successive period that the tax or expense is regularly assessed. In the event the applicable expense increases by more than 3% in each successive period, Tenant (and not Landlord) shall be responsible for the additional charges incurred by Landlord on account of said expenses, and Tenant agrees to pay all such amounts to Landlord within thirty (30) days of written notice by Landlord, which notice shall include supporting evidence of the expense in question.

6. **Tenant's Financial Covenants.** As a material consideration for Landlord executing this Lease with Tenant and to ensure Tenant's compliance with the Lease terms, including but not limited to all financial obligations arising under this Lease, Tenant agrees to the following terms and conditions:

(a) Tenant agrees to pledge and, as needed, pay over to Landlord, all monies maintained by Tenant in any bank account whatsoever held in Tenant's name and/or as managed on Tenant's behalf by Manager, including but not limited to its Membership Deposits (as defined below) and any security deposits collected by Tenant pursuant to its Subleases (defined below), as well as all of Tenant's other assets whatsoever, including but not limited to personal property and intangible rights, whether or not located on the Premises. Upon request of Landlord, Tenant agrees to execute such additional security instruments as may be reasonably requested by Landlord and necessary to evidence the foregoing terms.

(b) Tenant shall require each and every one of its members and neophytes (i.e., persons who have completed the tenant's pledge program but who have not yet been initiated into the fraternity), to maintain with Tenant at all times and on account of their financial obligations to Tenant, a "**Membership Deposit**" which amount per member and neophyte shall be no less than \$450.00 per person. The Membership Deposit program shall be administered by Manager on behalf of Tenant and upon such terms and conditions reasonably approved by Landlord. Tenant agrees that at all times it shall remain responsible and liable to any member, neophyte or pledge member for the Membership Deposit paid by such person in accordance with the terms of the Membership Agreement (defined below).

(c) Tenant shall require each and every one of its members, neophytes and, as applicable, pledge members (i.e., persons who have been accepted into tenant's pledge program but who have not yet completed the same) to sublease rooms in the Premises as required to fully occupy the Premises and for so long as they remain enrolled in the host university; provided, however, the foregoing occupancy requirement shall not apply to a person (i) who is studying abroad under a university-recognized academic program, (ii) who is working full-time at an internship as part of a university sponsored "co-op" program (by whatever name), (iii) who is prohibited by the host university from living in the Premises, (iv) who is otherwise unable to occupy a room due to a documented medical disability that would make such occupancy unreasonable under the circumstances and for which Landlord is unable or unwilling to make an

accommodation (for example only, no wheel chair access to the applicable dorm rooms), or (v) upon request of Tenant, who Landlord has agreed in its sole discretion may be exempt from this occupancy requirement.

(d) At a minimum, Tenant shall require each and every one of its members, neophytes and pledge members to participate in Tenant's meal program, as follows: (i) members, neophytes and pledge members who reside in the Premise's dorm rooms shall be required to pay and participate in the Tenant's "full meal plan", which provides breakfast, lunch and dinner at least five (5) days per week; and, (ii) members, neophytes and pledge members who do not reside in the Premise's dorm rooms shall be required to pay and participate in either Tenant's "full meal plan" (described above) or its "half meal plan", which provides an option of either lunch or dinner at least five (5) days per week. However, the foregoing meal plan obligation shall not apply to a person (i) who is studying abroad under a university-recognized academic program, (ii) who is working full-time at an internship as part of a university sponsored "co-op" program (by whatever name), (iii) who is required by the host university to pay and participate in a similar "full meal plan" offered by the host university, (iv) who has food allergies or a medical disability that would make such meal plan participation unreasonable under the circumstances and for which Tenant is unable or unwilling to make an accommodation, or (v) upon request of Tenant, who Landlord has agreed in its sole discretion may be exempt from this meal plan requirement. Additionally, pledge members shall not be required to participate in the Tenant's meal program in the same academic quarter or semester (as applicable) during which they pledge Tenant's fraternity chapter, provided that they do not reside in the Premises.

(e) Immediately upon execution of this Lease and, thereafter, as new members, neophytes and pledge members are obtained, Tenant shall require that each and every one of its members, neophytes and pledge members execute and maintain on file with Manager a "**Membership Agreement**" in the form promulgated by Manager from time to time, and as reasonably approved by Landlord. Pursuant to the terms of the Membership Agreement, Tenant's members, neophytes and pledge members shall covenant and agree with Tenant as follows: (i) acknowledgment and receipt of this Lease, the Account Management Agreement and all such related documents and their agreement to comply with the same; (ii) to pay and maintain the Membership Deposit with Tenant; (iii) to sublease dorm rooms from Tenant as needed to fully occupy the Premises; (iv) to pay and participate in Tenant's meal program, as applicable; (v) to abide by the Rules as defined in this Lease; (vi) agree that their Membership Deposit may be applied by Tenant, in its sole discretion, to remedy any default or other violation or requirement of this Lease and that said Membership Deposit has been pledged by the Tenant to Landlord on account of its obligations under this Lease; (vii) that Landlord and Manager shall be deemed third party beneficiaries of the covenants set forth in the Membership Agreement; and, (viii) such other terms, conditions and agreements requested or provided by Tenant and Manager and reasonably approved by Landlord.

7. **Landlord Expenses.** Landlord shall be responsible solely for and shall pay when due the following expenses associated with the Premises:

(a) All principal and interest payments on any mortgage encumbering or loan secured by the Premises;

(b) Expenses for routine maintenance and repairs (but not cleaning) necessary to keep the Premises and Landlord's Property in good repair, including expenses for "normal wear and tear" repairs and routine maintenance and repairs to all utility systems, but excluding maintenance and repair expenses resulting from Tenant's misuse or neglect of the Premises;

(c) Expenses for maintenance of all landscaping and the exterior portions of the Premises including lawn care and snow removal, but excluding such expenses resulting from Tenant's misuse or neglect of the Premises;

(d) All utility and operational expenses including, for example, electricity, gas, water and sewer, cable television, telephone services, computer fiberoptic network access, trash removal, fire alarm monitoring service (including a dedicated phone line for the alarm system), etc, but excluding such expenses resulting from Tenant's misuse or neglect of the Premises, Tenant's excessive or unreasonable consumption of such utilities, or any utility or operational expenses not expressly authorized by Landlord;

(e) All real property taxes, assessments, and related municipal taxes and fees imposed on Landlord by virtue of its ownership of the Premises;

(f) Commercial property and casualty insurance insuring the full replacement cost of the Premises and Landlord's Property with an insurance provider selected by Landlord. Such insurance also shall include a loss of rents or business interruption policy. Landlord shall be named as sole insured under all such insurance policies. Tenant shall be responsible for insuring its own personal property in the Premises at its own cost and expense;

(g) Expenses for maintaining in good working order the existing fire alarm system (and all components thereof) and all other existing fire protection and fire prevention equipment and system in the Premises, including but not limited to all annual renewal of fire extinguishers and re-charging of fire extinguishers, annual inspection of the fire sprinkler system, etc.; and

(h) Expenses and repairs caused by Landlord's gross negligence or intentional acts or omissions, and the gross negligence or intentional acts or omissions of its directors, officers, employees, agents, invitees, and licensees.

8. **Tenant Expenses.** Tenant shall be solely responsible for and shall pay when due the following:

(a) Commercial general liability insurance written on an occurrence basis and insuring Tenant and Landlord against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of the condition, use or occupancy of the Premises, or in any way occasioned by or arising out of the activities of Tenant, its agents, contractors, employees, occupants, members, guests, invitees, or licensees. The limits of such policy or policies shall be in combined single limits for both damage to property and personal injury and in amounts not less than \$1,000,000.00 for each occurrence. In addition, such insurance shall extend to any liability of Tenant arising out of any indemnities provided for in this Lease. All insurance policies procured and maintained by Tenant pursuant to this provision shall name Landlord, Tenant and any additional parties designated by Landlord as additional insured. Upon request, Tenant shall provide Landlord, at Tenant's cost, with evidence

that such policies are in full force and effect and all policy payments are current. In the event that Tenant is more than thirty (30) days late in making policy payments, Landlord, in its sole discretion, may (i) pay such overdue premiums and invoice Tenant for the amount so paid, and/or (ii) assess Tenant a late fee (in addition to any late charges assessed by the insurance provider) equal to ten percent (10%) of the outstanding amount due;

(b) Workmen's compensation insurance (applicable if Tenant has any employees, such as House Director, janitor, cook, etc.). Upon request, Tenant shall provide Landlord, at Tenant's cost, with evidence that such policies are in full force and effect and all policy payments are current. In the event that Tenant is more than thirty (30) days late in making policy payments, Landlord, in its sole discretion, may (i) pay such overdue premiums and invoice Tenant for the amount so paid, and/or (ii) assess Tenant a late fee (in addition to any late charges assessed by the insurance provider) equal to ten percent (10%) of the outstanding amount due;

(c) Expenses for keeping the Premises and Landlord's Property continuously clean and in good order, including expenses of a janitor or janitorial service as described and required by this Lease;

(d) Expenses of the House Director as described and required by this Lease;

(e) Expenses of the Manager as described and required by this Lease;

(f) Expenses associated with operating the kitchen and providing food service, including all expenses associated with hiring a cook and related personnel and related service providers, and obtaining and maintaining kitchen equipment and supplies, for so long as Tenant elects to provide food service (including specifically semi-annual cleaning all kitchen and cooktop ventilation equipment and monthly cleaning of any grease traps);

(g) Expenses for maintenance and repairs to the Premises and Landlord's Property arising from Tenant's, its members, occupants, guests, invitees, and licensees, misuse of the Premises and for maintenance expenses not attributable to "normal wear and tear," including specifically, but not limited to, any vandalism damages caused by any party whomsoever; and

(h) All other expenses not specifically attributed to Landlord under the terms of this Lease.

9. **Rules.** The Premises shall be used in accordance with, and Tenant, its members, occupants, agents, guests, invitees, and licensees, shall comply with all applicable laws, ordinances and rules and regulations (as may be amended from time to time) of the following ("**Rules**"): (i) the United States of America, the county, city and state in which the Premises is located, and other applicable governmental authorities; (ii) the host university in which Tenant's members are enrolled; (iii) the Sigma Alpha Epsilon Fraternity ("**Fraternity**") of which Tenant is a chapter or colony (including all risk management policies of the Fraternity); (iv) the Tenant's Bylaws which are attached as Exhibit "F" and the rules for members established by Tenant pursuant to said Bylaws; (v) any insurance carrier insuring Landlord or Tenant under any applicable insurance policy; and (vi) the Special Stipulations attached as Exhibit "B".

10. **Alterations.** Tenant shall not make, suffer or permit to be made any alterations, additions or improvements to or of the Premises or any part thereof of any nature whatsoever (including but not limited to moving or removing Landlord's Property), or attach or add any additional fixtures, furniture or equipment thereto, **without first obtaining Landlord's written consent.** Landlord may condition its consent on certain terms to be complied with by Tenant at Tenant's sole expense in conjunction with such alteration, addition, or improvement. All such alterations, additions and improvements shall become Landlord's property at the expiration or earlier termination of the Lease Term and shall remain on the Premises without compensation to Tenant; provided, however, Landlord may elect by notice to Tenant at the time of Landlord's consent to have Tenant remove such improvements at the end of the Lease Term. In the event that Tenant may and does remove such improvements, Tenant shall promptly restore, at its sole cost and expense, the Premises to its condition prior to the installation of such alterations, additions and improvements. Landlord reserves the right from time to time to make various alterations and improvements to the Premises in its sole discretion. **[ADD IF APPLICABLE: From time to time, the Alumni Association may loan personal property to the Chapter or otherwise have such personal property displayed within the Premises; in such event, Tenant agrees to maintain and protect all such personal property as if such property was part of Landlord's Property.]**

11. **Janitorial Services.** Tenant agrees to employ, at Tenant's cost and expense in the amount actually incurred, and with the approval of Landlord, a janitor or comparable janitorial service to assist Tenant in maintaining the cleanliness, good order, and good repair of the Premises and Landlord's Property. The minimum performance requirements for the janitor or comparable janitorial service, including days of service per week, are attached as Exhibit "C"; however, Tenant shall be responsible for all cleaning of the Premises and Landlord's Property not performed by the janitor or janitorial service as reasonably necessary to maintain the cleanliness and good order of the Premises and Landlord's Property (including but not limited to the prompt washing of dishes and silverware in connection with any use of the kitchen and cleaning the Premises immediately after any social event). Tenant shall ensure that the janitor or janitorial service performs the minimum performance requirements set forth on Exhibit "C". If, in Landlord's sole opinion, the frequency of cleaning prescribed by Exhibit "C" is insufficient to maintain the cleanliness, good order and good repair of the Premises based on actual use by Tenant, then Landlord may require Tenant to increase such frequency of cleaning and/or the scope of such work at Tenant's expense. Additionally, at any time and for any reason, Landlord may withdraw its consent of the janitor or janitorial service employed by Tenant pursuant to this Paragraph and require Tenant to employ an alternate janitor or janitorial service acceptable to Landlord.

12. **House Director.** Tenant agrees to cause and reasonable cooperate with Manager (defined below) to employ, as Tenant's employee and at Tenant's cost and expense, an on-site, live-in House Director, which individual shall be hired and employed in accordance with the Manager's Account Management Agreement, attached as Exhibit "E" and approved by Landlord. The House Director shall reside on the Premises in the room or suite designated by Landlord for such purposes; provided, however, no Rent shall be due and payable to Landlord (or to Tenant) on account of the House Director's occupancy in the Premises.

13. **Management Assistance.** As a material consideration for Landlord executing this Lease with Tenant and to ensure Tenant's compliance with the Lease terms (including but not limited to all financial obligations arising under this Lease), Tenant has agreed to employ Greek Housing Management, LLC, an Illinois limited liability company ("**Manager**") to assist Tenant with the financial and all other management responsibilities described in this Lease, including but not limited to the requirements outlined in Paragraph 8 above. Accordingly, and as a mandatory requirement of this Lease, Tenant agrees to employ, at its sole cost and expense, the Manager at all times during the Lease Term, and Tenant agrees to execute simultaneously upon execution of this Lease the Manager's Account Management Agreement, attached as Exhibit "E" and approved by Landlord (as the same may be amended from time to time with Landlord's consent). In the event Manager ceases to do business or otherwise ceases to provide such management services to Tenant, Tenant agrees to employ a comparable management company providing identical management services as approved in advance and in writing by Landlord.

14. **Service Contracts and Vendors.** Landlord agrees to work with the Manager to maintain, at Landlord's expense, an annual maintenance and service contract with (a) an HVAC contractor for the purpose of maintaining the good working order of all HVAC equipment, including regular inspection and filter service, and (b) a fire alarm and fire sprinkler contractor (as applicable) for the purpose of maintaining the good working order of all fire safety systems (including fire alarms, fire extinguishers, and fire sprinkler systems), including annual inspection of the same. Without Landlord's written consent, all work to be performed by Tenant pursuant to this Lease shall be performed only by Landlord-approved service contractors and vendors, a list of which is maintained by Manager, as such approved vendor list may be amended from time to time by Landlord in its sole discretion and upon written notice to Tenant and Manager.

15. **Surrender of Premises.**

(a) Upon the expiration or other termination of this Lease, Tenant shall quit and surrender to Landlord the Premises and every part thereof (including Landlord's Property) and all alterations, additions and improvements thereto, as approved by Landlord, broom clean and in good condition and state of repair, reasonable wear and tear only excepted. Moreover, Tenant shall remove all personal property, equipment, and all alterations, additions and improvements not accepted by Landlord, which it has placed upon the Premises, and Tenant shall repair any damage resulting therefrom. If Tenant fails to repair any damage to the Premises or fails to surrender the Premises broom clean and in good condition and state of repair (less reasonable wear and tear), then Landlord, in addition to any other remedy set forth in this Lease, may cause such damages to be repaired and the Premises to be so cleaned and, upon demand, Tenant immediately shall reimburse Landlord for all costs and expenses incurred by Landlord to remedy the same.

(b) If Tenant remains in possession after expiration or termination of the Lease Term with or without Landlord's written consent, then Tenant shall become a tenant at sufferance, and there shall be no renewal of this Lease by operation of law. During the period of any such holding over, all provisions of this Lease shall be and remain in effect. The monthly rent for any holdover period shall be the Rent due for the prior 12 month period plus 50%, divided by 12 months; and, the monthly rent due during any holdover period shall be fully earned and due on

the first day of each month encompassing the holdover period and shall not be prorated for any partial month of occupancy.

(c) The terms of this Paragraph expressly shall survive the termination of this Lease and the expiration of the Lease Term.

16. **Keys.** Tenant shall be responsible for all keys (which term shall include, as applicable, key cards and other means of entry) to the Premises, including the cost of replacing any missing keys, repairing any broken locks, and re-keying any or all locks in the event that an excessive number of keys remain unaccounted for and as may be required by Landlord in its sole discretion. No locks shall be added, removed or modified without Landlord's advance written consent. Additionally, and subject to Landlord's approval, Tenant shall establish and administer in coordination with the Manager a formal key control system so that all keys to Premises (exterior and interior doors) are accounted for at the beginning and end of each collegiate semester, all missing keys are promptly replaced pursuant to this Paragraph (or locks are re-keyed as appropriate), and any and all broken locks are timely repaired. Tenant acknowledges that the keys for the Premises may only be duplicated by the manufacturer of the locks; accordingly, Tenant shall coordinate with Landlord on the replacement of any missing keys.

17. **Destruction.**

(a) If the Premises are damaged by fire or other casualty, the same shall be repaired or rebuilt as speedily as practical under the circumstances under the supervision of Landlord, unless this Lease is terminated as provided in this Article. Except as may be otherwise provided, Landlord is not required to rebuild the Premises.

(b) If the Premises are (i) destroyed as a result of a risk which is not insured under the insurance policies required hereunder, or (ii) destroyed during the last three (3) months of the Lease Term, or (iii) damaged in whole or in part to such an extent that the Premises cannot, in Landlord's reasonable judgment, be operated economically as an integral unit, then and in any such event, Landlord may at its option terminate this Lease by notice in writing to Tenant within thirty (30) days after the day of such occurrence and Landlord shall retain all proceeds payable under all insurance policies for which Landlord is a named insured or beneficiary and which concern the Premises and Landlord's Property, such payments being the property of Landlord without any participation by Tenant.

(c) If Landlord should elect pursuant to this Article to repair or rebuild because of any damage or destruction, Landlord's obligation to repair or rebuild shall be limited to the original condition of the Premises and shall not include any alterations or improvements made by Tenant. Landlord shall retain all proceeds payable under all insurance policies for which Landlord is a named insured or beneficiary and which concern the Premises and Landlord's Property, such payments being the property of Landlord without any participation by Tenant.

(d) In no event shall Landlord be liable to Tenant or any other party for any consequential damages (i.e., damages, losses or injuries which are a result of an act but are not direct and immediate) arising under or in connection with this Lease or the use and occupancy of the Premises. In no event shall Landlord be liable to Tenant, its members, occupants, guest,

invitees, and licensees for any property damage resulting from fire or other casualty to the Premises. The terms of this subsection expressly shall survive termination of this Lease.

(e) In the event Tenant is dispossessed from the Premises, and if Landlord does not exercise any right it may have to terminate the Lease, then Landlord shall, with all due diligence, repair and rebuild the damage done to the Premises to the condition which existed prior to the casualty. In the event that Tenant may occupy or re-occupy a portion of the Premises during the described repair and re-construction period, and in the event that any loss of rents or business interruption insurance benefits are accordingly reduced thereby, Tenant shall be liable for the difference of the Rent and all such insurance proceeds. At all times, Tenant shall be responsible and liable for the Rent due hereunder.

(f) The terms of this Paragraph shall survive any termination of this Lease.

18. **Eminent Domain.**

(a) If all or part of the Premises shall be taken for any public or quasi-public use by virtue of the exercise of the power of eminent domain or by private purchase in lieu thereof, and if title to so much of the Premises is taken that a reasonable amount of reconstruction thereof will not in Landlord's reasonable discretion result in the Premises being suitable for use for the purpose for which it is designed, then this Lease shall terminate on the date that the condemning authority actually takes possession of the part so condemned or purchased.

(b) If this Lease is terminated under the provisions of this Article, Rent shall be apportioned and adjusted as of the date of termination.

(c) If there is a partial taking of the Premises and this Lease is not thereupon terminated under the provisions of this Article, then this Lease shall remain in full force and effect, and Landlord shall, within a reasonable time thereafter, repair or reconstruct the remaining portion of the Premises to the extent necessary to make the same a complete architectural unit.

(d) All compensation awarded or paid to Landlord upon a total or partial taking of the Premises shall belong to and be the property of Landlord without any participation by Tenant.

(e) The terms of this Paragraph shall survive any termination of this Lease.

19. **Damage or Theft of Personal Property.** All personal property brought into the Premises or improvements and alterations made by Tenant (whether or not approved by Landlord), and by Tenant's members, occupants, employees, agents, guests, licensees, or invitees, shall be at the risk of Tenant only, and unless due to Landlord's gross negligence or willful misconduct, Landlord shall not be liable for theft thereof or any damage or loss of any kind whatsoever. Unless due to Landlord's gross negligence, Landlord shall not at any time be liable for damage to any property in or upon the Premises, which results from fire, gas, smoke, water, rain, ice, snow, wind, or leaks from any part of the Premises or from the pipes or plumbing work, or from any other place whatsoever. In the event of any insurance claim that can be made against one or more of the insurance policies of Landlord, Tenant, and Tenant's members and occupants, the insurance policies of Tenant and Tenant's members and occupants

shall be primary with respect to any sickness, accident, injury or death, or for loss or damage to any property, or for any other legal liabilities which might be imposed for damage to persons or property. The terms of this Paragraph shall survive any termination of this Lease.

20. **Liability of Tenant and Landlord.**

(a) Tenant shall indemnify, defend and hold harmless Landlord (including Landlord's members, directors, officers, employees, agents and invitees) from any and against any and all liability, claims, suits, actions, losses, damages, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) for any damage or injury to any person (including death resulting therefrom) or property occurring in, on, or about the Premises arising from or caused by any person whomsoever except to the extent caused by the gross negligence or willful misconduct of Landlord and its members, directors, officers, employees, agents, and invitees, and Tenant hereby releases Landlord from any and all liability for the same.

(b) Landlord shall indemnify, defend and hold harmless Tenant from any and against any and all liability, claims, suits, actions, losses, damages, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) for any damage or injury to any person (including death resulting therefrom) or to the Premises to the extent caused by the gross negligence or willful misconduct of Landlord or of any member, director, officer, employee, agent or invitee under the direction or control of Landlord.

(c) Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant shall not be liable and hereby release one another with respect to and waive all rights to consequential damages arising in connection with or pursuant to this Lease and the use, management and occupancy of the Premises.

(d) The provisions of this Paragraph shall survive any termination of this Lease.

21. **Tenant's Estoppel and Subordination.** Tenant shall, from time to time, upon not less than ten (10) days prior written request by Landlord, execute, acknowledge and deliver to Landlord a written statement certifying (to the extent true and correct) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), the dates to which the Rent and other charges have been paid, that Tenant is not in default hereunder and has no off sets or defenses against Landlord under this Lease, and whether or not, to the best of Tenant's knowledge, Landlord is in default hereunder (and, if so, specifying the nature of the default). The parties intend that any such statement delivered pursuant to this Paragraph may be relied upon by a prospective purchaser of Landlord's interest or by a mortgagee of Landlord's interest or assignee of any security deed upon Landlord's interest in the Premises. Failure to timely provide the above described tenant estoppel certificate shall be deemed a default.

22. **Mortgage Rights.** This Lease is and shall be automatically subject and subordinate to any mortgage encumbering the Premises and to any and all advances to be made thereunder and to all renewals, modifications and extensions thereof. It is the intention of Landlord and Tenant that the foregoing subordination shall be self-operating without any further agreement of Tenant. In the event any mortgagee exercises the power of sale or accepts a deed

in lieu of foreclosure under any mortgage, Tenant agrees, in consideration for the subordination of this Lease set forth above, to attorn to and recognize the purchaser, at such sale, as landlord under this Lease. In the event the mortgagee requires confirmation of the agreements contemplated in this Paragraph, Tenant agrees, on or before seven (7) days after request, to execute and deliver to Landlord such instrument as the mortgagee may reasonably require. In the event Tenant fails to do so, Landlord is hereby irrevocably vested with full power and authority to confirm the subordination of Tenant's interest under this Lease to the mortgagee.

23. **Subleasing.**

(a) This Lease may not be assigned nor the Premises sublet in whole by Tenant without the prior written consent of Landlord. However, Tenant shall be entitled to sublease dormitory rooms of the Premises to any of its undergraduate fraternity chapter members, neophytes and pledge members or other host university undergraduate students, provided that such sublessee shall assume and agree to accept, by written instrument, in a form reasonably satisfactory to Landlord, the performance of all of Tenant's obligations under this Lease, and provided that Landlord approves each sublessee and sublease. The form of sublease approved by Landlord for the foregoing purposes is attached as Exhibit "D"(the "**Sublease**"), which may not be modified without Landlord's consent. A copy of all such executed Subleases shall be provided to Landlord at least thirty (30) days prior to the effective date of such subletting for Landlord's review and approval. Except for the House Director and sublessees approved by Landlord, no other person or party may occupy any portion of the Premises. In its sole discretion, Landlord reserves the right to require future amendments to the form Sublease used in connection with this Lease.

(b) Tenant agrees that should Landlord's interest in the Premises cease to exist for any reason during the Lease Term, then notwithstanding the happening of such event, this Lease and all approved Subleases nevertheless shall remain in full force and effect.

24. **Default.**

(a) The following events shall be deemed to be events of default by Tenant under this Lease: (i) Tenant shall fail to pay any installment of Rent or any other charge or assessment against Tenant pursuant to the terms hereof which remains uncured for a period of seven (7) days after written notice from Landlord; or (ii) Tenant shall fail to comply with any material term, provision, covenant or warranty made under this Lease by Tenant, including compliance with the Rules, which remains uncured for a period of seven (7) days after written demand by the Landlord specifying the nature of the breach (or such longer period as reasonably may be required if such breach cannot be cured within seven (7) days, so long as Tenant commences such cure within the initial seven (7) day period and does thereafter diligently prosecute such cure to completion); or, (iii) in Landlord's reasonable opinion, Tenant shall be disciplined by the Fraternity or host university in such a manner so as to substantially impair Tenant's ability to fully perform under the terms of this Lease, including but not limited to suspension or loss of its Fraternity charter.

(b) Upon the occurrence of any of the above events of default, Landlord shall have the option to pursue any remedy which may be available to Landlord by law or under this Lease, including but not limited to termination of the Lease and eviction of Tenant.

(c) In addition to or in lieu of any other remedy available to Landlord under this Lease or by law, and without regard to any notice and cure period, Landlord may fine Tenant \$250.00 for each violation of the Rules and such fines shall be deemed part of the Rent. Each occurrence of a Rules violation and/or multiple Rules violations that occur as part of the same incident may be fined separately by Landlord and shall not be deemed a single violation for the purposes of this Lease.

(d) No waiver of any breach of the covenants, warranties, agreements, provisions, or conditions contained in this Lease shall be construed as a waiver of said covenant, warranty, provision, agreement or condition or of any subsequent breach thereof. If any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred.

(e) If Landlord uses the services of attorneys in order to secure compliance with any provision of this Lease, to recover damages for any breach or default of any provision of this Lease, or to terminate this Lease, Landlord shall be reimbursed by Tenant upon demand for any and all reasonable attorneys' fees and expenses so incurred by Landlord. Tenant waives all homestead rights and exemptions which it may have under any law as against any obligation owing under this Lease, and assigns to Landlord its homestead and exemptions to the extent necessary to secure payment and performance of its covenants and agreements hereunder.

25. **Arbitration.** The parties agree to negotiate between themselves any controversy or claim arising out of or relating to this Lease, or the breach thereof, for a period of fourteen (14) days after the dispute is first documented in writing by one party to the other and written demand for negotiation is first made. Thereafter, if not resolved by negotiation, the parties agree that any such controversy or claim arising out of or relating to this Lease, or the breach thereof, shall be settled by arbitration by a single arbitrator mutually selected by the parties in accordance with the American Arbitration Association's Commercial Arbitration Rules (including the Optional Rules for Emergency Measures of Protection), and judgment on the award may be entered in any court having jurisdiction thereof; provided, however, it is not the intent of the parties to arbitrate with the American Arbitration Association unless mutually agreed by the parties. The scheduled hearing shall be held at a location in Evanston, Illinois designated by the arbitrator (or, if the parties mutually agree, in the state in which the Premises is located). The arbitrator shall be a qualified, impartial person, who is a licensed attorney, and said arbitrator shall have had at least ten (10) years of experience immediately prior to the date of the demand with active involvement or experience in fraternity or sorority housing and/or student housing. The arbitrator shall render his/her decision and award within sixty (60) days of referral. Such decision and award shall be final, binding and conclusive on the parties and counterpart copies of the same shall be delivered to each of the parties. In rendering such a decision and award, the arbitrator shall not add to, subtract from or otherwise modify the provisions of this Lease. Any arbitration conducted pursuant to this Lease may include by consolidation or joinder and upon demand of the Landlord and Tenant, any person or entity not a party to this Lease, if such person or entity is involved in a common question of law or fact or the presence of such person is

required in order for complete relief to be accorded in the arbitration, and such party or entity otherwise agrees or has previously agreed to such arbitration. Because of the expedited arbitration process agreed to by the parties, there shall be no discovery except for the following: seven (7) days prior to the scheduled hearing, the parties shall exchange all documents which the parties intend to use at the scheduled hearing. Each party shall pay its own fees and expenses related to arbitration, including their own attorneys, experts and witnesses; provided, however, if requested by either party in their pleadings, the arbitrator in its sole discretion may award the prevailing party attorney fees and other litigation expenses in such amount as the arbitrator deems reasonable or commensurate with the award provided, if any. Each party also shall pay one-half (1/2) of the fees and expenses of the arbitrator. After all of the evidence has been presented, and the hearing concluded, the arbitrator shall issue an award within fifteen (15) days. The arbitrator shall have no authority to award punitive damages or exemplary damages. Each party acknowledges that, by entering into these provisions, it has agreed to arbitrate any disputes or controversy described in this Paragraph, and that such agreement necessarily entails a waiver of numerous rights that the party might have were such disputes to be determined other than pursuant to arbitration. Nonetheless, each party knowingly and voluntarily waives all rights that it might otherwise have, including without limitation: the right to litigate such disputes in a state court forum or federal court forum having jurisdiction over this matter; the right to conduct discovery in accordance with the rules of the court in which the litigation concerning the dispute might otherwise be filed; the right to trial in such court, including without limitation the right to trial by jury; the right to obtain certain damages and remedies that might not be awardable by the arbitrator pursuant to this Paragraph; and the right to an appeal of the arbitrator's award. The foregoing enumeration of the rights waived by the party are not intended to be exclusive, and the fact that any right is not specifically listed here shall have no effect on the fact that such right is waived by virtue of the agreement to arbitrate disputes as provided herein.

26. **Authority.** To the best of their knowledge and belief, each person executing this Agreement below represents and warrants to the other the following: (i) the party and the persons signing below have the full power and authority to enter into this Agreement; (ii) the party is solvent and has not filed for bankruptcy or is contemplating filing for bankruptcy; and (iii) neither the execution of this Agreement nor the finalization of the transactions contemplated hereby will result in or constitute a breach or default under any contract, other commitment or restriction to which it is a party or by which it is bound, or requires any consent, vote or approval which has not been taken, or at the time of the transaction involved will not have been given or taken.

27. **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been fully given, whether actually received or rejected if (i) sent postage prepaid, in the United States Mail, certified, return receipt requested, (ii) sent by Federal Express or by a similar overnight delivery service which obtains a signature from the recipient (or receipt is expressly rejected), or (iii) hand delivered, to Landlord or Tenant at their respective address as set forth above or at such other address as either party shall give to the other by notice.

28. **Miscellaneous.** The laws of the State in which the Premises is located shall govern the validity, performance and enforcement of this Lease. Time is of the essence of this Lease and whenever a certain day is stated for payment or performance of any obligation of

Tenant or Landlord, the same enters into and becomes a part of the consideration. This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. If any clause or provision of the Lease is illegal, invalid or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby, and in lieu of each clause or provision of this Lease which is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as nearly identical to the said clause or provision as may be legal, valid and enforceable. No failure of Landlord or Tenant to exercise any power given Landlord or Tenant, as the case may be hereunder, or to insist upon strict compliance by the other party with any obligation of such other party hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Landlord's or Tenant's right to demand exact compliance with the terms hereof. This Lease may not be altered, waived, amended or extended except by an instrument in writing signed by Landlord and Tenant. The parties agree that they and their agents have fully and jointly participated in the preparation and negotiation of this Lease, and that no court, administrative body, or other entity interpreting or construing this Lease shall presume that its terms shall be more strictly construed against one party over another by virtue of who may have drafted any portion of this Lease. Furthermore, the parties acknowledge and agree that certain terms of this Lease regarding Tenant's financial covenants, possession by Tenant, Rules, remedies of Landlord upon default by Tenant, subleasing to Tenant's members, and such similar and related Lease terms may vary from and/or modify applicable law as the same may be enacted now or in the future, and all such modifications are expressly intended by each party to supersede federal, state and/or local law, as applicable, but only to the extent permitted by law. Furthermore, each party acknowledges and agrees that they have had an opportunity to consult with an attorney prior to executing this Lease and have done so, or they have otherwise voluntarily waived the opportunity for such legal consultation. All rights, powers and privileges conferred hereunder upon the parties shall be cumulative to, but not restrictive of or in lieu of, those conferred by law. The use of headings herein is solely for the convenience of indexing the various paragraphs hereof and shall in no event be considered in construing or interpreting any provision of this Lease. This Lease may be signed in one or more counterparts with the same force and effect as if all signatures were contained in a single original instrument.

29. **Special Stipulations and Exhibits.** By this reference, all Exhibits attached hereto and referenced within this Lease, including but not limited to the Special Stipulations, expressly are incorporated into the terms of this Lease. For the purposes of this Lease, the terms of all attached Exhibits may not be amended without the express written consent of Landlord.

List of Exhibits:

- Exhibit "A" – Rent Schedule
- Exhibit "B" – Special Stipulations
- Exhibit "C" – Minimum Performance Requirements for Janitorial Services
- Exhibit "D" – Form of Approved Sublease
- Exhibit "E" – Account Management Agreement Form
- Exhibit "F" – Tenant's Bylaws

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO LEASE AGREEMENT]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day, month and year first above written.

“LANDLORD”:

[Chapter] Housing, LLC, an Illinois limited liability company

By: SAE Financial and Housing Corporation, an Ohio corporation, its sole member

By: _____

Name:

Title:

[SEAL]

“TENANT”

[Complete Full Chapter Name and Entity]

By: _____

Name:

Its: President

Attest: _____

Name:

Its: Secretary

[SEAL]

Exhibit "A"

Rent Schedule

Rental Periods	Rent Installment Due Dates	Rent	Parlor Fee for Each Non- Resident Tenant Member
8/24/09 – 12/31/09	9/15/09 10/15/09 11/15/09		
1/01/10 – 5/23/10	1/15/10 2/15/10 3/15/10		
5/24/10 – 8/23/10	5/25/10		
8/24/10 – 12/31/10	9/15/10 10/15/10 11/15/10		
1/01/11 – 5/23/11	1/15/11 2/15/11 3/15/11		
5/24/11 – 8/23/11	5/25/11		
8/24/11 – 12/31/11	9/15/11 10/15/11 11/15/11		
1/01/12 – 5/23/12	1/15/12 2/15/12 3/15/12		
5/24/12 – 8/23/12	5/25/12		

Exhibit "B"

Special Stipulations

- A. Fire Marshal Inspection. Tenant agrees to arrange for an inspection of the Premises by the local fire marshal within ninety (90) days of the Commencement Date (and within 90 days of each annual anniversary of the Commencement Date), and to provide Landlord with written evidence of said inspection and any deficiencies found or noted by the fire marshal within five (5) days of the inspection.
- B. Preservation of Educational Areas. Tenant reasonably shall cooperate with Landlord to preserve the ability of its affiliated foundation to make contributions towards the expenses of the Premises, which contributions shall be for the benefit of Landlord only. Accordingly, except for non-alcoholic rush functions, Alumni Association functions and other events expressly approved in writing by Landlord, the Study Room [**DESCRIBE OTHER AREAS**] shall be used exclusively for qualified academic activities, including study halls, pledge education meetings, membership training and workshops, etc. Except as provided in this Paragraph, the aforementioned areas of the Premises may not be used for any kind of social or recreational function, including parties, card and board games, etc. In connection with any Alumni Association function which relates to any host university sporting event, the Alumni Association may have one or more televisions in the Study Room and other academically-restricted areas, provided that all such televisions promptly are removed at the conclusion of the function.
- C. Affixing Items to Premises.
- (i) Greek letters, Fraternity related signage or murals, lawn ornaments (such as lion statues), and similar items must be approved by Landlord pursuant to Paragraph 10 of the Lease before being affixed to or displayed from the Premises.
- (ii) Tenant agrees and understands that only pictures and award plaques may be mounted on any wall of the Premises (including individual dorm rooms) with only the use of common picture hangers obtained from local hardware stores (i.e., no nails, no screws, no tape or other adhesive, etc.), and that no other item whatsoever shall be affixed to the interior and exterior walls without Landlord's advance written consent. Additionally, Tenant agrees and understands that, except as may be approved by Landlord in writing, no area of the Premises (including any dorm room) may be painted or re-painted, in whole or in part, except in the original paint colors approved by Landlord and as presently used throughout the Premises and then only with Landlord's advance written consent.
- D. Use of Premises. Tenant shall take reasonable steps to insure that:
- (i) no one tampers with the life safety systems of the Premises;
- (ii) no flammables, bicycles and motorcycles are stored within the Premises;

(iii) no candles, incense or any type of cooking equipment is used in the dorm rooms, including but not limited to toasters, toaster ovens, hot water heaters, hot plates, microwaves, etc.;

(iv) no person whomsoever smokes or uses any tobacco products or other similar products in the interior of the Premises. All interior portions of the Premises are **NON-SMOKING** and **TOBACCO FREE**; however, Tenant may designate certain outside areas of the Premises for smoking and tobacco product use;

(v) no firearms or weapons are brought onto or stored within any portion of the Premises;

(vi) no fireworks are stored or used on any portion of the Premises;

(vii) no extension cords are used anywhere on the Premises, provided that UL rated ground surge protectors may be used in place of extension cords;

(viii) no person (other than authorized maintenance personnel) gains access or remains on any roof of the Premises;

(ix) except for the Tenant's cook, House Director, food suppliers and other persons authorized by the Tenant in accordance with reasonable rules approved by the Manager, no person shall use or access whatsoever the Premises' kitchen;

(x) Except for legally permitted service animals, no animal or pet of any kind is brought onto or kept upon any portion of the Premises at any time;

(xi) the HVAC system remains operational at all times of the year, including during any holiday breaks (minimum 60 degrees Fahrenheit and a maximum of 78 degrees Fahrenheit); and

(xii) the Premises remains secured and locked at all times to prevent uninvited guests and trespassers from gaining entry into the Premises. Tenant acknowledges and agrees that should any break-in occur over a holiday break or any other period, then upon Landlord's request, Tenant thereafter shall be obligated to hire someone (or member volunteer) to watch over and reside in the Premises during all future breaks and holidays.

E. Restrictions on Alcohol Use.

(i) **TENANT AGREES THAT THE PREMISES SHALL REMAIN "ALCOHOL FREE" FOR THE ENTIRE TERM OF THIS LEASE.** For the purposes of this Paragraph, the term "alcohol free" shall mean absolutely no possession or consumption of alcoholic beverages on any portion of the Premises by any person whomsoever. Notwithstanding the foregoing, Landlord may, in its sole discretion, allow Tenant and its residents, members and guests of legal drinking age, to possess and

consume alcohol on the Premises on a semester-by-semester basis (i.e., academic semesters of the host university or, if applicable, by quarter system), subject to such additional rules and regulations promulgated by Landlord from time to time. Factors which may influence Landlord to allow the possession and consumption of alcohol on the Premises include, but is not limited to the following: (i) Tenant's good standing with the host university, the Fraternity and such other bodies which oversee Tenant's operations (including, for example only, being placed on any form of suspension or probation); (ii) Tenant's and its members' strict compliance with the Rules set forth in Paragraph 9 of the Lease and all other terms of this Lease (including, for example only, the timely payment of Rent and the ongoing maintenance and upkeep of the Premises); (iii) the nature and number of any complaints filed by neighbors with Landlord and/or reports from the local police department of any adverse nature regarding Tenant's and its members' occupancy of the Premises or its behavior in general (including, for example only, complaints of noise, littering and public intoxication); and, (iv) Tenant's relative good standing within the fraternity community of the host university (including, for example only, its grade point average ranking as compared to all other fraternities and the general student population). Prior to each semester, Tenant may request in writing from Landlord a written exemption to the alcohol free restriction set forth in this Paragraph; and, unless and until Landlord provides Tenant with a written notice allowing Tenant and its residents, members and guests of legal drinking age to possess and consume alcohol on the Premises, the entire Premises (without exception) shall remain alcohol free.

(ii) Except for non-alcoholic rush functions, Alumni Association functions and other events expressly approved in writing by Landlord, and provided that alcoholic beverages are permitted on the Premises pursuant to this Paragraph, no alcoholic beverages may be served or consumed [DESCRIBE RESTRICTED COMMON AREAS]. Except for non-alcoholic rush functions, Alumni Association functions and other events expressly approved in writing by Landlord, no food except individually wrapped snacks (such as candy bars and crackers) may be served or consumed in the Study Room [DESCRIBE ANY OTHER AREAS]. Tenant shall maintain and frequently empty appropriately sized trash cans throughout all common areas of the Premises and shall ensure that the Study Room [DESCRIBE OTHER AREAS] remains clean and free of debris at all times.

F. [Customize per Chapter] Notwithstanding any term and condition set forth above in Paragraph 6(b) to the contrary, Landlord and Tenant agree that (i) the Membership Deposit shall not become due and payable until after August 15, 2012; (ii) the Membership Deposit may be "phased in" to its members and neophytes as follows: (x) persons who become members or neophytes from and after the date of this Lease or who otherwise do not qualify pursuant to subsections (y) and (z) below, shall be required to pay a Membership deposit of no less than \$450.00; (ii) persons who have acquired (as of August 15, 2012) at least 25% of the academic credits necessary to graduate from the host university in good standing shall be required to pay a Membership deposit of no less than \$350.00; and (iii) persons who have acquired (as of August 15, 2012) at least 75% of the academic credits necessary to graduate from the host university in good standing shall be required to pay a Membership deposit of no less than \$250.00; and, (iii) the Membership Deposit may be paid by the applicable persons in up to six (6) equal

installments on the same Rent Installment Due Dates described in Exhibit "A" of this Lease from and after the date said person becomes obligated to make such deposit.

G. [Customize per Chapter] Notwithstanding any term and condition set forth above in Paragraph 6(d) to the contrary, Landlord and Tenant agree that Tenant's existing members and neophytes (but excluding any existing pledge members) shall be exempt from the meal plan requirement described in the Lease, provided that they do not reside in the Premise's dorm rooms. Otherwise, persons who become members or neophytes from and after the date of this Lease shall be required to pay for and participate in Tenant's meal plan as described in Paragraph 6(d) above.

Exhibit "C"

Minimum Performance Requirements for Janitorial Services

The following janitorial services shall be performed not less than two (2) times per week:

1. Sweep and mop all tile floors and vacuum all carpet floors throughout the common areas of the Premises, including bathrooms, kitchen, dining room, hallways, stairs, entry foyer and Study Room.
2. Sweep front and rear porch.
3. Pick-up and dispose of trash and debris around entire Premises (interior and exterior).
4. Empty trash cans to dumpster and replace trash bag liners.
5. Clean bathrooms, including sinks, toilets and shower stalls with appropriate cleaning agents.
6. Clean kitchen and dining areas, including countertops, dining tables, serving tables, appliances, etc. with appropriate cleaning agents.
7. Re-stock paper products in bathrooms and kitchen.
8. Replace light bulbs.
9. Dust furniture, window blinds, pictures, award plaques, etc. throughout Premises, including Study Room.
10. Assist House Director with keeping inventory of janitorial supplies and ordering additional supplies as needed.
11. Assist House Director by reporting any damage to the Premises.

Additionally:

12. Once a month, clean windows (interior and exterior) of Study Room and entry door side lights, and dining/recreation room.
13. As needed, spot treat stains in carpet with appropriate cleaning agents tested for colorfastness.
14. As needed, spot treat stains in furniture fabrics with appropriate cleaning agents tested for colorfastness.
15. As needed, clean and buff tile floor in dining/recreation room.

Tenant shall be responsible for the above cleaning of the Premises after every social function; it shall not be the responsibility of any third party janitor or janitorial service to service the Premises after Tenant social functions unless paid by Tenant.

EXHIBIT “D”

Form of Sublease

(attached)

CHAPTER HOUSE ROOM SUBLEASE

THIS CHAPTER HOUSE ROOM SUBLEASE (“Sublease”) is made and entered into this ____ day of _____, 20____, by and between Chapter and Occupant.

1. Definitions. For the purposes of this Sublease, the following terms are defined:

Chapter: [Add Full Chapter Name and Entity Type], whose address is _____, the lessor under the terms of this Sublease.

Occupant: _____,
Name Address
the lessee under the terms of this Sublease.

Landlord: [Chapter Name] Housing, LLC, whose address is c/o SAE Financial and Housing Corporation, Attn: Executive Director, 1856 Sheridan Road, Evanston, Illinois 60201, the owner of the Premises and the Landlord under the Master Lease.

Premises: The real property, improvements, and certain personal property located at [Add Premises Address], as such Premises is historically known as the “SAE Fraternity House.”

Room: _____, a dormitory room located on the Premises and leased to Occupant
Room Number
as a _____ to be jointly occupied with _____.
Single/Double Roommate, if applicable

Master Lease: That certain Lease Agreement by and between Chapter and Landlord, dated as of [Add Master Lease Date], a copy of which Occupant acknowledges having received as of the date hereof, and the terms of which, as such terms may be amended from time to time, are incorporated herein (including all attachments thereto) by this reference.

Sublease Term & Room Rent: *(Check & Initial All That Apply)*

<u>Sublease Term:</u> (also see Paragraph 3 below)	<u>Room Rent</u>
_____ FALL SEMESTER; Sublease Term commences at 12:00 a.m. on _____, 20____, and Sublease Term terminates at 12:00 a.m. on _____, 20____.	\$ _____
_____ SPRING SEMESTER; Sublease Term commences at 12:00 a.m. on _____, 20____, and Sublease Term terminates at 12:00 a.m. on _____, 20____.	\$ _____
_____ SUMMER SEMESTER; Sublease Term commences at 12:00 a.m. on _____, 20____, and Sublease Term terminates at 12:00 a.m. on _____, 20____.	\$ _____

2. Lease of Premises. Chapter, in consideration of the covenants and agreements to be performed by Occupant, and upon the terms and conditions of this Sublease, leases to Occupant, and Occupant leases from Chapter, the Room. Chapter also grants Occupant a license to use the

other areas of the Premises subject to rules and regulations promulgated by Chapter (or Landlord) from time to time. The Room shall be used only for residential purposes consistent with dormitory living. IN ADDITION TO THE TERMS OF THIS SUBLEASE, OCCUPANT SHALL STRICTLY COMPLY WITH ALL TERMS OF THE MASTER LEASE, AND SHALL PERMIT NO DEFAULT OR BREACH THEREUNDER. THIS SUBLEASE AND OCCUPANT'S POSSESSION OF THE ROOM IS MADE SUBJECT TO THE CHAPTER'S COMPLIANCE WITH ALL TERMS OF THE MASTER LEASE AND THE MASTER LEASE REMAINING IN EFFECT.

3. Term. UNLESS EARLIER TERMINATED IN ACCORDANCE WITH THIS SUBLEASE OR THE MASTER LEASE, the Sublease Term commences on the commencement date and shall end on the termination date as provided in Paragraph 1 above.

4. Possession. For so long as Occupant timely pays the Room Rent and complies with and performs all obligations and covenants required by it under this Sublease, the Master Lease, and the Rules (as such term is defined in the Master Lease), Occupant shall have the right to hold and occupy the Room for the Sublease Term. Chapter and Occupant acknowledge and agree that at all times Chapter, Landlord, and their respective representatives, agents, assignees, and designees, shall retain the right to access the Room at any time, and for any purpose whatsoever, including maintenance and inspection. During the Term, and pursuant to the terms of the Master Lease, certain utilities will be provided to the Room and common areas of the Premises as part of the Room Rent. Occupant acknowledges that he has inspected the Room, common areas of the Premises and utilities being provided to the Room and finds the same acceptable. All personal property brought onto the Premises by Occupant shall be at the risk of Occupant only. Occupant acknowledges that he has been advised to obtain "renter's insurance" to cover any loss to his personal property while stored within the Premises. Furthermore, this Sublease does not assign nor guarantee a parking space to Occupant. All parking privileges on the Premises shall be governed by the Chapter under separate rules and policies governing the same.

5. Rental Payments. Beginning before the Commencement Date and continuing throughout the Sublease Term, Occupant agrees to pay the Room Rent due and payable under this Sublease. Room Rent includes the following items: Room occupancy for the Sublease Term; all utilities presently provided to the Room and Premises; and, [a full meal plan]. Except for an alternative payment plan approved in writing by the Chapter, the Room Rent shall be due and payable in the following amounts on the following dates:

Fall Installment Schedule

DUE DATE: _____, 20____ AMOUNT: \$ _____
DUE DATE: _____, 20____ AMOUNT: \$ _____
DUE DATE: _____, 20____ AMOUNT: \$ _____

Spring Installment Schedule

DUE DATE: _____, 20____ AMOUNT: \$ _____
DUE DATE: _____, 20____ AMOUNT: \$ _____
DUE DATE: _____, 20____ AMOUNT: \$ _____

Summer

DUE DATE: _____, 20____ AMOUNT: \$_____

Occupant may make rental payments in excess of the amount due on any installment due date, and such advance payment shall be credited towards the next installment amount due under this Sublease. Room Rent installment payments which are more than ten (10) days past due shall incur a late fee of five percent (5%) of the total installment amount then outstanding. Room Rent installment payments which are more than thirty (30) days past due shall incur an additional late fee of ten percent (10%) of the total installment amount then outstanding, which late fee shall be reassessed for each thirty (30) day period thereafter until paid in full.

6. Condition of Room. Occupant accepts the Room in its existing condition, without representation or warranty, express or implied, and no representation has been made by Chapter (or Landlord under the Master Lease) as to its condition. Occupant agrees not to make any alterations, additions, removals (such as furniture) or improvements to or of the Room and Landlord's Property without the prior written consent of Chapter (whose consent shall be subject to the consent of Landlord under the Master Lease). Any approved alteration, modification, or improvement shall be removed by Occupant at the end of the Sublease Term. Occupant shall be responsible for general maintenance and regular cleaning of the Room throughout the Term of this Sublease. Upon the expiration or other termination of this Sublease, Occupant shall surrender to Chapter the Room broom clean and in good condition and state of repair, reasonable wear and tear only excepted. Occupant shall remove all personal possessions which it has placed upon the Room or the Premises, and Occupant shall repair any damage which has resulted from its occupancy of the Room or Premises. In coordination with the administration of this Sublease, Occupant agrees to participate in the check-in and check-out process prescribed by the Chapter and the Manager.

7. Deposit. Occupant's obligations under the terms of this Sublease shall be secured, in part, by its Membership Deposit with the Chapter, the terms of which Membership Deposit are controlled by the Membership Agreement separately executed by Occupant. From time to time in Chapter's sole discretion and in accordance with applicable law, Chapter may apply all or any portion of the Membership Deposit to satisfy all or any part of Occupant's obligations under this Sublease. Such application of the Membership Deposit shall not prevent Chapter from claiming damages in excess of the Membership Deposit and shall not be deemed Chapter's waiver of any other right or remedy of Chapter under this Sublease, which rights and remedies may include those provided for an event of default by Occupant under this Sublease. In the event that all or any part of the Membership Deposit has been used by Chapter as permitted by and in accordance with the terms of this Sublease, or by Landlord as permitted by and in accordance with the terms of the Master Lease, Occupant shall, upon demand, immediately deposit with Chapter a sum equal to the amount so applied by Chapter so that Chapter shall have the full amount of the Membership Deposit on hand at all times during the Sublease Term, including any extension, renewal, or holdover term. Notwithstanding the above terms to the contrary, Occupant acknowledges and agrees that the Membership Deposit also secures the Chapter's obligations under the Master Lease and that Occupant benefits materially from the Chapter possessing the Premises pursuant to the Master Lease. Occupant agrees and consents to Landlord and Manager holding and administering the Membership Deposit in accordance with the Master Lease.

8. Guaranty. Chapter requires Occupant to obtain a Guaranty as additional collateral for Occupant's obligations under this Sublease, which Guaranty shall be in the form prescribed by Chapter, attached to this Sublease, and shall be from a guarantor approved by Chapter. In the event Occupant cannot obtain a Guaranty acceptable to the Chapter (and as required by the Landlord), then Occupant may substitute such Guaranty with the following: (a) an additional Membership Deposit of \$[ADD AMOUNT] to be added to the Membership Deposit previously paid by Occupant to Chapter pursuant to the Membership Agreement, and (b) a renter's insurance policy reasonably acceptable to the Chapter, premium prepaid for the term of this Sublease, with a minimum general liability policy coverage of no less than \$100,000, which shall be evidence by an insurance certificate from the issuing insurance carrier.

9. Default of Occupant. In the event that Occupant shall default in the payment of Room Rent when due or shall default in performing any of the terms and provisions of this Sublease, the Master Lease (including the Rules), the Chapter's bylaws or the Fraternity laws, and Occupant fails to cure such default within ten (10) days from written notice by Chapter, then Chapter (or Landlord as its designee) shall be entitled to promptly remove Occupant and Occupant's possessions from the Room and from the Premises without further notice; provided, however, such removal shall be in compliance with any applicable state law or regulation and, provided further, such removal shall be in addition to any other remedies available to the Chapter under the terms of this Sublease, the Master Lease, the Chapter's bylaws, the Fraternity's laws, or the law. **DEFAULT OF OCCUPANT UNDER THE TERMS OF THIS SUBLEASE OR THE MASTER LEASE SHALL NOT RELIEVE OCCUPANT OF THE OBLIGATION TO PAY ROOM RENT FOR THE REMAINING TERM OF THIS SUBLEASE, REGARDLESS OF WHETHER OR NOT OCCUPANT REMAINS IN POSSESSION OF THE ROOM.**

10. Modifications. Occupant agrees and acknowledges that the Master Lease may be modified and amended by the Chapter and Landlord in accordance with the terms set forth therein and without advance notice to and/or consent of Occupant, and Occupant agrees to be bound by any such modifications. This Sublease may not be modified or amended without the express written agreement of Chapter, Occupant and Landlord, which has expressly approved this form of sublease. Except for completion of the provided blanks and signatures, all other mark-outs or hand-written additions shall not become effective and a part of this Lease unless and until the Chapter and Landlord acknowledges its consent to such modifications.

12. Indemnity. Occupant agrees to indemnify, defend and hold harmless Chapter and Landlord from and against any and all claims of any nature whatsoever for damages or injury to persons or property arising out of or related in any manner to Occupant's use or occupancy of the Room or the Premises, and all expenses thereof (including reasonable attorneys' fees and court costs). The foregoing indemnity excludes claims arising directly from the gross negligence or willful misconduct of Chapter or Landlord.

15. Miscellaneous. The laws of the state in which the Premises is located shall govern the validity, performance and enforcement of this Sublease. Time is of the essence of this Sublease and whenever a certain day is stated for payment or performance of any obligation of Occupant or Chapter, the same enters into and becomes a part of the consideration. All notices required or permitted to be given under this Sublease shall be given in person or by certified U.S. Mail, return receipt requested, if between Chapter and Occupant, or by certified U.S. Mail, return receipt requested, if to or from Landlord and the other parties, at the address set forth above in

Paragraph 1. If any clause or provision of this Sublease is illegal, invalid or unenforceable under present or future laws, the remainder of this Sublease shall not be affected thereby, and in lieu of each clause or provision of this Sublease which is illegal, invalid or unenforceable, there shall be added as a part of this Sublease a clause or provision as nearly identical to the said clause or provision as may be legal, valid and enforceable. This Sublease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. In the event of a conflict between the terms of this Sublease and the Master Lease, the terms of the Master Lease shall govern. This Sublease and Occupant's Room shall not be subleased or assigned without the express written consent of Chapter and Landlord, and then only by an approved written agreement by all parties. Landlord shall be deemed a designated third party beneficiary to the terms of this Sublease, and Landlord shall be entitled to enforce all of the terms of this Sublease as if Landlord was the Chapter. OCCUPANT AGREES THAT IT HAS BEEN PROVIDED AN OPPORTUNITY TO REVIEW THE TERMS OF THIS SUBLEASE WITH AN ATTORNEY PRIOR TO ITS EXECUTION AND HAS DONE SO, OR THEY HAVE OTHERWISE VOLUNTARILY WAIVED THE OPPORTUNITY FOR SUCH LEGAL CONSULTATION. The parties agree that they and their agents have fully and jointly participated in the preparation and negotiation of this Lease, and that no court, administrative body, or other entity interpreting or construing this Lease shall presume that its terms shall be more strictly construed against one party over another by virtue of who may have drafted any portion of this Lease. Furthermore, the parties acknowledge and agree that certain terms of this Lease regarding the Membership Deposit, possession by Tenant and Occupant, Rules, and such similar and related Lease and Sublease terms may vary from and modify applicable law as the same may be enacted now or in the future, and all such modifications are expressly intended by each party to supersede federal, state and/or local law, as applicable, but only as may be permitted by law. In the event of any dispute, controversy or claim between the parties regarding this Sublease, the parties agree to submit said dispute to binding arbitration after first trying to amicably mediate the dispute between themselves, all in accordance with Paragraph 25 of the Master Lease. The use of headings herein is solely for the convenience of indexing the various paragraphs hereof and shall in no event be considered in construing or interpreting any provision of this Sublease. This Sublease may be signed in one or more counterparts with the same force and effect as if all signatures were contained in a single original instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day, month and year first above written.

“CHAPTER”:

By: _____

Print Name:

Print Title:

“OCCUPANT”:

By: _____

Print Name:

LEASE GUARANTY FOR CHAPTER HOUSE ROOM SUBLEASE

In consideration for, and as an inducement to the Chapter (as all such capitalized terms are defined in the Sublease) to enter into that certain Chapter House Room Lease attached hereto (the "Sublease") by and between Occupant and Chapter, the undersigned guarantor ("Guarantor") hereby guarantees to Chapter, its successors, assigns and designated beneficiaries, the payment of all sums of money now or hereafter due from Occupant to Chapter under the Sublease. No delay or failure on the part of Chapter in enforcing any of its rights or remedies against Occupant or Guarantor or the release of any party from liability hereunder or under the Sublease or of any security thereto shall affect or impair any rights or remedies that Chapter may have against Occupant or Guarantor.

Guarantor's obligations hereunder shall not be terminated, reduced or affected in any way by Occupant's bankruptcy or other insolvency or by reason of the assertion by Chapter against Occupant of any right or remedy for the enforcement of the obligations of Occupant under the Sublease, or by reason of the waiver by Chapter of, or its failure to enforce, any of the terms, covenants or conditions of the Sublease, or the granting of any indulgence or extension of time or other forbearance to Occupant; provided, however, any such forbearance shall be applicable to the relevant payment by the undersigned to the same extent applicable to Occupant. The undersigned Guarantor waives notice of acceptance of this Guaranty.

If Chapter shall employ attorneys to perform legal services in connection with the Sublease or this Guaranty in connection with any default by Occupant or Guarantor, Guarantor shall, in addition to all other amounts owed to Chapter, be obligated to pay Chapter's reasonable attorneys' fees and court costs.

All duties and obligations of Guarantor pursuant to this Guaranty shall be binding upon the heirs, representatives, successors and assigns of Guarantor. This Guaranty shall be governed by and construed in accordance with the laws of the state where the Premises is located. Any dispute, controversy or claim between the parties regarding this Guaranty shall be subject to the arbitration provisions of the Master Lease and Sublease, and Guarantor expressly agrees to submit itself to said arbitration. Guarantor's address for notices shall be as set forth below until changed by written notice to Chapter. Notices shall be given pursuant to the notice provision of the Sublease. Landlord shall be deemed a designated third party beneficiary to the terms of this Guaranty and, upon any default by Chapter under the Master Lease, Landlord shall be entitled, upon written notice to Guarantor, to enforce all of the terms of this Guaranty as if Landlord was the Chapter.

SIGNED, SEALED AND DELIVERED as of even date with the Sublease.

By: _____ (SEAL)
Print Guarantor's Name:

By: _____ (SEAL)
Print Guarantor's Name:

Address: _____

Address: _____

Relationship to Occupant: _____

Relationship to Occupant: _____

EXHIBIT “E”

Account Management Agreement

(attached)

EXHIBIT “F”

Tenant’s Bylaws

(attached)