

**LEASE AGREEMENT FOR 4652 SOUTH BISHOP STREET, CHICAGO, ILLINOIS BETWEEN *
FIRSTSTAR BANK, N.A., F/K/A FIRST COLONIAL TRUST COMPANY, AS TRUSTEE U/T/A
KNOWN AS TRUST # 1-5301 DATED JANUARY 5, 1995, AS LANDLORD AND THE BOARD
OF EDUCATION OF THE CITY OF CHICAGO, AS TENANT**

* U.S. Bank N.A. f/k/a Firststar

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THIS LEASE AGREEMENT ("Lease") is made as of this 1st day of May, 2004 between Firststar Bank, N.A., f/k/a First Colonial Trust Company, as Trustee u/t/a known as Trust # 1-5301 dated January 5, 1995 ("Landlord"), and the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate ("Tenant").

RECITALS:

- A. Landlord is the owner of property located at 4652 South Bishop Street, Chicago, Illinois, which is improved with a single story building that contains approximately 7,900 rentable square feet and adjacent grounds and parking lot (collectively the "Building").
- B. Tenant desires to lease the Building from Landlord and desires that Landlord complete certain improvements to the Building as set forth below.
- C. Landlord desires to so lease the Building to Tenant and complete the improvements as set forth below.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full, and for other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. **GRANT/TERM.** Landlord hereby leases the Building to Tenant, upon the terms and conditions hereinafter set forth, for a term (the "Term") commencing as of May 1, 2004 ("Commencement Date") and ending on April 30, 2014 ("Termination Date").
- 2. **OPTION TO RENEW**
 - A. Tenant is hereby granted the right to extend the term of this Lease for two (2) additional periods (such periods being herein referred to as the "Renewal Term") of five (5) years each, such right to be exercised in a written notice given to Landlord by Tenant no later than eight (8) months prior to the expiration date of the initial Term or the first Renewal Term, as the case may be, provided, however, that Landlord shall notify Tenant in writing of the expiration of such period in which Tenant may exercise such option and Tenant may, within twenty (20) days of such notice, exercise such right. If Tenant does not give its written notice exercising such right during such period, all rights of Tenant under this Paragraph 2 shall terminate.
 - B. If Tenant exercises its right to extend, as aforesaid, Tenant's rights with respect to each Renewal Term are further subject to the following terms and provisions:
 - (i) The Rent for the Building for both Renewal Terms shall be equal to the then current market rental rate for comparable space in comparable condition buildings

comparable to the Building in the same geographic area as the Building, including then current market concessions such as, by way of example but not by way of limitation, free rent, improvement allowances, and free parking, as reasonably determined by Landlord (said current market rental rate is hereinafter referred to as the "Market Rent").

- (ii) Landlord shall deliver to Tenant a notice which shall specify the annual Market Rent and the Rent for the applicable Renewal Term and the monthly installments thereof at least seven (7) months prior to the commencement of each Renewal Term. If Tenant disagrees with the Market Rent so determined by Landlord, Tenant may demand, at any time within 30 days of Tenant's receipt of Landlord's notice aforesaid, the determination of Market Rent be submitted to arbitration. Such arbitration shall be conducted in Chicago, Illinois in accordance with the following: the Landlord and Tenant each shall give notice (hereinafter referred to as the "Determination Notice") to the other setting forth their respective determinations of the Market Rent, and, subject to the provisions of Section B (iii) below, either party may apply to the American Arbitration Association or any successor thereto for the designation of an arbitrator satisfactory to both parties to render a final determination of the Market Rent. The arbitrator shall be a real estate appraiser, or consultant, who shall have at least ten (10) years continuous experience in the business of appraising commercial real estate. The arbitrator shall conduct such hearings and investigations as the arbitrator shall deem appropriate and shall, within thirty (30) days after having been appointed, choose one of the determinations set forth in either Landlord's or Tenant's Determination Notice, and that choice by the arbitrator shall be binding upon Landlord and Tenant. Each party shall pay its own counsel fees and expenses, if any, in connection with any arbitration under this Section B (ii), and the parties shall share equally all other expenses and fees of any such arbitration. The determination rendered in accordance with the provisions of this Section B (ii) shall be final and binding in fixing the Market Rent. Other than the determination of the Market Rent, the arbitrator shall not have the power to add to, modify, or change any of the provisions of this Lease.
- (iii) If the determination of the Market Rent set forth in the Landlord's and Tenant's Determination Notices shall differ by less than ten percent (10%), then the Market Rent shall not be determined by arbitration, but shall instead be set by taking the average of the determinations set forth in Landlord's and Tenant's Determination Notices. Only if the determinations set forth in Landlord's and Tenant's Determination Notices shall differ by more than ten percent (10%) shall the actual determination of Market Rent be made by an arbitrator as set forth in Section B (ii) above.
- (iv) The term "Term" as used in this Lease shall mean and include each Renewal Term and the Termination Date under this Lease shall be the last day of such Renewal Term and Tenant shall execute such documents as Landlord may reasonably request, including an amendment hereto, setting forth the new Termination Date and the Rent for each year of the Renewal Term.

C. Except as expressly set forth in this Paragraph 2, all other terms and conditions of this Lease shall apply to the Renewal Term.

3. **USE.** For a pre-kindergarten program of Hamline Elementary School or other general educational needs of the Tenant.

4. **RENT.** Subject to abatement as provided in Paragraph 13 below, in consideration of the leasing of the Building as set forth above, Tenant covenants and agrees to pay to the Landlord the following (Monthly Base Rent; Monthly Reimbursement for Tenant Improvements; and the payment of Taxes, as set forth below, all of which are collectively referred to herein as "Rent"):

<u>Lease Year</u>	<u>Monthly Base Rent</u>	<u>Monthly Reimbursement For Tenant Improvements</u>	<u>Total Rent and TI's</u>
5/1/04 to 4/30/05	\$7,900.00	\$13,243.00	\$21,143.00
5/1/05 to 4/30/06	\$7,900.00	\$13,243.00	\$21,143.00
5/1/06 to 4/30/07	\$7,900.00	\$13,243.00	\$21,143.00
5/1/07 to 4/30/08	\$7,900.00	\$13,243.00	\$21,143.00
5/1/08 to 4/30/09	\$7,900.00	\$13,243.00	\$21,143.00
5/1/09 to 4/30/10	\$8,097.50		
5/1/10 to 4/30/11	\$8,299.93		
5/1/11 to 4/30/12	\$8,507.42		
5/1/12 to 4/30/13	\$8,720.10		
5/1/13 to 4/30/14	\$8,938.10		

Before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, as Additional Rent for the Building, all "Taxes" (as hereinafter defined) levied, assessed or imposed upon the Building and the Real Estate (as defined in Article 31 below) or any part thereof accruing during the Term of this Lease. As used herein, the term "Taxes" shall mean real estate taxes, assessments, sewer rents, rates and charges, permit and license fees, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary, which may now or hereafter be assessed against the Building or any portion thereof in any year during the Term hereof, and shall also include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the operation of the Building. Notwithstanding the foregoing, nothing contained herein shall be construed to require Tenant to pay any franchise, inheritance, estate, succession or transfer tax of Landlord or any income or excess profits tax assessed upon or in respect of all income of Landlord or chargeable to or required to be paid by Landlord unless such tax shall be specifically levied against the rental income of Landlord derived hereunder (as opposed to a general income tax), which tax shall be paid by Tenant as part of Taxes hereunder provided said rental income shall be considered as the sole income of Landlord. Landlord represents to Tenant that as of the date hereof it does not have actual knowledge of any special assessments affecting the Building.

All Rent shall be payable, in advance, during each month of the Term of this Lease at the address specified in Paragraph 20 below or as may otherwise be specified in a notice from Landlord to Tenant. The Monthly Base Rent is calculated on the basis of the total square footage of the

Building, which has been determined to be 7,900 rentable square feet, at Twelve and No 00/100 Dollars (\$12.00) per rentable square foot, escalating at two and one-half percent (2 ½ %) per annum as of May 1, 2009. The Monthly Reimbursement for T.I.'s is calculated based on an amortization of the initial construction budget of \$685,000.00 ("Construction Budget") amortized at six percent (6%) per annum over sixty (60) months (\$13,243.00 per month).

In addition to the foregoing, the Tenant shall pay to the Landlord, contemporaneously with the execution of this Lease by the parties, the sum of Seventy Thousand and 00/100 Dollars (\$70,000.00) to reimburse the Landlord for the expenses incurred by the Landlord in preparing the Building for the Tenant's occupancy thereof.

5. **TENANT COVENANTS.** Throughout the Term, Tenant shall provide the following:

- (A) heat and electricity necessary for the use and occupancy of the Building for the purposes for which this Lease is made;
- (B) routine maintenance of the Building including painting walls and ceilings;
- (C) prompt removal of snow and ice from the sidewalks, steps, walkways, driveways and entrance ways serving the Building;
- (D) washing of inside and outside windows on a reasonable basis;
- (E) maintenance of roofing material and equipment, such as air conditioning units and air mechanical equipment placed on the roof for the use of Tenant; and
- (F) any other items of maintenance, repair, and replacement that are required for the Building that are not the responsibility of the Landlord as set forth in Article 6 below, except that, during the last three (3) years of the Term or during any Renewal Term, all of the costs and expenses associated with any replacement in excess of Twenty Five Thousand Dollars (\$25,000.00) shall be borne exclusively by the Landlord.

6. **LANDLORD COVENANTS.** Landlord agrees to maintain, repair, and replace, the structural parts of the Building, which structural parts shall be deemed to include, but not limited to, walls, concrete floors, roof structure, mason work, downspouts, beams, girders, columns and foundation, and structural plumbing.

If Landlord fails to complete any repair, replacement, or maintenance for which Landlord is obligated herein within fifteen (15) days of written notice from Tenant of a condition requiring repair, replacement, or maintenance (or, if such repair, replacement, or maintenance cannot by its nature reasonably be completed within fifteen (15) days, Landlord has not commenced within fifteen (15) days of said notice the repair, replacement or maintenance and continuously and diligently prosecuted its completion), Tenant may, but shall not be obligated to, commence or complete such repair, replacement, or maintenance. All sums expended and all costs and expenses incurred by Tenant in connection with any such repair, replacement, or maintenance shall be paid by Landlord to Tenant and shall bear interest from the respective dates when expended or incurred by Tenant at the rate of the lesser of twenty percent (20%) per annum or the maximum rate then permitted to be

charged by law until repaid by Landlord to Tenant, and all such sums together with interest shall be deducted from Rent under this Lease that is due to Landlord from Tenant or, at the written option of Tenant, shall be paid by Landlord to Tenant on demand.

7. **MUTUAL COVENANTS.** At all times, Landlord shall comply with all applicable municipal, county, state and federal ordinances, laws, rules and regulations pertaining to the repair, replacement, and maintenance of the Building. At all times, Tenant shall comply with all applicable municipal, county, state and federal ordinances, laws, rules and regulations pertaining to the operation of the Building. Landlord also agrees that the Tenant has the right to inspect, sample and analyze the materials, systems and structures in the Building as required by the United States Environmental Protection Agency, the Illinois Environmental Protection Agency, the Chicago Department of Health, or any other federal, state or municipal or Chicago Board of Education entity charged with establishing and policing occupational or educational health and safety standards, or as necessary to determine compliance of the Building with standards or guidelines established by any of the foregoing.
8. **JANITORIAL SERVICES.** Tenant shall provide janitorial services for the maintenance of the Building, including but not limited to cleaning, washing, emptying waste-baskets, sweeping of any kind, moving of furniture, and replacing of light bulbs.
9. **QUIET ENJOYMENT.** Landlord covenants that Tenant shall have the right to peacefully and quietly have, hold and enjoy the Building without any encumbrance or hindrance by or from Landlord, its agents, employees, successors and assigns.
10. **ALTERATIONS.** Tenant shall have the right, at its sole cost and expense, to make any additions, alterations, or improvements to the Building after obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Tenant shall have the right, at its sole cost and expense, to make any additions, alterations, or improvements to the Building that do not exceed the sum of Ten Thousand and No 00/100 (\$10,000.00) without obtaining the prior written consent of Landlord on the condition that such additions, alterations, or improvements do not affect the Base Building Systems or the structure of the Building. Base Building Systems shall mean the electrical, mechanical (including HVAC), plumbing and fire safety systems of the Building.
11. **SURRENDER OF BUILDING UPON TERMINATION.** Upon termination of this Lease, by lapse of time or otherwise, the Tenant shall have the privilege, without liability in any way accruing against it, to remove any and all of its properties, supplies, and equipment of all kinds from said Building. The Tenant shall deliver the Building, upon termination, in as good a state or condition as the same were when entered upon plus all alterations, less reasonable use and wear thereof and damages by fire and accident excepted.
12. **INSURANCE.**
 - A. Tenant self-insures with regard to liability and property damage for at least the first Two Million and No/100 Dollars (\$2,000,000.00) and Tenant agrees that it shall maintain such self-insurance or obtain policies in like amount throughout the Term naming Landlord and its agents and beneficiaries as additional insureds thereunder.

- B. Landlord agrees to purchase and keep in full force and effect during the term hereof, including any extension or renewals thereof, insurance under policies issued by insurers of recognized responsibility, qualified to do business in State of Illinois on the Building and on all Improvements in amounts not less than the greater of the then full replacement cost (without depreciation) of the Building (above foundations) or an amount sufficient to prevent Landlord from becoming a co-insurer under the terms of the applicable policies, against fire and such other risks as may be included in standard forms of fire and extended coverage insurance available from time to time. The policy shall name Tenant as an additional insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving Tenant thirty (30) day's notice. Said insurance shall be in form, and carried with responsible companies, satisfactory to Tenant. The policy or a duly executed certificate for the same (which shall be binding on the insurer and evidence the insurer's waiver of subrogation) together with satisfactory evidence of the payment of the premium thereon, shall be deposited with Tenant on or before May 1, 2004 and shall provide thirty (30) days notice to the Tenant prior to cancellation, material change, or non-renewal thereof. If Landlord fails to comply with such requirements, Tenant may obtain such insurance and keep the same in effect, and Landlord shall pay Tenant the premium cost thereof to Tenant upon demand or Tenant may deduct the cost of the same from Rent hereunder.

13. **CONSTRUCTION.**

- A. Landlord agrees that, as part of the consideration for this Lease, Landlord shall make substantial renovations to the Building. The initial tenant improvements ("Initial Tenant Improvements") are detailed in the Construction Documents dated December 21, 2001 set forth on Exhibit "A" attached hereto and incorporated herein by reference and any change orders and environmental work. Landlord agrees to pay for the cost of the Tenant Improvements, which cost shall not be less than the Construction Budget as set forth in Paragraph 4 above. The Initial Tenant Improvements, change orders, and environmental work to be performed by the Landlord are collectively referred to herein as the "Tenant Improvements".
- B. In addition to reimbursing the Landlord for the Construction Budget, Tenant agrees to reimburse Landlord for its architectural fees (not to exceed the sum of \$40,000.00), which shall be paid as follows: 1/3 upon the commencement of construction; 1/3 upon Substantial Completion (as defined below); and 1/3 upon completion of all Punch List Items (as defined below). Tenant's total liability to the Landlord shall not exceed the Construction Budget and Tenant shall not be liable for any change orders or construction costs that have not been approved, in writing, by the Tenant.
- C. Tenant's obligation to pay for the Tenant Improvements is conditioned upon "Substantial Completion" of the Tenant Improvements. The Tenant Improvements shall be deemed to be substantially completed ("Substantially Completed" or "Substantial Completion") when Landlord's Architect certifies that it has been completed in accordance with the Construction Documents (except for "Punch List Items" as defined hereinafter), as evidenced by the issuance of a Certificate of Occupancy for the Building. Upon Substantial Completion of the Tenant Improvements, the Landlord and Tenant shall inspect the Building and jointly prepare a punch list of agreed upon items of Tenant Improvements remaining to

be completed by Landlord (the "Punch List Items").

- D. If, during the first five (5) years of the Term, the Lease is terminated by reason of the Landlord's default, Tenant shall be entitled to a 50% return of the amount that Tenant has paid to Landlord for the Construction Budget and the right to remove any and all of the Tenant's fixtures, equipment, and improvements. After the first five (5) years of the Term, if this Lease is terminated for any reason, the Tenant shall have the right to remove any and all of the Tenant's fixtures, equipment, and improvements. If this Lease is terminated as a result of a default by the Tenant, Tenant's obligation to pay the principal balance of the Construction Budget shall be accelerated and Tenant shall promptly pay the Landlord said principal balance in one (1) lump sum payment.
- E. The parties contemplate that the Tenant Improvements will be Substantially Complete within four (4) months after the issuance of a Building Permit. Landlord covenants and agrees to use its best efforts to promptly obtain the Building Permit after the execution of this Lease by the parties. Landlord further covenants and agrees to use its best efforts to obtain Substantial Completion within said four (4) month period, as evidenced by a valid Certificate of Occupancy. If Landlord fails to so use its best efforts to obtain Substantial Completion within said four (4) month period, then all Rent previously paid from the Commencement Date until Substantial Completion shall, at the Tenant's election, be either refunded to Tenant or Credited against future Rent until the Tenant Improvements are Substantially Completed. If, due to Landlord's negligence or failure to act in good faith, Substantial Completion of the interior and exterior of the Building is not obtained on or before December 31, 2004, then, in such event, at the Tenant's election, this Lease shall be terminated and all Rent paid under this Lease shall immediately be refunded to the Tenant.
- F. Landlord shall have the right to utilize contractors of Landlord's own choice (hereinafter referred to as "Landlord's Contractor") to construct the Tenant Improvements in compliance with all applicable governmental laws, rules, statutes, ordinances and regulations, subject to Tenant's reasonable approval as to the qualifications of any such contractor. Prior to commencing any work on or to the Building, Landlord shall submit to Tenant written financial information regarding Tenant's Contractor, to Tenant for approval. All installations, alterations and additions shall be in accordance with the Construction Documents and shall be constructed in a good and workmanlike manner and only new and good grades of material shall be used. Landlord shall permit Tenant's Department of Operations ("Tenant's Supervisor") to observe all construction operations within the Building performed by Landlord's Contractor. The Landlord shall be required, at its sole cost and expense, to provide for its own supervision of the Landlord's Contractor. No silence or statement by the Tenant's Supervisor shall be deemed or construed as an assumption by said Tenant's Supervisor or the Tenant of any responsibility for or in relation to the construction of the Tenant Improvements or any guarantee that the Tenant Improvements completed within the Building comply with laws, comply with the Construction Documents, or are suitable or acceptable to the Tenant for Tenant's intended use. Landlord shall, prior to commencement the Tenant Improvements, furnish to Landlord: (a) contractor's affidavits identifying all labor and material to be expended and used for the Tenant Improvements; (b) a Construction Schedule showing, in detail, the time line for completion of the work; and (c) a Performance Bond, in favor of the Tenant, in the full

amount of the Construction Budget, referencing this Lease. The Performance Bond shall be in a form and issued by a surety acceptable to the Tenant, and licensed as a surety by the State of Illinois. The Performance Bond is security for the faithful performance of the Construction Documents and the payment of all persons supplying labor, materials, equipment, and services of any nature in connection with the Tenant Improvements. The Performance Bond shall be furnished together with the current power of attorney for the person or persons signing on behalf of the surety, which power of attorney shall be sealed and certified with "first hand signature" by an officer of the surety. A facsimile signature shall not be accepted by the Tenant. In addition, the acknowledgment of the principal on the bond shall be notarized with his or her official title identified.

- G. The cost of all work necessary to construct the Tenant Improvements (including, but not limited to, all labor, material, and permits) and to pay architectural fees, permit fees, and engineering fees shall be the responsibility of the Landlord.
- H. Landlord, at its sole cost and expense, shall file all necessary plans with the appropriate governmental authorities having jurisdiction over the Tenant Improvements. Landlord shall be responsible for obtaining all permits, authorizations and approvals necessary to perform and complete the Tenant Improvements. Landlord shall not commence the Tenant Improvements until the required permits authorizations and approvals for such work are obtained and delivered to Tenant. Tenant agrees to reasonably cooperate with Landlord in connection with Landlord's procurement of the necessary permits or governmental approval required to complete the Tenant Improvements.
- I. At all times, the Tenant and Tenant's Supervisor shall have access to the Building during such period of time that the Tenant Improvements are in preparation or progress for the purpose of observing and reviewing the same; provided, however, Tenant shall not unreasonably interfere with the performance of the Tenant Improvements in connection with any such observations or review.
- J. At the completion of the Tenant Improvements, Landlord's Contractor shall forthwith remove all rubbish and all tools, equipment and surplus materials from and about the Building and any damage caused by Landlord's Contractor to any portion of the Building shall be repaired forthwith by Landlord at Landlord's sole cost and expense.
- K. Landlord and Landlord's Contractor shall assume responsibility for the prevention of accidents to its agents and employees and shall take all reasonable safety precautions with respect to the work to be performed and shall comply with all applicable laws, ordinances, rules, regulations and orders applicable to the construction of the Tenant Improvements, including those of any public authority, for the safety of persons or property. Landlord shall advise Landlord's Contractor to report to the Tenant any injury to any of its agents or employees and shall furnish Tenant a copy of the accident report filed with its insurance carrier within three (3) days of its occurrence.
- L. Landlord expressly agrees that Landlord's Contractor shall not enter the Building unless and until Landlord's Contractor has furnished Tenant with satisfactory evidence of insurance coverage, financial responsibility and appropriate written releases of mechanics' lien claims

(if available) and Landlord agrees that no liens shall attach to the Building as a result thereof.

- M. Prior to the commencement of the Tenant Improvements, Landlord shall provide Tenant with evidence, fully prepaid, of workers compensation, builders risk, and general liability insurance naming Tenant as an additional insured thereunder in amounts and written by companies reasonably satisfactory to Tenant
- N. Except for the gross negligence or wilful misconduct of Tenant and to the fullest extent permitted by law, Landlord shall indemnify, defend, and hold harmless the Tenant, its agents and employees, from and against all claims, damages, liabilities, losses and expenses of whatever nature (including but not limited to court costs and reasonable attorneys' fees), for the cost of any repairs to the Building necessitated by activities of the Landlord or Landlord's Contractor in connection with the Tenant Improvements, and bodily injury to persons or damage to property arising out of or resulting from the violation by the Landlord any of the terms and provisions of this Paragraph 13 and/or the performance of the Landlord's Work by the Landlord or Landlord's Contractor.
- O. On or before Substantial Completion, Landlord agrees to: (i) cause Landlord's Contractor to furnish a Warranty to Tenant in the form of Exhibit B, a copy of which is attached hereto and incorporated herein by reference. and (ii) furnish Tenant all warranties that Landlord receives from Landlord's Contractor and from manufacturers of equipment.

14. **LANDLORD DEFAULT.** If Landlord is in default under this Lease and such default shall continue for thirty (30) days after Tenant has notified the Landlord by written notice of such default, unless in the case of a default which cannot be remedied within thirty (30) days where Landlord shall have commenced and shall be diligently pursuing all necessary action to remedy such default, the Tenant may, but shall not be obligated to, cure the default itself and either (a) deduct the cost and expense thereof from the Rent due under this Lease or (b) collect the same from Landlord by any available means at law or equity or (c) immediately terminate this Lease by providing Landlord written notice as provided for herein.

15. **TENANT DEFAULT.** If the Tenant is in default under this Lease and such default shall continue for thirty (30) days after Landlord has notified the Tenant by written notice of such default, unless in the case of a default which cannot be remedied within thirty (30) days where Tenant shall have commenced and shall be diligently pursuing all necessary action to remedy such default, the Landlord may but shall not be obligated to cure the default and collect the cost thereof from Tenant by any available means at law or equity or elect to terminate this Lease by providing Tenant written notice as provided for herein. Termination under this paragraph 15 shall only be effective as of the end of a school year.

16. **DAMAGE OR DESTRUCTION.**

- A. If the Building shall be damaged by fire or other casualty, then Landlord shall, within thirty (30) days after the occurrence of such damage, estimate the length of time that will be required to substantially complete the repair and restoration of the Building and shall, by notice, advise Tenant of such estimate. If it is so estimated that the amount of time required

to substantially complete such repair and restoration will exceed one hundred eighty (180) days from the date such estimate, then Tenant shall have the right to terminate this Lease as of the date of such damage. Tenant may so terminate this Lease by giving notice to Landlord at any time within thirty (30) days after Landlord gives Tenant the notice containing said estimate. Unless this Lease is terminated as provided above, Landlord shall proceed to repair and restore the Building to a condition and quality as good as existed prior to such casualty, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Landlord's reasonable control, and also subject to zoning laws and building codes then in effect. Landlord shall advise Tenant, in writing, of the date of the completion of the restoration not sooner than forty-five (45) days prior to such completion and not later than thirty (30) days prior to such completion. Notwithstanding anything herein contained to the contrary, if the Building is not substantially repaired or restored within two hundred ten (210) days after the date of such fire or other casualty (or within thirty (30) days after the expiration of the time period estimated by Landlord as aforesaid, if longer than two hundred ten (210) days and Tenant has not terminated the Lease as permitted), then Tenant may terminate this Lease, effective as of the date of notice of such election, by giving written notice to Landlord within twenty (20) days after said two hundred ten (210) day or other period, as either time period may be so extended as aforesaid, but prior to substantial completion of repair or restoration.

- B. If any such fire or casualty damage renders any portion of the Building untenable and, if this Lease shall not be terminated pursuant to the foregoing provisions of Article 16 A by reason of such damage, then Rent shall abate during the period beginning with the date of such damage and ending with the date that is (10) days after restoration of the Building. Such abatement shall be in an amount bearing the same ratio to the total amount of Rent for such period as the portion of the Building that is not usable by Tenant (as Tenant reasonably determines) bears to the entire Building. If this Lease is terminated pursuant to this Article 16 B, Rent shall be apportioned on a per diem basis and be paid to the date of such damage.

17. **CONDEMNATION.**

- A. If the whole of the Building shall be taken as a result of the exercise of the power of eminent domain or condemned for a public or quasi-public use or purpose by any competent authority or sold to the condemning authority under threat of condemnation, or if a portion of the Building shall be taken or sold as a result of such event, and as a result thereof the balance of the Building cannot be used for the same purpose as before such taking, sale or condemnation, then and in either of such events, the Term of this Lease shall terminate as of the date of vesting of title pursuant to such proceeding or sale. The total award, compensation or damages received from such proceeding or sale (hereinafter collectively called the "Award"), shall be paid to and be the property of Landlord, whether the Award shall be made as compensation for diminution of the value of the leasehold or the fee of the Building or otherwise, and Tenant hereby assigns to Landlord, all of Tenant's right, title and interest in and to the Award. Tenant shall execute, immediately upon demand of Landlord, such documents as may be necessary to facilitate collection by Landlord of any such Award. Notwithstanding the foregoing, Tenant may (i) seek a separate award for moving and other expense, but not for any interest in real estate, so long as there is no diminution in the Award, and (ii) Tenant shall have the right to remove any and all of the Tenant's fixtures, equipment, and improvements. If this Lease is terminated pursuant to this Article 17 A,

Rent shall be apportioned on a per diem basis and be paid to the date of such taking.

- B. If only a part of the Building shall be taken as a result of the exercise of the power of eminent domain or condemned for a public or quasi-public use or purpose by any competent authority or sold to the condemning authority under threat of condemnation, and as a result thereof the balance of the Building can be used for the same purpose as before such taking, sale or condemnation, this Lease shall not terminate and Landlord, at its sole cost and expense, shall promptly repair and restore the Building. If Landlord shall not promptly commence the repair or restoration required hereby, and diligently pursue the completion of same, Landlord shall be deemed in default under this Lease and Tenant may, but shall not be obligated therefor, complete such repair or restoration and either deduct the same from Rent or collect the same from Landlord. Rent shall abate in an amount bearing the same ratio to the total amount of Rent for such period as the portion of the Building that is not usable by Tenant (as Tenant reasonably determines) bears to the entire Building.

18. **INDEMNIFICATION.**

- A. Tenant hereby agrees to indemnify and hold the Landlord harmless from any liability, claim or demand (including court costs and reasonable attorneys' fees), incurred by Landlord as a result of Tenant's actions on or about the Building, limited, however, to only such liabilities, claims or demands which arise or are caused by Tenant's negligent acts, errors and/or omissions. This provision shall survive the termination of this Lease for a period of two (2) years, except for tort claims of minors, in which case this provision shall survive the termination of this Lease for a period of two (2) years after the minor reaches majority.
- B. Landlord hereby agrees to indemnify and hold the Tenant harmless from any liability, claim or demand (including court costs and reasonable attorneys' fees), incurred by Tenant as a result of Landlord's actions on or about the Building, limited, however, to only such liabilities, claims or demand which arise or are caused by Landlord's negligent acts, errors and/or omissions. This provision shall survive the termination of this Lease for a period of two (2) years, except for tort claims of minors, in which case this provision shall survive the termination of this Lease for a period of two (2) years after the minor reaches majority.

19. **SUBLEASE/ASSIGNMENT.** Tenant shall have the right to sublease or assign its rights to all or any part of the Building for purposes not inconsistent with the uses for which Tenant has leased the Building from Landlord.

20. **NOTICES.** All notices and other communications given pursuant to this Lease shall be in writing and shall be deemed properly served and effective (a) as of the day of delivery if delivered in person, by messenger, overnight delivery service or a party's attorney or agent, or (b) on the third (3rd) day after deposit in the U.S. mail as registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed as follows:

If to Landlord: c/o Mr. Sammy Hammad
2 Shelburne Drive
Oak Brook, Illinois 60523

If to Tenant: BOARD OF EDUCATION
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Attention: Director of Real Estate

With a copy to: General Counsel
125 South Clark Street, 7th Floor
Chicago, Illinois 60603

Either party may from time to time change the names and addresses furnished for notice hereunder by giving written notice of said change to the other party in accordance with the notice provisions set forth above.

21. **PARAGRAPH HEADINGS.** The paragraph headings appearing in this Lease have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope of intent of the paragraph to which they pertain.
22. **SUCCESSORS AND ASSIGNS.** This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and assigns.
23. **AUTHORITY.** The individual officers, agents and employees of the parties hereto who execute this Lease do hereby individually represent and warrant that they have full power and lawful authority to execute this Lease and perform the transactions contemplated hereunder, on behalf of and in the name of their respective principals and/or employers.
24. **SEVERABILITY.** If any provisions of this Lease is (are) determined to be legally invalid, the parties hereto agree that particular provision shall be null and void, but that the remainder of this Lease shall remain in full force and effect.
25. **CONFLICT OF INTEREST.** This Agreement is not legally binding on the Tenant if entered into in violation of the provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.
26. **INDEBTEDNESS.** Landlord agrees to comply with the Tenant's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as may be amended from time to time, which policy is hereby incorporated by reference as if fully set forth herein.
27. **INSPECTOR GENERAL.** Each party to this Lease hereby acknowledges that in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.
28. **ETHICS.** The Tenant's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time is incorporated into and made part of this Lease.

29. **CONTINGENT LIABILITY.** The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made. Accordingly, the Landlord agrees that any expenditures beyond the Tenant's then current fiscal year are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budget (s). If the provisions of this Article 29 are exercised by Tenant and the payment has not been made by the end of the applicable school year, Tenant agrees to vacate the Building at the end of such school year and not to resume its occupancy until such payment has been made in full.
30. **BOARD APPROVAL.** This Agreement is subject to approval by the members of the Chicago Board of Education.
31. **OPTION TO PURCHASE.** Landlord hereby grants to Tenant, or its nominee, the exclusive right and option to purchase the Building and the real estate upon which it is located (collectively the "Real Estate") upon the terms and conditions hereinafter set forth (hereinafter referred to as the "Option").
- A. **Expiration Date of Option.** The Option shall be exercisable at any time after April 30, 2009.
- B. **Notice of Exercise.** The Option shall be exercised by Tenant by written notice signed by Tenant and delivered to the Landlord. The date of Tenant's election shall be the date that Landlord receives the notice of election. Said notice of exercise shall set a closing date for the purchase and sale of the Real Estate, which date shall be not more than one hundred eighty (180) days nor less than thirty (30) days after the date of such notice.
- C. **Purchase Price.** The total purchase price for the Real Estate shall be the sum of Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000.00) plus the sum of three percent (3%) per annum for each year of the Term of the Lease that has expired, prorated for any partial year (hereinafter referred to as the "Purchase Price"), which shall be paid, plus or minus prorations, in certified or cashier's check at Closing, as hereinafter defined.
- D. **Conveyance.** Landlord agrees to convey, or cause to be conveyed, to Tenant, or Tenant's nominee, title to the Real Estate by a recordable, stamped Warranty Deed, subject only to: (a) general real estate taxes and special assessments not due and payable as of the date of the closing hereof; (b) acts of Tenant and those parties acting through or for Tenant; (c) building lines, zoning laws, statutes and ordinances; and (d) easements, covenants, rights of way, conditions and restrictions which do not unreasonably interfere with the use of the Real Estate by the Tenant.
- E. **Closing.** The consummation of the transaction herein described (hereinafter referred to as the "Closing") shall be at the time set forth in the notice of exercise of option described in Paragraph (B) hereof, unless subsequently mutually agreed otherwise, at Chicago Title Insurance Company in Chicago, Illinois or such other location as is acceptable to Tenant and Landlord, provided title is shown to be good or is acceptable to Tenant. At the Closing, Landlord shall deliver the Deed described in Paragraph (D) hereof and a Bill of Sale conveying to Tenant the personal property owned by Landlord and used or useful in the operation of the Building.
- F. **Delivery of Possession.** Landlord shall deliver and Tenant agrees to accept possession of the Real Estate on the day of the Closing.
- G. **Condition.** Landlord agrees to deliver and Tenant agrees to accept possession of the Real Estate in the same condition as it is at the date of this Lease, ordinary wear and tear excepted.

H. Evidence of Title. Landlord shall deliver, or cause to be delivered, to Tenant or Tenant's nominee, within ten (10) days from the date of exercise of the Option by Tenant, a current title commitment ("Title Commitment") from Chicago Title Insurance Company ("Title Company") or such other title company chosen by Landlord and reasonably acceptable to Tenant for an ALTA (1970) Form B Owner's Title Insurance Policy ("Title Policy") in the amount of the Purchase Price. At the Closing Landlord shall cause to be issued to Tenant or Tenant's nominee the Title Policy in the amount of the Purchase Price hereof covering title to the Real Estate on the date thereof. The Title Commitment and Title Policy shall show title in the intended grantor, subject only to (i) the title exceptions set forth in Paragraph (D) hereof; (ii) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing and which the Landlord will so remove at that time by using the funds to be paid to Landlord hereunder; and (iii) the general exceptions contained on said form of policy, subject to the affirmative coverage over said general exceptions as set forth below. The Title Policy shall be conclusive evidence of good title as therein shown as to all matters insured by the policy subject only to the exceptions therein stated. The Title Policy shall contain an agreement by the Title Company, or shall be supplemented with an agreement by the Title Company delivered to Tenant no later than five (5) days prior to Closing, stating that the Title Policy will provide full extended coverage insurance which shall result in the deletion of the following general exceptions: (i) liens for labor or materials, whether or not of record; (ii) parties in possession (other than tenants under Leases, solely as such tenants); (iii) unrecorded easements; (iv) taxes or special assessments not shown by the public records; and (v) exceptions which a correct survey would disclose. The Title Policy shall also contain the following additional affirmative endorsements and such other endorsements as are reasonably requested by Tenant:

1. an endorsement insuring Tenant that there are no violations of any restrictive covenants, conditions or restrictions affecting the Real Estate or Building, that there are no encroachments by the Building onto any easements or any building lines or setbacks affecting the Real Estate, or onto any adjacent property, or any encroachments onto the Real Estate of existing improvements located on adjoining land;
2. an access endorsement insuring that all adjoining streets are public streets and that there is direct and unencumbered access to the same from the Real Estate and the Building;
3. a survey endorsement insuring that all the property insured is legally described on a specifically mentioned survey and foundations in place as of the date of such policy are within the lot lines and applicable setback lines, that the Building does not encroach onto adjoining land or onto any easements, and that there are no encroachments of improvements from adjoining land onto the Real Estate;
4. a zoning endorsement insuring that the Real Estate and the Building are zoned for the present and contemplated building and business thereon and insuring against loss or damage arising due to a prohibition of said use or requiring removal of the Building due to a violation of applicable laws or ordinances including but not limited to laws and ordinances relating to area of the Real Estate, floor area of the Building, setbacks, height and parking;
5. a contiguity endorsement insuring that all parcels comprising the Real Estate are contiguous;
6. an endorsement insuring that no instrument, covenant or condition affecting the Real Estate provides for an easement over the Real Estate or for a private assessment or charge;

and

7. an endorsement insuring that all of the Real Estate and the Building are covered by one (1) or more permanent index numbers which do not cover other property.

- I. Correction of Defects. If the Title Commitment or the Survey herein required discloses unpermitted exceptions, Landlord shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the Title Commitment or to have the Title Company commit to insure against loss or damage that may be occasioned by such exceptions, and, in such event, the Closing shall be extended to a date fifteen (15) days after delivery of the corrected commitment or the time specified in Paragraph (E) hereof, whichever is later. If Landlord fails to have the exceptions removed, or in the alternative, to obtain the Title Commitment for title insurance specified above as to such exceptions within the specified time, Tenant may terminate its exercise of the Option or may elect, upon notice to Landlord within ten (10) days after the expiration of the thirty (30) day period, to take title as it then is with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount. If Tenant does not so elect, the exercise of the Option shall become null and void without further actions of the parties.
- J. Closing Adjustments. General real estate taxes and assessments shall be adjusted ratably (prorated) with respect to the subject transactions as of the day of the Closing based upon one hundred ten percent (110%) of the most recent ascertainable real estate tax bills. Utilities and other customary proratable items shall be prorated as of the date of Closing and all prorations shall be final. Landlord shall pay the amount of any stamp tax imposed by law by the State of Illinois and the County of Cook on the transfer of title, and shall furnish completed Real Estate Transfer Declarations signed by Landlord or Landlord's agent in the forms required pursuant to the Real Estate Transfer Tax Acts of the State of Illinois and the County of Cook. Landlord shall pay the amount of the transfer tax imposed by the local ordinances, if any.
- K. Damage. The provisions of the Uniform Vendor and Tenant Risk Act of the State of Illinois shall be applicable to the Option.
- L. Time. Time is of the essence of the provisions of the Option herein granted.
- M. Notice. All notices herein required shall be in writing and shall be served as set forth in Paragraph 20 of this Lease.
- N. Survey. Not later than ten (10) business days prior to the Closing, Landlord shall obtain and deliver to Tenant a plat of survey of the Real Estate prepared by a duly licensed surveyor authorized to do business in the State of Illinois and acceptable to Tenant, certified to Tenant and the Title Company, in manner satisfactory to Tenant, by such surveyor as being true, accurate and having been prepared in accordance with the minimum requirements for a Land Title Survey adopted by the American Land Title Association meeting the requirements of a Class A Survey, setting forth: (i) the legal description of the Real Estate; (ii) the location of the Buildings; (iii) all boundaries, courses and dimensions of the Real Estate and Buildings; (iv) all easements, building lines, curb cuts, parking, loading areas, sewage, water, electricity, gas and other utility facilities (together with the recording information concerning the documents creating any such easements and building lines); (v) roads and means of ingress and egress to and from the Real Estate to a public road; (vi) the

square footage of the Real Estate; and (vii) any wetlands located within the Real Estate. The Survey shall reveal no encroachments onto the Real Estate from any adjacent property, no encroachments by or from the Real Estate or Building onto any adjacent property, and no violation by any of the Building on the Real Estate of any building line or easement affecting the Real Estate. Said survey shall certify that the Real Estate is not in an area identified by an agency or department of the federal government as having special flood or mudslide hazards which would require flood insurance under the Flood Insurance Act of 1968.

- O. Saturday, Sunday, and Holidays. If the date for Closing or performance of an obligation falls on a Saturday, Sunday or holiday, the date shall be deferred until the first business day following.
- P. Binding Effect. No amendments, modifications or changes shall be binding upon a party unless set forth in a duly executed document.
- Q. Escrow. At the option of either party, the transaction herein contemplated shall be closed through an escrow with the Title Company, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by said company, with such special provisions inserted in the escrow agreement as may be required to conform with the Option herein granted. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of consideration and delivery of deed shall be made through the escrow and the cost of said escrow shall be equally divided between Landlord and Tenant.
- R. Broker. Tenant and Landlord hereby represent to each other that neither of them have had any dealings with respect to the Real Estate with any broker or real estate dealer. Landlord and Tenant agree to indemnify and hold each other harmless against any other brokerage claim asserted contrary to the foregoing representation with respect to the subject transaction.
- S. Memorandum of Lease. The parties agree that, simultaneously with the execution of this Lease, a Memorandum of this Lease, in the form of Exhibit "C" attached hereto and incorporated herein by reference, shall be recorded with the Recorder of Deeds of Cook County, Illinois.

32. RIGHT OF FIRST OFFER TO PURCHASE

Landlord agrees that if, at any time during the Term of this Lease, Landlord desires to sell the Building, Landlord shall first offer to sell the Building to Tenant, or its nominee, on the following terms and conditions:

- A. Such right of first offer may be exercised by Tenant only if Tenant is not then in default hereunder.
- B. Tenant shall have no rights hereunder if the Building is purchased by a bona fide third party lender ("Lender") as a result of a foreclosure action or if the Building is transferred by way of deed-in-lieu of foreclosure to said Lender.
- C. If Landlord desires to sell the Building to any bona fide third party (except as set forth in Paragraph B above), Landlord shall submit the terms of such sale to Tenant and Tenant shall

have the right, within thirty-five (35) days after receipt of the offer, to agree to purchase the Building on such terms and conditions as set forth in the notice from Landlord. If Tenant does not give Landlord notice in writing within said thirty-five (35) day period that Tenant intends to exercise its rights hereunder, then Landlord shall be free to sell the Building on the terms and conditions set forth in the notice submitted to Tenant or such other terms and conditions less favorable to a purchaser. Upon consummation of any such sale, Tenant shall have no further right of first offer and this Article 32 shall be of no further force and effect, provided that such sale occurs within nine (9) months of Tenant's refusal and absent same Tenant's rights hereunder shall be reinstated. Any sale of all or substantially all of the beneficial interest of the Landlord or of all or substantially all of the ownership rights of the beneficiary of the Landlord shall be deemed a sale of the Building for the purpose of this Article 32. Any series of transactions occurring over a six (6) month period that would otherwise constitute a sale of the Building hereunder is treated as one transaction for the purposes hereof.

33. **BROKER COMMISSION.** Landlord shall pay and agrees to indemnify, defend, and hold harmless Tenant from and against any claim by any broker or finder for a commission or finders fee arising out of the execution and delivery of this Lease and agrees to indemnify, defend, and hold harmless Tenant from and against any and all claims or demands, damages, liabilities and expenses of any type or nature whatsoever arising by reason of the incorrectness or breach of the aforesaid representation or warranty.
34. **TRUSTEE'S EXCULPATION.** It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of Landlord while in form purporting (except as herein otherwise expressed and except Landlord warrants it has authority to execute this Lease) to be the representations, covenants, undertakings and agreements of the Landlord are nevertheless each and every one of them, made and intended not as personal representations, covenants, undertakings and agreements by the Landlord personally, but are made and intended for the purpose of binding only that portion of the trust property specifically leased hereunder, and this Lease is executed and delivered by said Landlord not in its own right, but solely in the exercise of the powers conferred upon it as such trustee; that no duty shall rest upon Landlord to sequester the trust estate or the rents, issues and profits arising therefrom, or the proceeds arising from any sale or other disposition thereof; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Landlord under said Trust Agreement, on account of this Lease or on account of any representations, covenants, undertakings or agreements of the Landlord, in this Lease contained either expressly or implied, all such personal liability, if any, being expressly waived and released by the Tenant herein and by all persons claiming by, through or under said Tenant.

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WITNESS WHEREOF, the parties have set their hands and seals as the first day of September, 2003.

LANDLORD:

U.S. Bank N.A. f/k/a Firststar

~~FIRSTSTAR~~ BANK, N.A., F/K/A FIRST COLONIAL TRUST
COMPANY, AS TRUSTEE U/T/A KNOWN AS TRUST # 1-5301
DATED JANUARY 5, 1995

By: Charles McElam
Land Trust Officer

Attest:
By: Mary Fiegel
Land Trust Officer

Its: _____

TENANT:

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: Michael W. Scott
Michael W. Scott, President

Attest: Estela G. Beltran
Estela G. Beltran, Secretary

Board Report No: 04-028⁰⁵²⁶-OP_

Approved as to Legal Form: AG

Ruth Moscovitch
Ruth Moscovitch, General Counsel

EXHIBIT "A"

CONSTRUCTION DOCUMENTS

The following are incorporated herein as set forth in full and have been approved by the Board of Education of the City of Chicago:

1. January 20, 2003 Plans Issued for Permit Drawings prepared by Swann, Weiskopf, Woo Bednarowicz Ltd.; and
2. January 20, 2003 Project Manual prepared by Swann, Weiskopf, Woo Bednarowicz Ltd.

EXHIBIT "B"

GENERAL CONTRACTOR'S WARRANTY

See Attached

WARRANTY

Firststar Bank, N.A., f/k/a First Colonial Trust Company, as Trustee u/t/a known as Trust # 1-5301 dated January 5, 1995 ("Landlord") and the Board of Education of the City of Chicago ("Board") have entered into a Lease ("Lease") effective as of the 1st day of September, 2003. All of the defined terms used herein shall have the same meaning as in the Lease unless otherwise defined herein. _____ is the General Contractor ("General Contractor") for the Landlord and makes this Warranty to the Board as required by the Lease.

1. General Contractor warrants to the Board and that the Tenant Improvements ("Work" hereunder) for 4652 S. Bishop, Chicago, Illinois (the "Project") and each and every part of it including, by way of illustration and not in limitation, all workmanship, materials, equipment, supplies, services and facilities that are furnished, produced, fabricated, installed, constructed or built pursuant to the Construction Documents for the respective periods of time called for by the respective requirements of the Construction Documents, and, if no period is specified, then for a period of one (1) year, against defects that, in the opinion of the Board, result from the use of defective or inferior materials, equipment, supplies, services, facilities or workmanship or from Work not in compliance with or not performed in accordance with the Construction Documents.

2. The warranty period shall run from and after the date of Substantial Completion of all Work required by the Contract Documents (even though the Board may have taken beneficial occupancy prior to Substantial Completion of the Work), unless the Construction Documents specify a different date for the warranty period to begin running. General Contractor shall, as part of this warranty: i) repair, remove and replace, as directed by the Board, and at no cost to the Board, all the Work, materials, equipment, supplies, services and facilities that prove defective during the applicable warranty period or that fail to conform to the Construction Documents and (ii) repair, remove and replace, or pay for as directed by the Board and at no cost to the Board, all damaged portions of the Project and the contents and equipment of it, resulting from or that are incidental to the defects or failure to conform to the Construction Documents. General Contractor shall begin all repairs, removals, and replacements within ten (10) business days after the Board gives written notice to the General Contractor and shall furnish workers and materials sufficient in the opinion of the Board to ensure their prompt completion. The written notice from the Board shall have attached to it the opinion of the Board's Architect stating that the defective Work was not performed in accordance with the Construction Documents. Should General Contractor fail to proceed in accordance with these requirements, the Board without further notice to General Contractor may furnish all labor and material necessary for repairs, or removals and replacements, and General Contractor shall pay the Board all costs incurred as a result of General Contractor's failure to do so. Notification by the Board of non-conforming or defective Work tolls the running of General Contractor's warranty with respect to the nonconforming or defective Work and of other Work affected by the nonconforming or defective Work. The warranty period for the corrected Work begins anew from the date the replaced or restored Work is accepted by the Board and runs for the full length of time as required under the Construction Documents for the portion of the Work corrected and for that Work affected by it.

3. At the final Project close-out meeting, General Contractor shall furnish the Board two (2) complete sets of as-built plans and all manufacturers' warranties, guarantees, parts lists, and literature applicable to equipment, systems, fittings, and furnishings included in the Work (collectively referred to as "Manufacturers' Warranties"), completed in favor of the Board as of and at the time of final acceptance of the Work. These Manufacturers' Warranties are in addition to and not in lieu of any other of General

Contractor's warranties stated above, and the Board is entitled to look to General Contractor for remedy in all cases where General Contractor's warranty applies regardless of whether a Manufacturer's Warranty also applies.

4. This warranty shall inure to the benefit of the Board and its successors and assigns.

5. Any notices thereunder shall be personally delivered or sent by certified or registered mail, return receipt requested, addressed to the Board as follows:

BOARD OF EDUCATION
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Attention: Director of Real Estate

With a copy to: General Counsel
125 South Clark Street, 7th Floor
Chicago, Illinois 60603

Any notice mailed as aforesaid shall be deemed received when delivered. Notice of changes of address for receipt of notices shall be sent in the manner set forth in this Paragraph 5.

6. General Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by General Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage.

7. The terms and provisions of this Warranty do not supersede the terms and provisions of Section 13 of the Lease, but are intended to be supplementary thereto. If any term or provision of this Warranty conflicts with or is inconsistent with the terms and provisions of the Lease, the terms and provisions of the Lease shall control.

IN WITNESS WHEREOF, the General Contractor has set its hand and seal as of the _____ day of _____, 200__.

EXHIBIT "C"

MEMORANDUM OF LEASE

See Attached

THIS DOCUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

Stuart Unger
Board of Education of the City of Chicago
125 South Clark Street
Suite 700
Chicago, Illinois 60603
(773) 553-1742

Re: Memorandum of Lease
Board Report 04-0426-OP —
0526

MEMORANDUM OF LEASE

U.S. Bank N.A. f/k/a Firststar

This Memorandum of Lease is made and entered into as of the first day of May, 2004, by and among ~~Firststar~~ Bank, N.A., f/k/a First Colonial Trust Company, as Trustee u/t/a known as Trust # 1-5301 dated January 5, 1995 ("Landlord") and the Board of Education of the City of Chicago ("Tenant").

1. For valuable consideration, Landlord acknowledges that it has, pursuant to that certain Lease (the "Lease") of even date herewith among Landlord and Tenant, leased and demised to Tenant the real property situated in Cook County and legally described on Exhibit "A" attached hereto (the "Property").

2. The commencement date of the Lease is as of the date hereof and the term of the Lease ends on April 30, 2014, with two (2) five year options to renew, unless earlier terminated pursuant to the terms and provisions of the Lease.

3. That the Tenant has a Right of First Offer to Purchase the Property at any time during the Term of the Lease and an Option to Purchase the Property after April 30, 2009, all under the terms and conditions set forth in the Lease.

4. All other terms and conditions applicable to the Lease are set forth in the Lease.

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

LANDLORD:

U.S. Bank N.A. f/k/a Firststar
~~FIRSTSTAR BANK, N.A., F/K/A FIRST COLONIAL TRUST COMPANY, NOT~~
PERSONALLY OR INDIVIDUALLY, BUT SOLELY AS TRUSTEE U/T/A
KNOWN AS TRUST # 1-5301 DATED JANUARY 5, 1995

By: *Angela De Cham*
Land Trust Officer

Attest:

By: *Mary Figue*
Land Trust Officer
Its: _____

See trustee exoneration attached hereof

TENANT:

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: *Michael W. Scott*
Michael W. Scott, President

Attest: *Estela H. Beltran*
Estela G. Beltran, Secretary
Estela

Property Address: 4652 S. Bishop Street
Chicago, Illinois 60609

PIN Number: 20-05-309-039
20-05-309-043

Board Report No: 04-0526-OP__

Approved as to Legal Form: *sc*

Ruth Moscovitch
Ruth Moscovitch, General Counsel

STATE OF ILLINOIS)

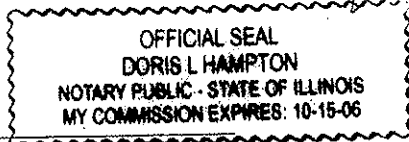
) SS.

COUNTY OF COOK)

I, Doris Hampton, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Angela McClain, personally known to me to be the L.T.O. of U.S. Bank N.A., an Illinois banking corporation, and Mary Figiel, personally known to me to be the L.T.O. of said banking corporation are the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such L.T.O. and L.T.O., they signed and delivered the said instrument, as their free and voluntary act and as the free and voluntary act of said banking corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of May, 2004.

Doris L. Hampton
NOTARY PUBLIC



My commission expires: _____

STATE OF ILLINOIS }

} ss

COUNTY OF COOK }

I, Giselle Alicea, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Michael W. Scott, President of the Board of Education of the City of Chicago, a body politic and corporate, and Estella G. Beltran, as Secretary of said Board, who are personally know to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary of said Board, respectively, appeared before me this day in person and acknowledged that they signed and delivered the instrument as their own free and voluntary act and as the free and voluntary act of said Board for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of May, 2004

Giselle Alicea
Notary Public

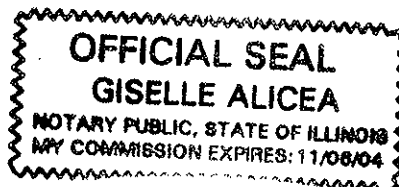


EXHIBIT "A"

Legal Description

LOT 25 (EXCEPT THE WESTERLY 4.75 FEET THEREOF) AND LOTS 26, 27, 28, 29 AND 30 IN BLOCK 2 IN S. E. GROSS SUBDIVISION OF THE SOUTH EAST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

GENERAL DOCUMENT EXONERATION RIDER

The foregoing instrument is executed by U.S. BANK, N.A., not personally but as Trustee under Trust No. 1-5301 as aforesaid, in the exercise of power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in said instrument shall be construed as creating any liability on said Trustee personally to pay any indebtedness accruing thereunder, or to perform any promises, agreements or covenants or to honor any warranties or representations, either expressed or implied, including but not limited to warranties (including but not limited to warranties of title, physical condition, environmental condition, merchantability, and fitness for particular purpose), indemnifications (including but not limited to indemnifications for injury to persons or property, for environmental liability, and for liability or damages resulting from or relating to claims or matters of any nature whatsoever), and hold harmless representations in said instrument (all such liability, if any, being expressly waived by the parties hereto and their respective successors and assigns) and that so far as said Trustee is concerned, the owner of any indebtedness or right accruing under said document shall look solely to the premises described therein for the payment or enforcement thereof, it being understood that said Trustee merely holds legal title to the premises described therein and has no control over the management thereof or the income therefrom, and has no knowledge respecting any factual matter with respect to said premises, except as represented to it by the beneficiary or beneficiaries of said trust. In event of conflict between the terms of this rider and of the instrument to which it is inserted or attached, on any questions of apparent liability or obligation resting upon said trustee, the provisions of this rider shall be controlling.