

**LEASE AGREEMENT
CHARTER SCHOOL
(Haugan School Building)**

THIS LEASE AGREEMENT ("Lease") is effective as of the date written on the signature page of this Lease (the "Effective Date"), and is entered into by and between the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate ("Landlord") and **ASPIRA Inc.** of Illinois, an Illinois not for profit corporation ("Tenant").

RECITALS:

A. Landlord is the owner of the Haugan School, located at 3729 W. Leland Avenue, Chicago, Illinois (the "School").

B. Landlord desires to lease the School building (the "Premises") to Tenant and Tenant desires to so rent the Premises from Landlord for a charter school campus and related educational and community programs, and for no other purposes (the "Use").

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. **CHARTER SCHOOL AGREEMENT.** Landlord and Tenant entered into that certain Charter School Agreement pursuant to which Tenant was granted a charter for the purpose of operating a charter campus ("Charter School Agreement"). The Charter School Agreement is, by this reference, incorporated in this Lease and made a part hereof as if stated in its entirety.

2. **GRANT/TERM.** Landlord hereby leases the Premises to Tenant, upon the terms and conditions hereinafter set forth, for a term commencing on the Effective Date and ending on June 30, 2013 (the "Term"). However, the Board shall have the right to terminate this lease as of June 30th of any year of this Lease Term with six (6) months prior written notice to Tenant. Notwithstanding the foregoing, if the charter under Tenant's Charter School Agreement is terminated or not renewed for any reason or, if the Tenant otherwise ceases to operate the Premises for the Use, this Lease shall terminate on: (i) the date said charter is terminated or not renewed; or (ii) the date Tenant ceases to operate in accordance with the terms of this Lease.

3. **RENT.** In consideration of the leasing of the Premises as set forth above, Tenant covenants and agrees to pay to the Landlord, as rent for the Premises, the sum of One Dollar (\$1.00) per year.

4. **OPERATING EXPENSES AND ALLOCATION OF RESPONSIBILITY.** The term "Operating Expenses" means all of the expenses, costs and disbursements of every kind or character incurred in the management, operation and maintenance of the School (except for the "Capital Expenses", as hereinafter defined, which shall be the sole responsibility of the Landlord) including, but not limited to the following: life safety system inspections and certifications, food services (Note: If the Board provides food services, the Board shall have the right, in its sole and exclusive discretion, to provide either warming kitchen facilities or full kitchen facilities to the Tenant), security, custodial/janitorial, engineer, building operations & maintenance, grounds keeping, utilities, and information technology (collectively, "Operating Services").

Tenant shall, at its sole cost and expense, pay all Operating Expenses based on the type of occupancy Tenant holds under this Lease:

A. **Sole Occupancy.**

(i) In the event Tenant is the sole occupant of the Premises, Tenant shall have the following options: (a) to directly procure all Operating Services from third parties, other than Landlord; or (b) to

damage caused by any act, omission or negligence of Tenant or its employees, agents, invitees, licensees or contractors. Landlord shall not be required to commence any such capital work that is not in accordance with the Landlord's approved annual Capital Improvement Plan. The provisions of this paragraph shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain, in which events the obligations of Landlord shall be controlled by Section 14.

5. **DIFFERENT SCHOOL HOURS/CALENDARS.** Notwithstanding anything contained in this Lease to the contrary, the parties agree, if the Tenant's school year or school hours for any year during the Term do not coincide with the Landlord's school year and hours, the Tenant shall pay to the Landlord, within thirty (30) days of receipt of an invoice, all additional costs incurred by Landlord for opening, or keeping open, the School during any such hour(s) or days that the School would be closed based on Landlord's calendar for that school year. Such costs shall include, but not be limited to, Landlord's cost of additional utility expenses, engineers, janitors, and security staff.

6. **DELIVERY OF PREMISES.** Landlord shall deliver to Tenant possession of the Premises on the commencement date in an "AS-IS" and "WHERE-IS" condition, Landlord making no representations or warranties of any nature whatsoever as to the condition of the Premises or the School. Tenant's taking possession of the Premises shall be deemed to be Tenant's acceptance of the Premises in the order and condition as then exists. No promise of Landlord to alter, remodel, decorate, clean or improve the Premises, or any portion thereof, and no representation respecting the condition of the Premises, or any portion thereof, have been made by Landlord to Tenant.

Notwithstanding the foregoing, the parties acknowledge and agree that Tenant shall not be given possession of the Premises prior to final execution of the Lease by both parties. Further, the parties acknowledge and agree that pursuant to the terms of the Charter School Agreement, if Tenant obtains possession of the Premises prior to the Effective Date, Landlord shall provide notice to Tenant stating Tenant's failure to execute this Lease prior to obtaining such possession. Such notice shall allow Landlord to withhold Tenant's general education quarterly payments under the Charter School Agreement, until such time as this Lease has been fully executed by both parties.

7. **PROJECT LABOR AGREEMENT.** The Landlord has entered into a project labor agreement with various trades regarding construction projects awarded by the Landlord (a copy of which is attached hereto as Exhibit B, together with a list of signatory unions, and by this reference, incorporated herein) (the "Project Labor Agreement"). Tenant acknowledges familiarity with the requirements of the Project Labor Agreement, its applicability to any alteration, remodeling or other construction that may be done on the Premises, and further agrees to comply with the Project Labor Agreement in all respects.

8. **TENANT'S COVENANTS.** Tenant covenants, at all times during the Term and any extension or renewal Term, to:

- A. use the Premises only for the Use;
- B. apply for, secure, maintain and comply with all licenses or permits which may be required for the conduct by Tenant of the business herein permitted to be conducted in the Premises and to pay, if, and when due, all license and permit fees and charges of a similar nature in connection therewith;
- C. perform all work in the Premises and School in a good and workmanlike manner, employing materials of good quality and in compliance with all governmental requirements. All work performed by Tenant within the Premises and School shall be accomplished only by qualified contractors and, if the work is in excess of Ten Thousand and 00/100 Dollars (\$10,000.00), pursuant to contracts and plans, all of which shall first be approved by Landlord's Chief Operating Officer. Tenant shall comply with the terms of the Project Labor Agreement. Tenant shall not commence any such work until Landlord has been provided with insurance certificates evidencing that the contractors and subcontractors performing such work have, in full force and effect: (i) adequate workmen's compensation insurance as required by the laws of the State of Illinois; and (ii) public liability and builders risk insurance in such amounts and according to terms reasonably satisfactory to Landlord.

amounts whenever it reasonably considers them inadequate) and (iv) in like amounts, covering Tenant's contractual liability under the indemnity provisions of this Lease. All of said insurance shall be in form, and carried with responsible companies, each satisfactory to Landlord and shall provide that it will not be subject to cancellation, termination or change except after at least thirty (30) days prior written notice to Landlord. The policies or duly executed certificates for the same (which shall evidence the insurer's waiver of subrogation) together with satisfactory evidence of the payment of the premium thereon, shall be deposited with Landlord on or before the commencement of this Lease and upon renewals of such policies, not less than thirty (30) days prior to expiration of the term of such coverage. If Tenant fails to comply with such requirements, Landlord may obtain such insurance and keep the same in effect, and Tenant shall pay Landlord the premium cost thereof upon demand.

B. Landlord agrees that it either self-insures or holds policies of insurance for liability and property damage in amounts not less than Two Million and 00/100 Dollars (\$2,000,000.00) and shall maintain such insurance throughout the Term.

C. Whenever: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease, or anyone claiming by, through or under them in connection with the Premises; and (ii) such party is then either covered in whole or in part by insurance (or self-insurance) with respect to such loss, cost, damage or expense, or required under this Lease to be so insured (or self-insured), then the party so insured (or so required or self-insured) hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance or self-insurance (or which could have been recovered, had insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof; provided, however, that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost thereupon keeping such release and waiver in full force and effect).

12. **LANDLORD DEFAULT.** If Landlord is in default under this Lease and such default shall continue for ten (10) 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 ten (10) days, and 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 immediately terminate this Lease by providing Landlord written notice as provided for herein.

13. **TENANT DEFAULT.** If the Tenant is in default under this Lease and such default shall continue for ten (10) 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 ten (10) days, and where Tenant shall have commenced and shall be diligently pursuing all necessary action to remedy such default, the Landlord shall have all of its rights and remedies under law and equity including, but not limited to, curing the default or electing to terminate this Lease by providing Tenant written notice as provided for herein.

14. **CASUALTY AND CONDEMNATION.** If the Premises are made untenable by fire or other casualty, or taken by any governmental entity pursuant to its power of eminent domain, the Landlord or Tenant may elect to terminate this Lease as of the date of the fire or other casualty or the taking by eminent domain, by notice to the other party within thirty (30) days after the date of the fire or other casualty, or in the case of eminent domain, by notice delivered as soon as reasonably possible after a party receives notice or otherwise becomes aware of such proceedings. If there is any award or payment by the condemning governmental entity, Tenant shall not be entitled to any portion thereof. Landlord agrees to promptly notify Tenant if it receives any notice of proposed taking by a governmental entity pursuant to eminent domain.

15. **INDEMNIFICATION.**

A. Tenant hereby agrees to indemnify and hold the Landlord harmless from any liability, claim or

22. **INSPECTOR GENERAL.** Each party to this Agreement 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.

23. **BOARD APPROVAL.** This Agreement is subject to approval by the members of the Chicago Board of Education.

24. **RELATIONSHIP OF THE PARTIES.** Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship, other than the relationship of Landlord and Tenant.

25. **LANDLORD'S TITLE.** The Landlord's title is and shall always be paramount to the title of the Tenant, and nothing herein contained shall empower the Tenant to do any act which can, shall or may encumber the title of the Landlord.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representatives as of the date first above written.

LANDLORD:

BOARD OF EDUCATION OF
THE CITY OF CHICAGO

By: [Signature]
Mary B. Richardson-Lowry, President

Attest: [Signature]
Estela G. Beltran, Secretary

Board Report Number: 09-1216-OP1-110-0324-AR1-33

Approved as to legal form:

[Signature]
Patrick J. Rocks, General Counsel

Date Executed by Landlord: _____

TENANT:

ASPIRA INC. OF ILLINOIS

By: [Signature]
Name: JOSE RODRIGUEZ

Title: President/CEO

Attest: [Signature]
By: [Signature]

Name: Yadira Abarc

Title: President Assistant

RENAISSANCE 2010

100 New Schools for Chicago

Charter and Contract School Facility Services Request Form

School Name: ASPERA HAUGAN
 Facility Name: HAUGAN
 Address: 3729 W. Seland, Chicago, IL
 Unit Number: 60351

Type of Facility:

- Shared with Traditional CPS/Performance School
- Shared with Charter/Contract School
- Alone in CPS Facility

FACILITY SERVICES OPTIONS (see attached Service Menus for details)

JB
 JB

- Operational Services:
- Utilities NA
 - Maintenance Services (engineering and custodial services)
 - Trash Removal (no charge in FY10 for schools in CPS facilities) NA

- Security Services:
- Security Personnel Services
 - Mandatory Alarm and CCTV monitoring fee (\$1.43/pupil)

- ITS Services:
- LAN Services (required for schools starting in 09-10 and beyond)
 - Computer Equipment Purchase/Lease
 - Extended Support Services
 - Telecom Pagers and Cell Phone Services
 - WAN Services (refer to ITS Menu for requirements)
 - Desktop Management Services
 - Telecom Phone Support Services

On behalf of ASPIRA, Jose Rodriguez acknowledge receipt of the supporting materials which detail the Facility Services requirements for the facility named above, and agree to follow all applicable CPS regulations and standards as they relate to the services selected above.

I understand that the cost of the services I am requesting will be deducted from quarterly payments and that the submission of this request authorizes CPS to amend the lease for the facility named above, and I agree to work with CPS to execute the amended lease in a timely fashion prior to the start of the next school year.

Signature: [Signature]
 Printed Name: Jose Rodriguez
 Title: Vice President/CEO

CHICAGO PUBLIC SCHOOLS OFFICE OF NEW SCHOOLS

125 S. Clark, 5th Floor • Chicago, Illinois 60603
 Telephone: 773.553.1530 • Fax: 773.553.1559

CHICAGO BOARD OF EDUCATION MULTI-PROJECT LABOR AGREEMENT

This Multi-Project Labor Agreement ("Agreement") is entered into by and between the Board of Education for the City of Chicago ("Board" or "Trustees"), an Illinois governmental entity, and each of the undersigned labor organizations signatory hereto.

Because of the scope, cost and duration of, and important public purpose to be served by the construction and/or modernization of schools and school-related facilities by or related to the Chicago Public Schools ("CPS"), the parties to this Agreement have determined that it is in the public interest to have certain projects completed in the most timely, productive, economical and orderly manner possible and without labor disputes or disruptions of any kind that might interfere with or delay the projects.

The parties have determined that it is desirable to eliminate the potential for friction and disruption of these projects by using their best efforts and ensuring that all work is performed by the trade unions that are signatory hereto and which have traditionally performed and have trade and geographic jurisdiction over such work. Experience has proven the value of such cooperation and that such mutual undertakings should be maintained and, if possible, strengthened and that the ultimate beneficiaries remain the taxpayers, schoolchildren and public.

To further these goals and to maintain a spirit of harmony, labor-management cooperation and stability, the parties agree as follows:

1. During the term of this Agreement, the Board shall not contract or subcontract, nor permit any other person, firm, company or entity to contract or subcontract, any construction, demolition, rehab or renovation of any Board property, at any of its sites or locations where work in furtherance of the projects is being undertaken, either by the Board, or its contractor or construction manager, as owner, coordinator, manager, contractor and/or purchaser relating to construction work covered by this Agreement or within the trade jurisdiction of the signatory unions, to be done at the site of construction, alteration, painting or repair of a building, structure or other work at the site or location covered by this Agreement and/or owned, leased, or in any manner controlled by the Board, unless such work is performed only by a person, firm or company signatory or willing to become signatory to an existing collective bargaining agreement with the union or with the appropriate trade/craft union or subordinate body of the Chicago & Cook County Building & Construction Trades Council or the AFL-CIO Building & Construction Trades Department. Copies of all such current collective bargaining agreements constitute Appendix "A" of this Agreement, attached hereto and made an integral part hereof and as may be modified from time to time during the term of this Agreement. Said provisions of this Agreement shall be included in all requests for bids and shall apply to all projects in

8. This Agreement shall expire on June 30, 2015 unless either party gives written notice to the other no earlier than February 1, 2010 and no later than March 1, 2010 to terminate this Agreement effective June 30, 2010. If such notice to terminate is given or, if not, upon expiration on June 30, 2015, the Agreement shall extend until the completion of any work initiated pursuant to the Agreement prior to termination or expiration.

- 9.a.) In the event a dispute shall arise between any contractor or subcontractor of the project and any signatory labor organization and/or fringe benefit fund established under the appropriate collective bargaining agreement as to the obligation and/or payment of fringe benefits provided under the collective bargaining agreement, upon proper notice to the contractors and/or subcontractors by the appropriate labor organization or appropriate fringe benefit fund and to the Board, an amount sufficient to satisfy the amount claimed shall be withheld from the contractor's or subcontractor's regularly scheduled periodic payment from the Board or its agents until such time as said claim is resolved.

- b.) In the event any other contract dispute (excluding a dispute covered by paragraph 10 of this Agreement) shall arise between any contractor or subcontractor of the project and any signatory labor organization relating to a contract and/or project covered by the provisions of Paragraph 1 above and said dispute is resolved by the grievance arbitration procedure of the applicable collective bargaining agreement, any failure of a party to fully comply with such a final resolution shall result in the removal of the non-complying party from the Board project and property upon proper notice to the contractor and/or subcontractor.

10. In addition to the obligations set forth in this Agreement, in the event a jurisdictional dispute by and between any of the unions, such unions shall take all steps necessary to promptly resolve the dispute. In the event of a dispute relating to the trade or work jurisdiction, all parties, including the employer (contractors or subcontractors), agree that a final and binding resolution of the dispute shall be achieved, as follows:
 - a.) Representatives of the affected trades shall meet on the job site within forty-eight (48) hours after receiving notice in an effort to resolve this dispute. (In the event there is a dispute between affiliates of the same International, the decision of the General President or his/her designee, as the internal jurisdictional dispute authority of that International, shall constitute a final and binding decision.) Any agreement reached at this step shall be final and binding upon all parties.

- b.) The Board and the Council shall establish a subcommittee composed of no more than six (6) people with an equal number of representatives chosen by each side to examine contracting situations. The subcommittee shall meet monthly or upon request and shall have access to and examine those contracts and subcontracts involving work within the trade jurisdiction of the union currently in progress or planned. The Council shall receive written notification of all invitations to bid or requests for proposal (RFP) at the same time as the invitation for bid or RFP is conveyed to potential contractors. Upon request, the Board or its contractor or construction manager will disclose to the union all information made available to the bidders or potential bidders to the public and to any potential contractor. In the event the Board or any contractor determines to utilize a procedure not involving a public solicitation (for example, in cases of emergency or pilot project), the Board shall notify the union(s) if known by the Board and the subcommittee.
14. If any provision, section, subsection or other portion of this Agreement shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portions of this Agreement enforceable. This Agreement, as thus amended, shall be enforced so as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Agreement to the extent necessary to comply with existing law and to enforce this Agreement as modified.
15. In the event the Board enters into an agreement or undertaking with any other governmental agency for the construction-related activities contemplated under this Agreement, the terms and provisions of this Agreement shall apply to all such projects irrespective of the agency awarding the contract or supervising the work thereunder.

Dated this 30th day of June, 2005, in Chicago, Illinois.

CHICAGO BOARD OF EDUCATION

By: Michael W. Scott
Its: President

Attest:

Eatela H. Beltran 6/30/05
Secretary

Board Report 05-0622-EX22

Patrick J. Rocks, Jr. JMR 6-23-05
Patrick J. Rocks, Jr., General Counsel

Labor Organization: TEAMSTERS LOCAL UNION NO. 731

Address: 1000 BURR RIDGE PARKWAY STE. 300

City, State, Zip Code: BURR RIDGE, IL 60527

Telephone Number: (630) 887-4100

By: Terrence J. Hancock
Its: PRESIDENT TERRENCE J. HANCOCK