

AMANDLA CHARTER SCHOOL LEASE

THIS LEASE AGREEMENT ("Lease") is made as of the 1st day of July, 2008 (the "**Effective Date**") between the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate ("**Landlord**") and Amandla Charter School, an Illinois not for profit corporation ("**Tenant**").

RECITALS:

- A. Landlord is the owner of the Parker School, located at 6800 S. Stewart, Chicago, Illinois (the "**School**").
- B. Landlord desires to lease a portion of the School, as more particularly set forth on Exhibit "A" ("**Memorandum of Understanding**") attached hereto and, by this reference, made part hereof, (the "**Premises**") to Tenant and Tenant desires to so rent the Premises from Landlord for a Charter School 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. **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**"). Notwithstanding the foregoing, if the Tenant's Charter is terminated or not renewed for any reason or, if the Tenant otherwise ceases to operate, this Lease shall terminate on the date said Charter is terminated or not renewed or the date Tenant so ceases to operate.
2. **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.
3. **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:
 - A. Life Safety System Inspections and Certifications
 - B. Resolving Citations
 - C. Food Service*
 - D. American's with Disability Act ("ADA") Compliance
 - E. Security
 - F. Custodial/Janitorial
 - G. Engineer
 - H. Building O & M (Operations & Maintenance)
 - I. Grounds Keeping

- J. Environmental Issues and Code Violations
- K. Utilities
- L. Information Technology – the Landlord shall only be responsible for existing infrastructure.

* If the Board provides Food Services, the Board shall have the right, in its sole and exclusive discretion, to provide warming kitchen facilities or full kitchen facilities to the Tenant.

The Landlord shall be responsible for and shall pay all Operating Expenses. If the Landlord is responsible for Operating Expenses, the Landlord shall deduct from the “per pupil allocation” made by the Landlord to the Tenant the cost of providing such Operating Expenses (the “Facilities Deduction”). For the 2008-2009 School Year, the Facilities Deduction shall be Nine Hundred Thirty and 00/100 Dollars (\$930.00) per elementary student and One Thousand Three Hundred Fifty-One and 00/100 Dollars (\$1351.00) per high school student, and will be subject to increase as the Landlord’s costs increase. The Facilities Deduction will be taken from the Tenant’s first and fourth quarterly per pupil allocation payments.

Notwithstanding anything contained herein to the contrary, the parties acknowledge and agree that should Tenant owe any monies to Landlord arising from the Use of the School, or for any other reason under or related to the terms of this Leas, Landlord shall have the right, with notice to Tenant on the date of such withholding, to withhold all, or any portion of Tenant’s per pupil allocation during the entire Term.

Landlord shall not be liable to Tenant for damages or otherwise if water, gas, electric, or sewer service is interrupted or terminated because of necessary repairs, installations, improvements or any cause beyond the control of Landlord. Landlord agrees, except in the case of emergencies or a cause that is not within Landlord’s control, to give Tenant thirty (30) days advance written notice prior to such interruption or termination.

Landlord shall be responsible to make all necessary capital repairs, capital replacements, and capital improvements to the Premises and School (herein referred to as “Capital Expenses”, and all as defined under generally accepted accounting principles consistently applied), unless such expenditure is required because of 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 expenditure which 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 11. By raising its own capital funds, it is understood and agreed that Tenant shall have the right to make capital repairs, capital replacements, and capital improvements to the Premises and the School as set forth in Section 5 C below.

The Tenant agrees that, if it chooses to be responsible for all Operating Expenses, that Tenant shall provide the items listed above according to the same standards provided by the Landlord in its other schools, which standards shall be supplied to Tenant, in writing, by Landlord. If such standards are not, in the sole judgment of Landlord, met by the Tenant, the Landlord shall have the right to declare such failure to be a Tenant Default under Section 10 or to deduct the cost of bringing such items up to such standards from the per pupil allotment given to Tenant by Landlord.

4. **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.

5. **TENANT'S COVENANTS.** Tenant covenants, at all times during the Lease Term and such further time as Tenant occupies the Premises:

A. to use the Premises only for the Use;

B. to apply for, secure, maintain and comply with all licenses or permits which may be required for the conduct by Tenant of the Use herein permitted to be conducted in the Premises and to pay, if, and as and when due, all license and permit fees and charges of a similar nature in connection therewith;

C. to 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 00/00 Dollars (\$10,000.00), pursuant to contracts and plans, all of which shall first be approved by Landlord's Director of Real Estate. 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 adequate workmen's compensation insurance as required by the laws of the State of Illinois, public liability and builders risk insurance in such amounts and according to terms reasonably satisfactory to Landlord.

D. to permit Landlord or Landlord's agents, at reasonable times, to enter the Premises for the purpose of inspecting the same, of making repairs, additions or alterations thereto or to the School and of showing the Premises to prospective purchasers, lenders and tenants, and other persons having a legitimate interest in inspecting the same.

E. to promptly comply with the following that are not the responsibility of Landlord under Section 3: (i) all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and local governmental departments, commissions, boards and officers with respect to the Premises; (ii) all orders, rules and regulations of the National Board of Fire Underwriters, Illinois Inspection and Rating Bureau, the local Board of Fire Underwriters, or any other body or bodies exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises; (iii) all insurance policies and the recommendations of all insurance inspections and insurance carriers with respect thereto at any time in force with respect to the Premises, the School or any part thereof; and (iv) all present or future rules and regulations for the use and occupancy of the School as Landlord, in its reasonable discretion, from time to time promulgates.

F. to not, without Landlord's prior written consent which, in each instance, may be withheld at the sole discretion of Landlord: (i) assign, transfer, hypothecate, mortgage, encumber, or convey this Lease or any interest under it or subject or permit any lien or charge to exist upon this Lease or any interest under it; (ii) allow any transfer of, or any lien upon, Tenant's interest in this Lease by operation of law or otherwise; or (iii) sublet the Premises in whole or in part.

G. to not suffer any mechanics', laborers' or materialmen's liens to be filed against the School or any portion thereof or any interest therein by reason of any work, labor, services performed at, or materials furnished to, or claimed to have been performed at, or furnished to, the Premises or the School, by, or at the direction or sufferance of, Tenant, or anyone holding the Premises by, through or under the Tenant.

H. to not affix, maintain or locate any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items on the Premises or School except such as shall have first been approved by Landlord, in writing.

6. **QUIET ENJOYMENT.** Landlord covenants that Tenant shall have the right to peacefully and quietly have, hold and enjoy the Premises without any encumbrance or hindrance by or from Landlord, its agents, employees, successors and assigns.

7. **SURRENDER OF PREMISES UPON TERMINATION.** Upon termination of this Lease, by lapse of time or otherwise, the Tenant shall remove any and all of its properties, supplies, and equipment of all kinds from said Premises. The Tenant shall deliver the Premises, upon termination, in as good a state or condition as the same were when entered upon, less reasonable use and wear thereof and damages by fire and accident excepted.

8. **INSURANCE.**

A. Tenant shall maintain, at all times during the Term, in responsible companies approved by Landlord, which approval will not be unreasonably withheld, general liability insurance, insuring Landlord and its agents and Tenant, as their interests may appear, against all claims, demands or actions for injury to or death of any one person in an amount of not less than \$1,000,000.00 and for injury or death of more than one person in any one occurrence in an amount of not less than \$2,000,000.00 and for damage to property in an amount not less than \$500,000.00 made by or on behalf of any persons, firm or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business in the Premises (Landlord shall have the right to direct Tenant to increase said amounts whenever it reasonably considers them inadequate) and, in addition, and 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 \$2,000,000.00 and shall maintain such insurance throughout the Term.

C. Whenever (a) 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 (b) 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 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).

9. **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 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.

10. **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 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.

11. **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.

12. **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 Premises, limited, however, to only such liabilities, claims or demands which arise or are caused by Tenant's negligent acts, errors and/or omissions.

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 Premises, limited, however, to only such liabilities, claims or demand which arise or are caused by Landlord's negligent acts, errors and/or omissions.

13. **SECURITY.** The party responsible for security under Paragraph 3 above, agrees to establish and maintain security measures appropriate to reasonably protect the Premises, individuals properly present at the Premises, and the personal property located thereon and each party agrees to cooperate with the other in maintaining such security measures.

14. **ESTOPPEL CERTIFICATE.** Within ten (10) days after Landlord's request, or in the event that upon any sale, assignment or hypothecation of the School or any portion thereof or interest therein, an Estoppel Certificate shall be required from Tenant, Tenant shall deliver, executed in recordable form, a declaration to any person designated by Landlord: (a) ratifying this Lease; (b) stating the Commencement and Termination Dates; and (c) certifying: (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease to be performed by Landlord have been satisfied (stating exceptions, if any); (iii) no defenses or offsets against the enforcement of this Lease by Landlord exist (or stating those claimed); (iv) advance Rent, if any, paid by Tenant; (v) the date to which Rent has been paid; (vi) the amount of security deposited with Landlord; and (vii) such other information as Landlord or its mortgagee or Purchaser requires. Persons or entities receiving such statement shall be entitled to rely upon it.

15. **SUBORDINATION.** Tenant hereby agrees that this Lease shall automatically be subject and subordinate to: (i) any indenture of mortgage or deed of trust that may hereafter be placed upon the Land or Building and to all renewals, replacements and extensions thereof, and to all amounts secured thereby, except to the extent that any such indenture of mortgage or deed of trust provides otherwise; and (ii) any ground or underlying lease, provided that any such mortgagee or trustee or ground lessor shall agree, in writing, that the quiet possession of the Tenant shall not be disturbed if Tenant is not in default under this Lease. Tenant shall at Landlord's request execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence the subordination of this Lease to the lien of any such indenture or mortgage or deed of trust or to any such ground or underlying lease or to acknowledge that this Lease is superior to such lien, as the case may be. It is hereby acknowledged and agreed that such further instruments or assurances shall not contain any provisions which will cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of the Tenant hereunder.

16. **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 Tenant: Amandla Charter School
501 W. 35th Street
Chicago, Illinois 60616
Attention: Erin Ferguson
Phone: 773-396-8022

If to Landlord: Board of Education of the City of Chicago
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Attention: Director of Real Estate

With a copy to: Board of Education of the City of Chicago
125 South Clark Street, 7th Floor
Chicago, Illinois 60603
Attention: General Counsel

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.

17. **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.

18. **SUCCESSORS AND ASSIGNS.** This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and permitted assigns.

19. **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.

20. **SEVERABILITY.** If any provision(s) 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.

21. **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.

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

23. **RELATIONSHIP OF THE PARTIES.** Nothing contained herein shall be deemed or construed by the parties hereto nor 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.

24. **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.

25. **MEMORANDUM OF UNDERSTANDING.** A Memorandum of Understanding, a copy of which is attached hereto and made part hereof as Exhibit A, has been entered into between the parties sharing the School, which includes, among other matters, the shared usage procedures between the parties. In addition, Tenant shall either employ or retain an individual or a company (and keep Landlord informed of the name, address, and telephone number thereof) to be responsible for the general management of the Premises; those matters set forth in Section 3 which are the responsibility of the Tenant; and all work in the Premises which is approved by the Landlord under Section 5 C above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement 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: M. Hill Hammock
M. Hill Hammock
Chief Operating Officer

Board Report Number:08-0326-COO10

Approved as to legal form:

Patrick J. Rocks
Patrick J. Rocks, General Counsel

TENANT:

AMANDLA CHARTER SCHOOL

By: E. Ferquem
Name: E. Ferquem
Title: Executive Director

Attest:

By: Lisa Sims
Name: Lisa Sims
Title: Office Manager

EXHIBIT "A"

MEMORANDUM OF UNDERSTANDING

[See Attached]