

**LEASE AGREEMENT
BETTY SHABAZZ INTERNATIONAL CHARTER SCHOOL
(Johns 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 **BETTY SHABAZZ INTERNATIONAL CHARTER SCHOOL**, an Illinois not for profit corporation ("**Tenant**").

RECITALS:

- A. Landlord is the owner of the Johns School, located at 6936 S. Hermitage, Chicago, Illinois (the "**School**").
- B. Landlord desires to lease the land and all of the School building (as more particularly described in Exhibit A attached hereto and, by this reference, made a part hereof) (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. **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: (i) the Tenant's charter is terminated or not renewed for any reason or; (ii) the Tenant otherwise ceases to operate the Premises for the Use, this Lease shall terminate on the first to occur of the date said charter is terminated, or not renewed; or the date Tenant ceases to operate the Premises for the Use.
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: 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 elect to procure some or all of its Operating Services from the Landlord at Landlord's current rates and in accordance with Landlord's procedures.
- (ii) A list of Operating Services provided by Landlord, and the costs of such Operating Services, shall be provided to Tenant prior to execution of this Lease. If Tenant desires to procure any such Operating Services from Landlord, Tenant shall make such election on the Facility Services Request

form provided by Landlord (a copy of which is attached hereto as Exhibit B and, by this reference, made a part hereof).

(iii) Tenant shall be bound by such election for the entire 2009-2010 school year (“**Pilot Period**”). In the event Landlord extends its Operating Services procurement plan beyond the Pilot Period, Tenant shall again have the option (as set forth in section A(i) above) to choose how it will receive Operating Services for the 2010-2011 school year. Further, in the event this Lease is extended or renewed beyond the Term, Tenant shall have the option to choose its Operating Services provider(s) every third (3rd) school year of any renewal or extension Term commencing as of the 2014-2015 school year. During the Pilot Period, and for every year Tenant is required to elect who will provide Operating Services; at, or prior, to the time Landlord provides a Facility Services Request form, Landlord shall also provide Tenant with a list of Landlord’s then current rates for Operating Expenses.

B. Shared Occupancy with a Chicago Public School. In the event Tenant shares the Premises, at any time during the Term or any renewed or extended Term, with a Chicago Public School, Tenant’s sole option (while sharing the Premises) shall be to procure all of Operating Services from Landlord. Tenant shall pay for such Operating Services at Landlord’s current rates and in accordance with Landlord’s procedures.

C. Shared Occupancy with a contract school and/or an additional charter school. In the event Tenant shares the Premises, at any time during the Term or any renewed or extended Term, with a contract school and/or an additional charter school(s), both or all such schools sharing the Premises must, collectively, select one option (as set forth in section A(i) above) regarding the procurement of Operating Services. Such election shall be made in accordance with section A above.

Tenant agrees that, if it opts to procure any Operating Services from Landlord, Tenant shall ensure that all such Operating Services are provided according to the same standards provided by the Landlord in its other schools. Landlord shall provide to Tenant, in writing, Landlord’s standards (the “**Standards**”). Landlord shall, at Tenant’s sole cost, inspect the Premises up to four (4) times per year; provided, however, in the event Tenant holds the type of tenancy set forth in section C above, the cost of such inspections shall be shared equally by all occupants. Landlord shall invoice Tenant for costs related to the inspections. Tenant shall pay such invoice within thirty (30) days of receipt. If Landlord determines that the Standards have not been met by the Tenant, Landlord shall have the right to declare such failure to maintain the Standards a default hereunder.

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 for making all necessary capital repairs, capital replacements, and capital improvements to the Premises and the School, including capital repairs, capital replacements and capital improvements required by applicable law for Use of the 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 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 12.

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. Except as otherwise specifically set forth in this Lease, 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. **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 C, 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

6. **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 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.

D. permit Landlord, or Landlord's agents, at reasonable times to enter the Premises for any of the following purposes: (i) inspection of the Premises; (ii) making repairs, additions or alterations to the Premises or to the School; and (iii) showing the Premises to prospective purchasers, lenders and tenants, and other persons having a legitimate interest in inspecting the same.

E. promptly comply with the following, which are not the responsibility of Landlord under Section 3 above: (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 other recommendations of all insurance inspections and insurance carriers, 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. 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. not suffer any mechanics', laborers' or materialmen's liens to be filed against the Premises, 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. 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.

7. **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.

8. **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 the Premises. The Tenant shall deliver the Premises, upon termination, in as good a state or condition as when entered upon, less reasonable use and wear thereof, and damages by fire and accident excepted.

9. **INSURANCE.**

A. Tenant shall maintain, at all times during the Term or any extension or renewal 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: (i) against all claims, demands or actions for injury to or death of any one person in an amount of not less than One Million and 00/100 Dollars (\$1,000,000.00); (ii) for injury or death of more than one person in any one occurrence in an amount of not less than Two Million and 00/100 Dollars (\$2,000,000.00); (iii) for damage to property in an amount not less than Five Hundred Thousand and 00/100 Dollars (\$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 the Use in the Premises (Landlord shall have the right to direct Tenant to increase said 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).

10. **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.

11. **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.

12. **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.

13. **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.

14. **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.

15. **NOTICES.** All notices and other communications given pursuant to this Lease shall be in writing and shall be deemed properly served and effective: (i) as of the day of delivery if delivered in person, by messenger, overnight delivery service or a party's attorney or agent; or (ii) 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: Betty Shabazz International Charter School
7823 S. Ellis
Chicago, Illinois 60616
Attention: Anthony Daniels-Halisi

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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

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

22. **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.

23. **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: Michael Scott
Michael Scott, President

Attest: Estela G. Beltran 8/4/09
Estela G. Beltran, Secretary

Board Report Number: 09-0527-OP 1-1

Approved as to legal form:

Patrick J. Rocks
Patrick J. Rocks, General Counsel

Date Executed by Landlord: _____

TENANT:

**BETTY SHABAZZ INTERNATIONAL
CHARTER SCHOOL**

By: Anthony Daniels-Halisi

Name: Anthony Daniels-Halisi

Title: Chief Operating Officer

Attest:

By: _____

Name: _____

Title: _____

EXHIBIT "A"

PREMISES

[See Attached]

EXHIBIT "B"

FACILITIES SERVICE REQUEST FORM

[See Attached]

RENAISSANCE 2010

100 New Schools for Chicago

**Charter and Contract School Facility Services Request Form
FY10**

School Name: Barbara A. Sizemore Academy of Betty Shabazz International Charter School
 Facility Name: Johns Community Academy
 Address: 8536 S. Hermitage Avenue
 Unit Number: 5233

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)

Operational Services:

- Utilities
 Maintenance Services (engineering and custodial services)
 Trash Remove:

Security Services:

- Security Personnel Services
 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

AD changed by misch on 10/10/09 & decided not to use ITS Telecom

On behalf of Barbara A. Sizemore Academy of Betty Shabazz International Charter School, I, Anthony Daniele-Hallie 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 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: *Anthony Daniele-Hallie*
 Printed Name: Anthony Daniele-Hallie
 Title: Chief Operating Officer

CHICAGO PUBLIC SCHOOLS OFFICE OF NEW SCHOOLS

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

EXHIBIT "C"

PROJECT LABOR AGREEMENT

[See Attached]