

## AGREEMENT TO EXTEND LEASE AGREEMENT

**THIS AGREEMENT TO EXTEND LEASE** (“**Extension Agreement**”) is made as of July 1, 2008 (the “**Effective Date**”) between the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate (“**Landlord**”) **BETTY SHABAZZ INTERNATIONAL CHARTER SCHOOL**, an Illinois not for profit corporation (“**Tenant**”)

### RECITALS

- A. As of June 1, 2005, the parties entered into a Lease Agreement (the “**Lease**”) for a portion of the DuSable High School, located at 4934 South Wabash Avenue, Chicago, Illinois, as set forth in the Memorandum of Understanding and the Addendum to Annual Sharing Agreement, (each of which is attached to, and made a part of, The Lease). The Lease and all exhibits thereto are by this reference incorporated herein and made a part of this Extension Agreement.
- B. The parties desire to extend the Lease for a period of five (5) years, commencing as of the Effective date and ending June 30, 2013 (the “**Extension Term**”) on the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are, by this reference incorporated in this Extension Agreement and made a part hereof, and for other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS.** Any and all capitalized terms contained in this Extension Agreement, and not defined herein, shall have the definition as set forth in the Lease.
2. **TERM.** The Lease is hereby extended for the Extension Term, unless terminated sooner as provided in the Lease.
3. **RENT.** Rent during the Extension Term shall be One and 00/100 Dollars (\$1.00) per year.
4. **ALLOCATION OF EXPENSES ( 2008-2009 school year).** Landlord shall continue to be responsible for items as set forth in Section 3 of the Lease. Landlord shall deduct from the “per pupil allocation” made by the Landlord to the Tenant the cost of providing the items (the “**Facilities Deduction**”). For the 2008-2009 School Year, the Facilities Deduction shall be One Thousand Seven Hundred Twenty-Two and 00/100 Dollars (\$1,722.00) 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.
5. **OPERATING EXPENSES AND ALLOCATION OF RESPONSIBILITY (2009-2010 school year).** Commencing as of July 1, 2009, 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 the 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 Extension Agreement. 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.

(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 the Lease is extended or renewed beyond the Extension Term, Tenant shall have the option to choose its Operating Services provider(s) every third (3<sup>rd</sup>) school year of any renewal or extension Term commencing as of the 2014-2015 school year.

**B. Shared Occupancy with a Chicago Public School.** In the event Tenant shares the Premises, at any time during the 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. Landlord shall provide Tenant with an annual list of Landlord's then current rates for Operating Expenses. Operating Services for the 2009-2010 are as set forth in the attachment hereto, which is, by this reference, made a part hereof.

**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 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 in accordance with the terms of the Lease.

6. **OTHER LEASE TERMS.** Except as specifically amended and extended by this Extension Agreement, all other terms and conditions of the Lease shall remain unchanged and continue in full force and effect during the Extension Term.

**IN WITNESS WHEREOF**, the parties have set their hands and seals to this Extension Agreement as of the day and year first above written.

**LANDLORD:**  
**BOARD OF EDUCATION OF THE**  
**CITY OF CHICAGO**

By: Michael Scott  
Michael Scott, President  
Attest: Estela H. Beltran 8/4/09  
Estela G. Beltran, Secretary

Board Report No.: 08-0924-OP3, 08-1217-AR1-40  
09-0325-AR2-40, 09-0422-AR1-29,  
Approved as to Legal Form: 09-0624-AR1-16

Patrick J. Rocks *gt*  
Patrick J. Rocks, General Counsel

**TENANT:**  
**BETTY SHABAZZ INTERNATIONAL CHARTER**  
**SCHOOL**

By: Anthony Daniels-Halisi  
Name: Anthony Daniels-Halisi  
Title: Chief Operating Officer

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

FACILITY NAME: DUSABLE HS

Address: 4934 S. Wabash Unit # 26141

Square Footage: 403,800

**I. Utilities Package Costs (annual)**

A. Gas	<u>202,931</u>
B. Electric	<u>179,917</u>
C. Water	<u>NO COST</u>
TOTAL Utilities	<u>382,848</u>

0.95/A

**II. Maintenance Package Costs (annual)**

A. Engineering Services	<u>408,475</u>
B. Janitorial Services	<u>464,412</u>
C. Pest Control Services (1x mo)	<u>1600</u>
D. Snow Removal Services	<u>5000</u>
E. Landscaping Services	<u>35,100</u>
F. Property Management Services*	<u>NO COST</u>

**III. Trash Removal Services**

TOTAL Mainten

2.26/A

NO COST
<u>914,587</u>

\* For schools electing to NOT receive the Maintenance Package, there will be an annual charge to the school in the amount of \$2,500, which amount will cover facility inspections and assessments

## LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made as of the 1<sup>st</sup> day of June, 2005 between the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate ("Landlord") and the **BETTY SHABAZZ INTERNATIONAL CHARTER SCHOOL**, an Illinois not for profit corporation ("Tenant").

### RECITALS:

- A. Landlord is the owner of the DuSable High School, located at 4934 South Wabash Avenue, Chicago, Illinois (the "School").
- B. Landlord desires to lease a portion of the School as set forth in the Memorandum of Understanding and the Addendum to Annual Sharing Agreement (both of which are attached hereto and made part hereof as Exhibit A and the portion being leased herein called the "Premises") to Tenant and Tenant desires to 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:

- GRANT/TERM.** Landlord hereby leases the Premises to Tenant, upon the terms and conditions hereinafter set forth, for a term (the "Term") commencing on July 1, 2005 and ending on June 30, 2008. Notwithstanding the foregoing, if: (a) the Tenant's Charter School Agreement with the Landlord dated July 1, 2005 ("Charter") is terminated for any reason; or (b) the Tenant otherwise ceases to operate; or (c) the Illinois State Board of Education ("ISBE") does not approve Tenants' Chicago Charter School Material Modifications Application (the "Application") authorizing the addition of the new high school campus; or (d) compliance by Tenant with the terms of Section 5 (E) creates a financial hardship on the School rendering Tenant unable to deliver a quality educational program, this Lease shall terminate on the date said Charter is terminated or the date Tenant so ceases to operate or the date that ISBE does not approve the Application or the date on which Tenant determines that compliance with Section 5 (E) will create such financial hardship, whichever is the first to occur. In addition, if Landlord is not able to provide that matters set forth in Paragraph 3 that are the responsibility of Landlord for thirty (30) consecutive days or if Landlord is not able to provide water, gas, electric or sewer service for thirty (30) consecutive days, Tenant shall have the option to terminate this Lease upon written notice to Landlord, which termination shall be effective concurrently with the delivery of such notice.
- 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.
- ALLOCATION OF RESPONSIBILITY.** The party for which a checkmark has been placed in the box set forth below covenants and agrees to be responsible to provide such item ("T" being Tenant and "L" being Landlord), it being understood and agreed that, for those items set forth below for which a checkmark has been placed in the box which states "T", the Landlord shall, in the per pupil allotment or other funds which are provided to the Tenant, provide the reasonable costs thereof to Tenant (which costs have been approved in writing, in advance, by the Landlord) and that for those items set forth below for which a checkmark has been placed in the box which states "L", the Landlord shall be responsible for the costs thereof:

	<u>T</u>	<u>L</u>
A. Life Safety System Inspections and Certifications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. Resolving Citations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Food Service*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
D. American's with Disability Act ("ADA") Compliance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
E. Security	<input type="checkbox"/>	<input checked="" type="checkbox"/>
F. Custodial/Janitorial	<input type="checkbox"/>	<input checked="" type="checkbox"/>
G. Engineer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
H. Building O & M (Operations & Maintenance)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
I. Grounds Keeping	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. Environmental Issues and Code Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
K. Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
L. Information Technology – the Landlord shall only be responsible for existing infrastructure.		

- In a shared School all school entities sharing the School must agree to receive the same food services.

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 (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, for all items for which a checkmark has been place in the column marked "T" above, that Tenant shall provide such items 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 business herein permitted to be conducted in the Premises and to pay, if, 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 pursuant to contracts and plans, all of which shall first be approved by Landlord, which approval shall not be unreasonably withheld. 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 (on the condition that they apply to charter schools): (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. not, without Landlord's prior written consent which, in each instance, may be withheld at the sole discretion of Landlord, to: (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 to 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. If, within thirty (30) days of the filing thereof, Tenant causes any such lien to be released or bonded over or insured to the reasonable satisfaction of Landlord, Tenant shall not be in default under this Section 5 (G).

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, or are located in areas designated for use by the Tenant in this lease or Exhibit A.

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. **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: Betty Shabazz International Charter School  
7823 S. Ellis Avenue  
Chicago, Illinois 60619  
Attention: Anthony Daniels-Halisi  
Director, Business Operations

If to Landlord: Board of Education of the City of Chicago  
125 South Clark Street, 16<sup>th</sup> 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, 7<sup>th</sup> 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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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.

22. **SHARED SCHOOLS.** In all Schools in which the Tenant shares the School with another entity, a Memorandum of Understanding shall be entered into between the parties sharing the School, which shall include, 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 Leases. Charter School Leases. Betty Shabazz International Charter School. Draft # 3. 08.17.05

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 have set their hands and seals as the 1<sup>ST</sup> day of June, 2005.


LANDLORD:


BOARD OF EDUCATION OF  
THE CITY OF CHICAGO

By: 

Sean P. Murphy  
Chief Operating Officer

COO Report Number: 05-9519-COO44

Approved as to legal form: 

  
Patrick J. Rocks, General Counsel

TENANT:

BETTY SHABAZZ INTERNATIONAL  
CHARTER SCHOOL

By: 

Name: Anthony Daniels-Holisi

Title: Director, Business Operations

Attest:

By: 

Name: Carol D. Lee

Title: De Chair, Board of Directors

[signature page]

EXHIBIT "A"

MEMORANDUM OF UNDERSTANDING AND ADDENDUM TO ANNUAL SHARING AGREEMENT

See Attached:

Aug 3, 2005

MEMORANDUM OF UNDERSTANDING

**I. INTRODUCTION**

This is a Memorandum of Understanding ("MOU") executed on the 1<sup>st</sup> day of August, 2005, to be effective on August 1, 2005, by and between the Chicago Board of Education, Daniel Hale Williams Preparatory School of Medicine, Bronzeville Scholastic Institute, DuSable High School and DuSable Leadership Academy of Betty Shabazz International Charter School (collectively, the Parties). This MOU will remain in effect for one year.

The parties agree and understand that this MOU will be binding upon the parties, their successors and agents. This MOU exists to allow the Parties to work cooperatively to operate the building located at the address known as 4934 South Wabash (hereafter referred to as the "Building").

**II. GUIDING PRINCIPLES.** Due to the large size of many existing school facilities in Chicago, and due to the fact that more small schools are being created and more organizations are being located in schools to provide service to schools, schools often must share buildings.

We believe that building sharing can have positive benefits, and need not distract from every school's primary goal of educating every child.

We believe it is to the mutual benefit of the Parties to contribute jointly to the administration of the Building and to work cooperatively in its operations.

We believe that each student, family and community member connected to a school should have appropriate access to the publicly owned building facility in which the school is located.

We believe there should be equitable access to educational resources within a building facility based upon the number of students enrolled in a school and the mission of these schools.

We believe the autonomy and identity of each individual school is important to the success of that school and the building as a whole.

**III. OWNERSHIP.** The Board owns the Building, and retains final authority to determine how the building facility is used. The Parties must abide by the rules established by the Board and outlined in this MOU. The Board retains final authority of how the Building will be used.

**IV. PHYSICAL SPACE.** We believe in an equitable division of physical space within the building according to the specific needs of each school. Because these needs may change on a yearly basis, an Addendum/ Annual Sharing Agreement to this MOU will be agreed to and filed with both the CPS Chief Operating Officer and the CPS Office of Small Schools by July 1 each year. This Addendum/Annual Sharing Agreement will outline the specific allocation of common spaces, classrooms, resource areas, offices, and entrances within the building.

**V. GOVERNANCE.** We believe that collaborative governance is essential to the success of the Parties and the Building as a whole. We further believe that it is important to ensure that clarity exists with respect to the allocation of the various responsibilities associated with building governance. Therefore, we agree to the following general structure for building governance:

At a minimum, the Parties will meet at least once annually during the month of June to discuss and complete the Annual Sharing Agreement.

**VI. COMMITMENT TO REGULAR MEETINGS.** We believe in the importance and utility of regular communication between school leaders. Therefore, the Principals, Directors or designees of the Parties will meet bimonthly on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday @ 2:30p.m. to discuss space scheduling and address relevant issues involving the facilities and governance.

Topics to be discussed at regular meetings will include:

- Usage schedule for common areas;
- Arrival and departure times of students and staff of each school;
- Scheduling and Security issues;
- Custodial issues and maintenance responsibilities;
- Any other issues, challenges, or problems that may arise;
- Procedure for appropriate communication between parties;
- Other Items: Lunchroom issues and concerns.

If there is a campus clerk, she/he will take minutes at the Principals' meeting(s). If there is no campus clerk, each school agrees to assign its clerk on alternating bases, to take the minutes and distribute them as appropriate.

**VII. DISPUTE RESOLUTION PROCESS.** We understand that no agreement can anticipate every contingency that may arise with respect to the operation of multiple schools and/or organizations within one building. However, we are hopeful that unanticipated contingencies can be resolved through a collaborative process involving all Parties to this agreement, and that matters can be resolved at the building level. Nevertheless, if an issue arises that cannot be resolved through such a process, the Parties, or any of them, may request to have a disagreement mediated. The Area Instructional Officer (AIO) and the Director of the Illinois Network of Charter Schools (INCS) will have authority to mediate the disagreement, or to designate an impartial mediator, and the decision reached by the AIO or designee and INCS will be final. Notice of referral to the AIO and INCS must be given to the Office of Small Schools and the Chief Operating Officer.

**VIII. Amendments.** To amend this MOU before the expiration of its one-year term, the amendment must be in writing and must be signed and dated by the Parties and the Chief Operating Officer. Approved amendments must be filed with the Chief Operating Officer and the Office of Small Schools.

**IX. Filing.** This document, the Addendum/Annual Sharing Agreements (including a floor plan which indicates space allocation), and any amendments shall be filed with the Chief Operating Officer and the Office of Small Schools by July 30 of each year.

X. Signatories \_\_\_\_\_

Signed By:

\_\_\_\_\_  
CHIEF OPERATING OFFICER, CPS

*Delores L. Bedar*

\_\_\_\_\_  
Dr. Delores L. Bedar, Daniel Hale Williams Preparatory School of Medicine

*Latunja O. Williams*

\_\_\_\_\_  
Dr. Latunja O. Williams, Bronzeville Scholastic Institute

*James E. Townsend*

\_\_\_\_\_  
James E. Townsend, DuSable High School

*Carla E. Ellis*

\_\_\_\_\_  
Carla E. Ellis, DuSable Leadership Academy of Betty Shabazz International Charter School

Dated: 8/3/05

Aug 3, 2005

DuSable Campus

Addendum: Annual Sharing Agreement 2005 - 2006

PART ONE: PHYSICAL SPACE

I. CLASSROOMS

- A. Bronzeville Scholastic Institute will be housed in the following classrooms: 209, 210, 221, 223, 225, 227, 229, 235, 248, 249, 250, 252, 253 and 254.
- B. Daniel Hale Williams Prep School of Medicine will be housed in the following classrooms: 107(103B), 109, 110, 113, 129, 135, 163, 165, 167, 201, 203, 204, 205, 206, 207, 208 and 353.
- C. DuSable Leadership Academy of Betty Shabazz International Charter School will be housed in the following classrooms: 151, 315, 316, 317, 319, 320, 321, 323, 325, 330, 332, 335 and 352.
- D. DuSable High School will be housed in the following classrooms: 135, 301, 302, 303, 304, 305, 307, 308, 309, 310, 311, 312, 313, 349, 354, and 370.

II. COMMON AREAS

- A. The Parties will share the following Common Areas: the two cafeterias; the gymnasiums and locker rooms; the library; the auditorium; the music and art rooms; the counseling suite, rooms 166 and 168; room 102 and room 121.
- B. The Parties will adjust the campus calendar for the specific use of these Common Areas during regular meetings, and as needed, by agreed upon procedures.
- C. A central schedule detailing the specific use of the Common Areas for each month will be agreed to, posted publicly and distributed to each school office by the first school day of the month.

III. ENTRANCES AND EXITS

- A. Bronzeville Scholastic Institute's students will enter entrance B and exit from E.
- B. Daniel Hale Williams Prep School of Medicine's students will enter entrance B and exit from I.
- C. DuSable Leadership Academy of Betty Shabazz International Charter School's students will enter entrance O and exit from O (State Street).
- D. DuSable High School's students will enter B and exit from main entrance.



IV. OFFICE SPACE

- A. Bronzeville Scholastic Institute will use 123 as their main office space. The principal's office will be in Room 125. The Lead Teacher will use Room 260.
- B. Daniel Hale Williams Prep School of Medicine will use Room 117 as their main office space. The principal's office will be in Room 119 and the Lead Teacher in Room 112.
- C. DuSable Leadership Academy of Betty Shabazz International Charter School will use Room 174 as their main office space. The principal's office will be in Room 170. The Business Office Manager will use Room 160 and Room 360 will be used as the Dean's Office.
- D. DuSable High School will use 117 as their main office. The principal's office will be in Room 115. The assistant principal will be in Room 120. The business manager will be in Room 122.

V. TEACHERS' RESOURCE ROOMS

- A. Bronzeville Scholastic Institute will use Room 251 as a teachers' work area.
- B. Daniel Hale Williams Prep School of Medicine will use Rooms 104 and 106 as teacher work areas.
- C. DuSable Leadership Academy of Betty Shabazz International Charter School will use Rooms 320 and 326 as a teachers' work area.
- D. DuSable High School will use Room 370 as a teachers' work area.

VI. ADDITIONAL ITEMS

A. STORAGE CLOSETS:

Bronzeville Scholastic Institute will use Rooms 236 and 259 for storage.

Daniel Hale Williams Prep School of Medicine will use Rooms 108 and 202 for storage.

DuSable Leadership Academy of Betty Shabazz International Charter School will use Rooms 318, 333, 337 and 347 for storage.

DuSable High School will use Rooms 114 and 246 for storage.

- B. The Chicago Police Department Office will be housed in Room 103A.

- C. Security equipment for the Campus will continue to be housed in the closet of room 122.

**VII. (\*) Special Requests/Recommendations**

Bronzeville Scholastic Institute is requesting that Rooms 116 and 118A be refurbished to become a functional main office. Partitions should be removed, new window blinds, removal of old carpeting, and room painting should be included in the upgrades as well. Bronzeville Scholastic Institute is also requesting electrical and data wiring improvements in Room 250. This Room will be utilized as a computer Room for the students of Bronzeville Scholastic Institute.

**PART TWO: RESPONSIBILITY FOR OPERATIONAL ISSUES**

**I. PHYSICAL PLANT**

- A. The engineer will open the building each weekday morning.
- B. The engineer will close the building each weekday evening.
- C. The engineer will be in charge of turning on and off the lights.
- D. The engineer will be in charge of the HVAC system.

**II. ENGINEER & STAFF**

- A. The campus manager will supervise the engineer.
- B. The campus manager will monitor and communicate with the engineer and staff on behalf of all schools in the building.

**III. CUSTODIAL STAFF**

- A. The engineer will supervise the custodial staff.
- B. Concerns regarding custodial services will be directed to the campus manager

**IV. SECURITY**

- A. All Principals and the Chief Engineer will have the security codes to the electronic security system and will disengage the system each morning and set the system each night.
- B. Security staff will be hired by individual principals and supervised by the campus manager.

C. Other: The campus is requesting a security supervisor and a security system for the building.

V. LUNCHROOM

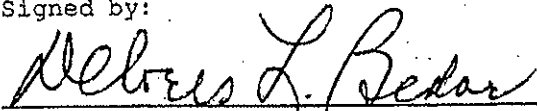
- A. The campus manager will supervise the lunchroom manager.
- B. The campus manager will monitor and communicate with the lunchroom manager and staff on behalf of all schools in the building.
- C. The lunchroom manager will supervise the lunchroom staff.
- D. Concerns regarding the lunchroom staff will be directed to the campus manager.

VI. PUPIL SUPPORT STAFF

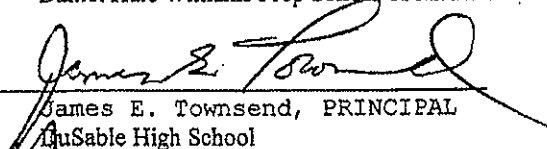
A. The following agreements shall be made regarding pupil support staff: Bronzeville Scholastic Institute, Daniel Hale Williams Prep School of Medicine, and DuSable H.S. will share a school nurse, psychologist, school social worker, and school programmer.

VII. SIGNATURES

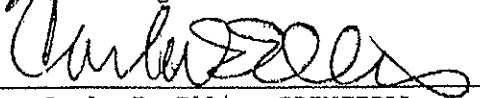
Signed by:



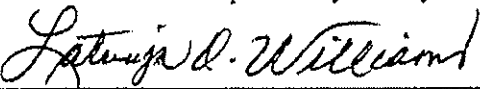
Dr. Delores Bedar, PRINCIPAL  
Daniel Hale Williams Prep School of Medicine



James E. Townsend, PRINCIPAL  
DuSable High School



Carla E. Ellis, PRINCIPAL  
DuSable Leadership Academy of Betty Shabazz International Charter School



Dr. Latunja Williams, PRINCIPAL  
Bronzeville Scholastic Institute

Dated: 8/3/05

May 19, 2005

05-0519-COO44

**CHIEF OPERATING OFFICER'S REPORT  
LEASE AGREEMENT WITH DUSABLE LEADERSHIP ACADEMY CHARTER SCHOOL FOR  
RENTAL OF A PORTION OF DUSABLE HIGH SCHOOL, 4934 S. WABASH AVENUE, CHICAGO, ILLINOIS**

The General Counsel is hereby authorized to prepare a lease agreement with DuSable Leadership Academy Charter School in accordance with the terms contained herein. The authority granted herein shall automatically rescind in the event a written agreement is not executed by September 30, 2005, unless further extended by the Chief Operating Officer.

**TENANT:** *Betty Shabazz International*  
~~DuSable Leadership Academy Charter School~~  
4934 S. Wabash Avenue  
Chicago, IL 60615  
Contact Person: Maxine Jeremiah, Principal

**LANDLORD:** Board of Education of the City of Chicago.

**PREMISES:** A portion of the building located at 4934 S. Wabash Avenue (DuSable High School) as more specifically defined in the Lease Agreement.

**USE:** To operate a Charter School.

**TERM:** The term of this lease shall commence on *July* ~~June~~ 1, 2005, and shall end June 30, *2008* ~~2008~~. If Tenant's Charter School Agreement is terminated, this lease shall also terminate.

**RENT:** \$1.00 per year.

**MAINTENANCE:** Allocation of responsibility for various maintenance and other services shall be specifically identified in the lease and approved by the Chief Operating Officer.

**INSURANCE/INDEMNIFICATION:** Insurance requirements shall be as specifically identified in the lease and approved by the Chief Operating Officer. Indemnification provisions shall be negotiated by the General Counsel.

**SHARED SCHOOL:** Tenant shall agree to enter into a Memorandum of Understanding regarding usage of the shared school.

**LSC REVIEW:** Local School Council approval is not applicable to this matter.

**FINANCIAL:** Rent payable directly to the general fund.

**Submitted for Consideration:**

*Lori J. Woodman*  
\_\_\_\_\_  
Lori J. Woodman  
Real Estate

**Reviewed for Budgetary Purposes:**

*Ronald W. Lee*  
\_\_\_\_\_  
Ronald W. Lee

**Approved:**

*Sean P. Murphy*  
\_\_\_\_\_  
Sean P. Murphy  
Chief Operating Officer