

**LEASE**

**THIS LEASE** is made and entered into this 23rd day of JUNE, 2009 by and between, **THE CITY OF CHICAGO**, an Illinois Municipal Corporation (herein referred to as "CITY") and **THE BOARD OF EDUCATION OF THE CITY OF CHICAGO** (hereinafter referred to as "BOE") an Illinois Municipal Corporation.

**RECITALS**

**WHEREAS**, City is the owner of unimproved land located at 7511 South South Shore Drive, Chicago, Cook County, Illinois; and

**WHEREAS**, BOE is the owner of the existing Powell Elementary School (hereinafter referred to as "Existing Powell") located at 7530 South South Shore Drive; and

**WHEREAS**, BOE would like to construct a new Powell Elementary School (hereinafter referred to as "New Powell") on the southeast corner of 75<sup>th</sup> Street and South Shore Drive; and

**WHEREAS**, BOE would like to use the City's property located at 7511 South South Shore Drive for the construction of New Powell; and

**WHEREAS**, City has agreed to lease to BOE, and BOE has agreed to lease from City approximately 108,000 square feet of vacant land located at 7511 South South Shore Drive as legally described on Exhibit A attached hereto to be used by BOE for the construction of New Powell;

**NOW THEREFORE**, in consideration of the covenants, terms and conditions set forth herein, the parties hereto agree and covenant as follows:

**SECTION 1. GRANT**

City hereby leases to BOE the following described premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 108,000 square feet of vacant land located on that certain parcel of real estate more commonly known as the vacant land located at 7511 South South Shore Drive, Chicago Illinois (PIN # 21-30-202-012 [hereinafter referred to as the "Premises"]).

**SECTION 2. TERM**

The term of this Lease ("Term") shall commence on the date of execution of this Lease ("Commencement Date"), and shall end on December 31, 2108.

**SECTION 3. RENT, TAXES, AND UTILITIES**

3.1 Rent. BOE shall pay base rent for the Premises in the amount of:

One Dollar (\$1.00) for the entire term the receipt and sufficiency of said sum being herewith acknowledged by both parties.

3.2 Utilities. If applicable, BOE shall pay when due all charges for gas, electricity, light, heat, water, power and telephone or other communication service, and all other utility services used in or supplied to the Premises.

3.3 Leasehold Taxes. BOE shall pay when due any real estate or leasehold taxes assessed or levied on the subject Premises.

**SECTION 4. CONDITION AND ENJOYMENT OF PREMISES, ALTERATIONS AND ADDITIONS, SURRENDER**

4.1 Covenant of Quiet Enjoyment. City covenants and agrees that BOE, upon paying the rent and upon observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, shall lawfully enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by City.

4.2 Use of the Premises. BOE shall not use the Premises in a manner that would violate any Law. BOE further covenants not to do or suffer any waste or damage, to comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Premises or to the use or manner of use of the Premises. Any activities on the Premises must be limited to the use of the Premises as the New Powell Elementary School. BOE agrees that in utilizing said Premises that it shall not discriminate against any member of the public because of race, creed, color, sexual orientation, or national origin.

4.3 Alterations and Additions. BOE may make alterations, additions and improvements to the Premises provided that BOE secures all necessary permits that may be required to undertake any alterations, additions, or improvements. BOE understands that this Agreement shall in no way act as a substitute for any other permitting or approvals that may be required to undertake such activity.

**SECTION 5. ASSIGNMENT, SUBLEASE, AND LIENS**

5.1 Assignment and Sublease. BOE shall not assign this Lease in whole or in part, or sublet the Premises or any part thereof without City's written approval. City shall not unreasonably withhold such approval.

5.2 BOE's Covenant Against Liens. BOE shall not cause or permit any lien or encumbrance, whether created by act of BOE, operation of law or otherwise, to attach to or be

placed upon City's title or interest in the Premises. All liens and encumbrances created by BOE shall attach to BOE's interest only.

**SECTION 6. INDEMNIFICATION**

6.1 BOE's Indemnification. BOE shall indemnify and hold City harmless against all liabilities, judgment costs, damages, and expenses, including but not limited to those responsibilities and liabilities set forth in Section 10.5 herein, which may accrue against, be charged to, or be recovered from City by reason of BOE's construction of New Powell, any and all use of the Premises, operations at New Powell once constructed, and any negligent performance of or failure to perform any of BOE's obligations under this Lease.

**SECTION 7. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS**

7.1 Conflict of Interest. No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as defined in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises; nor shall any such official, employee, or member participate in making or in any way attempt to use his position to influence any City governmental decision or action with respect to this Lease.

7.2 Duty of Comply with Governmental Ethics Ordinance. City and BOE shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics," including but not limited to section 2-156-120, which states that no payment, gratuity, or offer of employment shall be made in connection with any City of Chicago contract as an inducement for the award of that contract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

**SECTION 8. HOLDING OVER**

8.1 Holding Over. Any holding over by BOE shall be construed to be a tenancy from month to month only beginning on January 1, 2109 and the rent shall be at the same rate as set forth in Section 3.1 (a) of this Lease. All other provisions of this Lease shall remain in full force and effect during such holding over.

**SECTION 9. MISCELLANEOUS**

9.1 Notice. All notices, demands and requests which may be or are required to be given, demanded or requested by either party to the other shall be in writing. All notices, demands and requests by BOE to City shall be delivered by national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid addressed to City as follows:

City of Chicago  
Department of General Services  
Office of Real Estate Management

30 North LaSalle Street, Suite 3700  
Chicago, Illinois 60602

City of Chicago  
Department of Water Management  
Commissioner's Office  
1000 East Ohio Street  
Chicago, Illinois 60611

or at such other place as City may from time to time designate by written notice to BOE. All notices, demands, and requests by City to BOE shall be delivered by a national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to BOE as follows:

Board of Education of the City of Chicago  
125 South Clark Street  
Chicago, Illinois 60603

Neal & Leroy, LLC  
203 North LaSalle Street, Suite 2300  
Chicago, Illinois 60601

or at such other place as BOE may from time to time designate by written notice to City. Any notice, demand or request which shall be served upon BOE by City, or upon City by BOE, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

9.2 Partial Invalidity. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease shall not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law.

9.3 Governing Law. This Lease shall be construed and be enforceable in accordance with the laws of the State of Illinois.

9.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Lease. This Lease contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

9.5 Captions and Section Numbers. The captions and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Lease nor in any way affect this Lease.

9.6 Binding Effect of Lease. The covenants, agreements, and obligations contained in this Lease shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

9.7 Time is of the Essence. Time is of the essence of this Lease and of each and every provision hereof.

9.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Lease 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.

9.9 Authorization to Execute Lease. The parties executing this Lease hereby represent and warrant that they are duly authorized and acting representatives of City and BOE respectively and that by their execution of this Lease, it became the binding obligation of City and BOE respectively, subject to no contingencies or conditions except as specifically provided herein.

9.10 Force Majeure. When a period of time is provided in this Lease for either party to do or perform any act or thing, the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the party is so delayed.

9.11 Amendments. From time to time, the parties hereto may amend this Lease Agreement with respect to any provisions reasonably related to BOE's use of the Premises and/or City's administration of said Lease Agreement. Provided, however, that such Amendment(s) shall not serve to extend the Lease term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such Amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both City and BOE. Such Amendment(s) shall only take effect upon execution by both parties. Upon execution, such Amendment(s) shall become a part of this Lease and all other provisions of this Lease shall otherwise remain in full force and effect.

## **SECTION 10. BOE RESPONSIBILITIES**

10.1 Satisfaction with Condition. BOE agrees that BOE has inspected the Premises and all related areas and grounds and that BOE is satisfied with the physical condition thereof.

10.2 Security. BOE shall properly secure the Premises at all times after Lease execution.

10.3 Hazardous Materials. BOE shall keep out of the Premises materials which cause a fire hazard or safety hazard and shall comply with reasonable requirements of

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City's fire insurance carrier; not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances thereto.

10.4 Permits. For any activity which BOE desires to conduct on the Premises in which a license or permit is required, said license or permit must be obtained by BOE prior to using the Premises for such activity.

10.5 Full Liability. BOE assumes full legal and financial responsibility and liability for any and all use of the Premises by BOE, BOE's staff, BOE's agents, BOE's invitees, and any other person, persons, or entities entering the Premises.

10.6 Cooperation with City. BOE shall reasonably cooperate with the City's Department of Water Management and with any other City agency regarding reasonable access to the site for purposes of any future underground maintenance or other City infrastructure services that may be required.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

**CITY OF CHICAGO,**

an Illinois Municipal Corporation:

**THE DEPARTMENT OF GENERAL SERVICES**

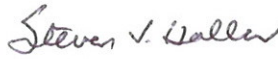
By:   
Commissioner

**THE DEPARTMENT OF WATER MANAGEMENT**

By:   
Commissioner


APPROVED AS TO FORM AND LEGALITY:

BY: DEPARTMENT OF LAW

By:   
Deputy Corporation Counsel  
Real Estate Division

**BOARD OF EDUCATION OF THE CITY OF CHICAGO,**

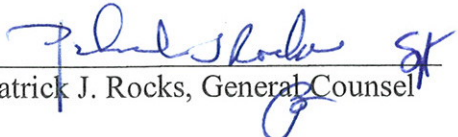
a body politic and corporate

By:   
Michael Scott, President

Attest:   
Jocelyn Baux, Assistant Secretary

Board Report No. 09-0325-OP4-1

Approved as to legal form:

  
Patrick J. Rocks, General Counsel

Date Signed: , 2009

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**LOTS 162, 163, 166, 167, & 170 IN SOUTH SHORE SUBDIVISION OF THE NORTH FRACTIONAL ½ OF FRACTIONAL SECTION 30, TOWNSHIP 38 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN TOGETHER WITH A RESUBDIVISION OF LOTS 1, 2, 4, 64, 66, 126, 127 & 128 IN DIVISION 1 OF WESTFALL'S SUBDIVISION OF THE 208 ACRES AS RECORDED ON OCTOBER 24, 1888 AS DOCUMENT NO. 1020326, IN COOK COUNTY ILLINOIS.**

PIN#: 21-30-202-012

Common Address: 7511 South South Shore Drive