

4/28/09 - 6/30/14
1 year automatic renewals

LEASE AGREEMENT

THIS LEASE AGREEMENT ("**Lease**") is made and entered into as of the last date written below (the "**Effective Date**"), by and between CORPORATE/COMMUNITY SCHOOLS OF AMERICA, an Illinois not-for-profit corporation ("**Lessor**"), and THE BOARD OF EDUCATION OF THE CITY OF CHICAGO ("**Lessee**").

WITNESSETH

WHEREAS, Better Boys Foundation, an Illinois not-for-profit corporation, as tenant ("**Foundation**"), as assignor, and the Lessor, as assignee, entered into that certain Assignment of Lease dated October 1, 1991 whereby the Lessor was assigned all of the Foundation's right, title and interest in and to that certain lease with the Catholic Bishop of Chicago, dated May 31, 1987 for the premises located at 2956 West Polk Street, Chicago Illinois ("**School**"), the premises located at 2944 West Polk Street, Chicago, Illinois, ("**Convent**") and the playground located at 717-723 Sacramento Avenue, Chicago, Illinois ("**Playground**", and together with the School and the Convent, collectively called the "**Property**"), the Property being more particularly described on Exhibit A attached hereto;

WHEREAS, Lessor and Lessee had previously entered into that certain Sublease Agreement effective September 1, 1994, but now that Lessor has full title to the Property, the Lessor desires to lease the Property to the Lessee and the Lessee desires to let the Property from the Lessor;

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties hereto agree as follows:

1. Grant and Term of the Lease. The Lessor hereby leases to the Lessee, and the Lessee lets from the Lessor, the Property, for a term of five (5) years beginning on the Effective Date and ending on the 30th day of June, 2014 (hereinafter called the "**Term**"). Upon the expiration of the Term (and any subsequent extension term(s)) the term of this Lease shall automatically be extended for an unlimited number of one (1) years periods; unless either Lessor or Lessee elects to terminate this Lease at the end of the Term, by providing the other with written notice of such termination not later than one hundred eighty (180) days prior to the date of termination.
2. Rent. As annual rent for the use of the Property during the Term of the Lease, the Lessee shall pay the Lessor the sum of One Dollar (\$1.00) per year, commencing on the day of the execution of this Lease and on the first day of each year thereafter.
3. Covenants. Lessee covenants and agrees as follows:
 - (a) Maintenance and Repairs. During the term of the Lease, the Lessee shall at all times, at its sole cost and expense, keep and maintain the entire exterior, interior and structure of the Property or other existing or future improvements on the Property in good condition and repair, including any necessary replacements to the heating, plumbing or electrical systems, and in full compliance with all health, safety and building code regulations from time to time in force by any

state, municipal, federal or other governmental authority having jurisdiction over the Property. The Lessee shall further keep and maintain the grounds, sidewalks and other areas appurtenant to the Property in a clean and safe condition.

(b) Utilities. The Lessee shall pay any and all expenses, costs, charges and fees associated with any utility services, including but not limited to gas, water, sewer and electricity, during the term of the Lease.

(c) Changes or Alterations. Lessee shall be permitted to make any changes or alterations to the Property without the written consent of the Lessor, provided that the following conditions are observed: (i) no changes, alterations or improvements shall impair the structural soundness of any of the Property; (ii) all work done shall be performed in a good and workmanlike manner in full compliance with all building and zoning laws, codes and regulations; and (iii) Lessee shall not create or permit to be filed against the Property any lien arising from any work performed, material furnished or obligations incurred by Lessee, except for such mechanics' liens as to which Lessee has a valid defense.

4. Indemnity.

(a) Lessee hereby agrees to indemnify and hold the Lessor harmless from any liability, claim or demand (including court costs and reasonable attorneys' fees), incurred by Lessor as a result of or in connection with: (i) Lessor's lease of the Property during the Term; (ii) any accident, injury to or death of any persons, or loss of or damage to any property occurring on or about the Property during the Term; (iii) any failure on the part of Lessee (or any assignees or transferees of the Lessee's rights or obligations) to perform or comply with any of the covenants or terms of this Lease; (iv) the performance of any labor or services or the furnishing of any materials or other property with respect to the Property, provided, however, anything herein to the contrary notwithstanding, the foregoing indemnity shall not apply to the acts of the Lessor and its employees and agents, including without limitation, any acts of Lessor or Lessor's agents or employees performed in connection with the Lessor's duty to maintain the Property as set forth herein.

(b) Lessor hereby agrees to indemnify and hold the Lessee harmless from any liability, claim or demand (including court costs and reasonable attorneys' fees), incurred by Lessee as a result of Lessor's actions on or about the Building, limited, however, to only such liabilities, claims or demand which arise or are caused by Lessor's negligent acts, errors and/or omissions.

(c) The indemnification set forth in this Section 4 shall survive the termination of this Lease.

5. Insurance.

(a) Excess liability insurance naming the Lessor as an Additional Insured in an amount not less than Twenty Million and 0/00 Dollars (\$20,000,000.00) per loss and in the aggregate subject to a Three Million and 0/00 Dollars (\$3,000,000.00) self-insured retention.

(b) Excess property damage for "all risks" of physical loss or damage to the Property naming the Lessor as an Additional Insured for an amount not less than Twenty Million and 0/00 Dollars (\$20,000,000.00) and in the aggregate subject to a Five Hundred Thousand and 0/00 Dollars self insured retention

Lessee shall maintain the foregoing insurance limits, retention and policy provisions for the duration of this Lease, and shall provide thirty (30) days prior written notice of any changes in insurance coverage to Lessor. Lessee shall require its insurance brokers to provide sixty (60) days prior written notice of cancellation, termination or coverage reductions to Lessor and to provide insurance certificates indicating the insurance limits, retention and coverage maintained by Lessee,

6. Damage or Destruction of the Property. During the Term of this Lease:

(a) in the event of damage to or destruction of any improvements on the Property, or of the fixtures and equipment therein, by fire or other casualty, Lessee shall promptly, at its expense, repair, restore or rebuild the same to the extent that it shall deem necessary or desirable in connection with its purposes or requirements.

(b) Before the Lessee commences any work to repair or restore the Property following a fire or casualty, it shall submit its plans, specifications and estimates to the Lessor for approval not later than 120 days after the casualty.

(c) Lessee shall consult with and assist Lessor in the repair, restoration or rebuilding of the Property to the extent that Lessee and Lessor shall deem necessary or desirable in connection with its purposes or requirements of subsections (a) and (b) above.

(d) All insurance proceeds under the policies mentioned in Section 5 hereof resulting from a loss by fire or other casualty shall be available to Lessee for the work to be performed in accordance with the plans and estimates submitted and approved pursuant to subsection (b) hereof. Any excess insurance proceeds shall be paid to Lessor.

(e) If Lessee shall fail to begin repairing or rebuilding the improvements within a period of 120 days after Lessor shall have finally approved its plans (or the repair and rebuilding), then the Lessor shall have the right to terminate the Lease and retain the insurance proceeds as liquidated damages for the failure on the part of the Lessee to comply with the provisions of this Section 6.

(f) Lessee shall use its funds and any insurance proceeds arising from any physical damage or destruction of the Property to be applied to the cost to repair, restore or rebuild the Property to the extent that Lessee shall deem necessary or desirable in connection with its purposes. Any insurance proceeds under Lessee's property insurance not expended for repairing, restoring or rebuilding the Property shall be retained by Lessee.

7. Taxes. The Property is currently exempt from general real estate taxes. The parties believe that Lessee's use and occupancy of the property in accordance with the Lease should not cause the Property to be subject to such taxes. Lessee shall be responsible for the payment of, and hereby agrees to indemnify and save harmless Lessor from and against any liability for, any general real estate taxes, special assessments, or other taxes that may be levied or imposed directly or indirectly upon or in connection with the Property and relating to the period during which this Lease has been in effect, whether such taxes are levied against the Lessor or Lessee.

8. Lessor's Right to Terminate the Lease. The Lessor shall have the right to terminate the Lease in the event of either following events of termination (the "**Events of Termination**");

- (a) the Lessee is in breach of any of the provisions of this Lease; or
- (b) the Lessee abandons the Property.

The Lessor shall exercise its right to terminate the Lease by giving the Lessee written notice of its intention to do so and stating the circumstances of the Event(s) of Termination. The Lessee shall have thirty (30) days from the date of the notice to cure such breach or shall within that time provide the Lessor adequate assurances reasonably acceptable to Lessor that the breach will be cured within a reasonable time. If the Event of Termination is an abandonment of the Property by Lessee, the Lessor shall have the right to obtain possession of the Property upon five (5) days, notice.

9. Effect of Termination and Damages. The termination of this Lease shall not relieve the Lessee from any obligation for damages caused to the Lessor by Lessee's breach of any of the provisions of this Lease.

10. 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:

TO LESSEE:

Department of Real Estate
Board of Education of the City of Chicago
125 S. Clark Street, 17th Floor
Chicago, IL 6060
Attention: Director of Real Estate

copy to:

Law Department
Board of Education of the City of Chicago
125 S. Clark Street, 7th Floor
Chicago, IL 60603
Attention: General Counsel

TO LESSOR:

Corporate/Community Schools of America

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.

11. Condemnation. If the whole or any part of the property shall be taken or condemned for a public or quasi-public use or purpose by any competent authority, then any award, compensation or damages (“**Award**”) shall be paid to the Lessor.
12. 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.
13. Severability. If any provisions 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.
14. 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.

15. Indebtedness. Lessor agrees to comply with the Lessee's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as may be amended from time to time, which policy is hereby incorporated by reference as if fully set forth herein.

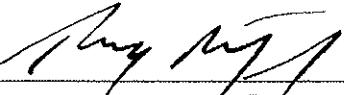
16. Inspector General. Lessor hereby acknowledges that in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

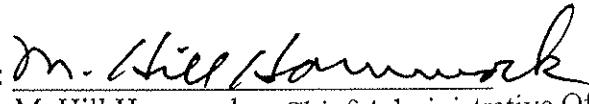
17. Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship, other than the relationship of Landlord and Tenant.

IN WITNESS WHEREOF, the parties hereto have executed this Lease by authority duly given as of the day and year first above written.

LANDLORD:
CORPORATE/COMMUNITY
SCHOOLS OF AMERICA,
an Illinois limited liability company

TENANT:
BOARD OF EDUCATION OF
THE CITY OF CHICAGO,
a body politic and corporate

By: 
Name: Troy Ratliff
Title: Executive Vice President

By: 
M. Hill Hammock, Chief Administrative Officer

COO Report No: 09-0227-C003

Approved as to Legal Form:

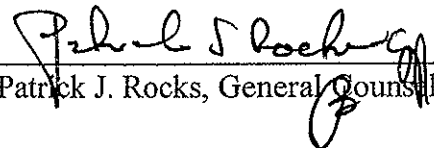

Patrick J. Rocks, General Counsel

EXHIBIT A

The Property

PLAT OF SURVEY

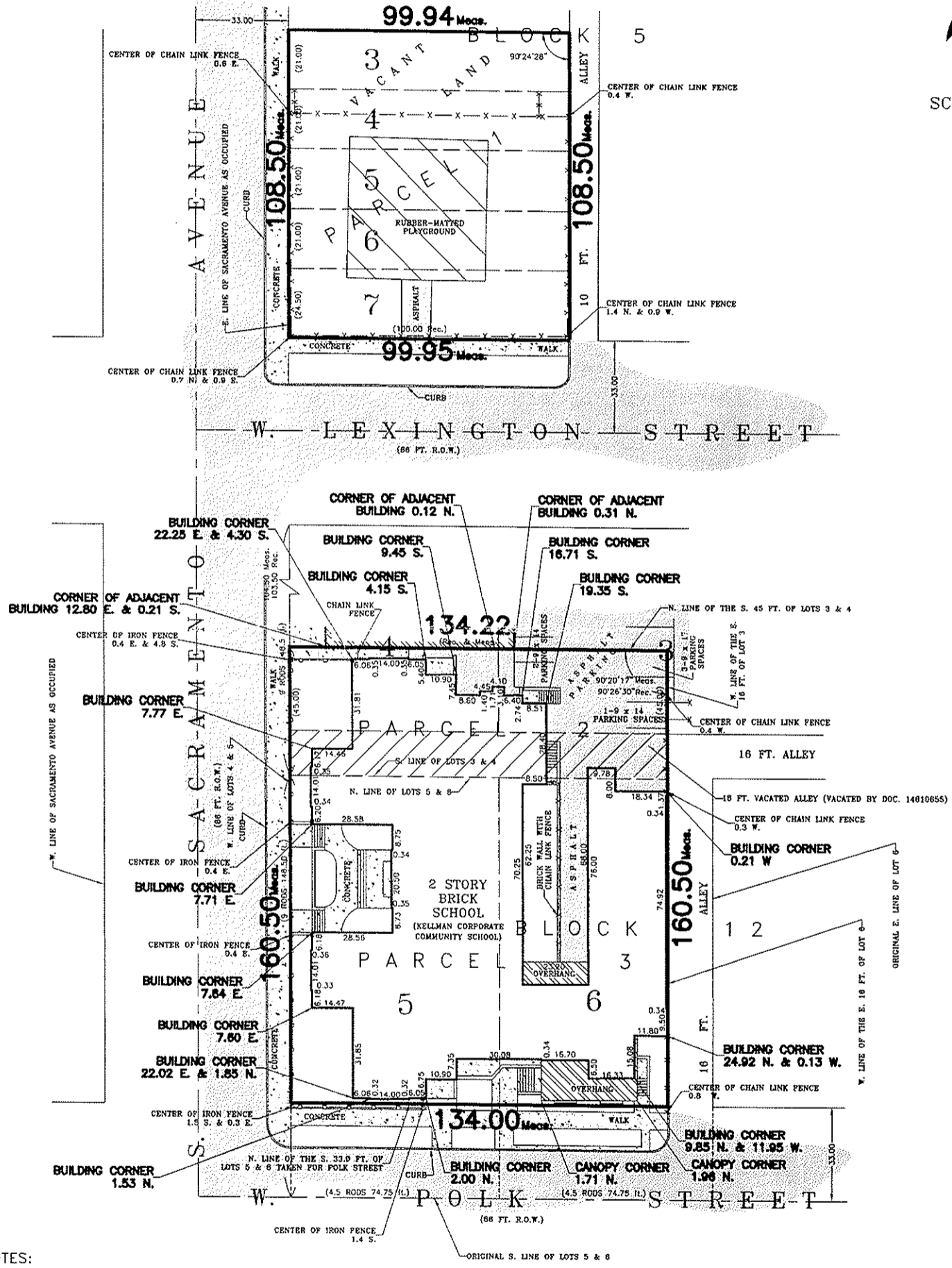
LEGAL DESCRIPTION

PARCEL 1: LOTS 3 THROUGH 7 IN J. T. BUNTING'S SUBDIVISION OF LOTS 2 AND 3 IN BLOCK 5 AND THE SOUTH 6 INCHES OF LOT 6 IN SUBDIVISION OF LOTS 1, 4, AND 5 IN BLOCK 5, ALL IN G. W. CLARKE'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE SOUTH 45 FEET OF LOT 3 (EXCEPT THE EAST 16 FEET THEREOF), THE SOUTH 45 FEET OF LOT 4 IN BLOCK 12 IN G. W. CLARKE'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3: LOT 5 (EXCEPT THAT PART THEREOF TAKEN AND USED FOR POLK STREET) AND LOT 6 (EXCEPT THAT PART THEREOF TAKEN AND USED FOR POLK STREET AND EXCEPT THE EAST 16 FEET THEREOF) IN BLOCK 12 IN G. W. CLARKE'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 2944-56 W. POLK STREET, CHICAGO, ILLINOIS



SCALE: 1"=30'

GENERAL NOTES:

- 1) THE LEGAL DESCRIPTION HAS BEEN PROVIDED BY THE CLIENT OR THEIR AGENT.
- 2) THIS SURVEY SHOWS THE BUILDING LINES AND EASEMENTS AS INDICATED BY THE RECORDED PLAT. THIS PLAT DOES NOT SHOW ANY RESTRICTIONS ESTABLISHED BY LOCAL ORDINANCES UNLESS SUPPLIED BY THE CLIENT.
- 3) BASIS OF BEARING FOR THIS SURVEY IS AS THE NORTH ARROW INDICATES, AND IS SHOWN TO INDICATE THE ANGULAR RELATIONSHIP OF THE BOUNDARY LINES.
- 4) MONUMENTS, IF SET, DURING THIS SURVEY, REPRESENT THE TRUE CORNERS OF THIS DESCRIPTION AS SURVEYED.
- 5) LOCATION OF SOME FEATURES MAY BE EXAGGERATED FOR CLARITY. NO EXTRAPOLATIONS MAY BE MADE FROM THE INFORMATION SHOWN HEREON.
- 6) ONLY COPIES WITH AN ORIGINAL SIGNATURE AND SEAL ARE OFFICIAL LEGAL DOCUMENTS. ALL SURVEYS ARE COPYRIGHTED MATERIALS WITH ALL RIGHTS RESERVED.

STATE OF ILLINOIS)
) S.S.
 COUNTY OF COOK)

SURVEY ORDERED BY: CHICAGO PUBLIC SCHOOLS

PREFERRED SURVEY DOES HEREBY STATE THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT ILLINOIS MINIMUM STANDARD FOR A BOUNDARY SURVEY. PROPERTY CORNERS HAVE BEEN SET OR NOT IN ACCORDANCE WITH CLIENT AGREEMENT. DIMENSIONS ARE SHOWN IN FEET AND DECIMAL PARTS THEREOF AND ARE CORRECTED TO A TEMPERATURE OF 68 DEGREES FAHRENHEIT.



GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 19TH DAY OF SEPTEMBER 2009

19TH

JOSEPH P. MAIKISCH
 PROFESSIONAL LAND SURVEYOR
 NO. 116
 STATE OF ILLINOIS
 BRIDGEVIEW, ILLINOIS 0986662

PREFERRED SURVEY, INC.
 7845 W. 79TH STREET, BRIDGEVIEW, IL. 60455
 Phone 708-458-7845 / Fax 708-458-7855
 www.psisurvey.com

Professional Design Registration #184-002795			
Field Work Completed	03/12/09	FLD CREW	KS/EM
Land Area Surveyed	P1 10,843.6 Sq. Ft.	CAD	SR
	P2 6,038.7 Sq. Ft.		
	P3 15,484.2 Sq. Ft.		
	TOTAL 32,366.6 Sq. Ft.		
Drawing Revised			