



**Board of Education of the City of Chicago  
Law Department**

Patrick J. Rocks  
General Counsel

125 South Clark Street  
Suite 700  
Chicago, Illinois 60603  
Telephone 773/553-1700  
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August 3, 2010

Joseph C. Piscitello  
St. James Lutheran Church  
7400 W. Foster  
Chicago, IL 60656

Re: Lease Agreement

Dear Mr. Piscitello:

Enclosed for your records please find a fully executed originals of the above agreement.  
If you have any questions, please contact me at (773) 553-5937.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Thomas".

Sandra Thomas  
Assistant General Counsel

Enclosure

ST/cc

cc Patricia Taylor

**LEASE AGREEMENT**

**FOR SPACE AT**

**7400 W. FOSTER, CHICAGO, ILLINOIS**

**BETWEEN**

**ST. JAMES LUTHERAN CHURCH, AS LANDLORD**

**AND**

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

**DATED: AS OF JULY 1, 2010**

**LEASE AGREEMENT FOR SPACE AT 7400 W. FOSTER CHICAGO, ILLINOIS BETWEEN  
ST. JAMES LUTHERAN CHURCH, AS LANDLORD, AND THE BOARD OF EDUCATION OF  
THE CITY OF CHICAGO , AS TENANT**

THIS LEASE AGREEMENT ("Lease") is made as of this 1st day of July, 2010 (THE "Effective Date") between ST. JAMES LUTHERAN CHURCH ("Landlord"), and the BOARD OF EDUCATION OF THE CITY OF CHICAGO ("Tenant"), Landlord and Tenant also being referred to herein individually as a "party" and collectively as the "Parties".

**RECITALS:**

- A. Landlord is the owner of a building located at 7400 W. Foster, Chicago, Illinois (the "Building").
- B. Tenant desires to lease a portion of the Building, as set forth on Exhibit "A" (a copy of which is attached hereto and made part hereof) and ingress and egress thereto and therefrom (collectively referred to herein as the "Premises").
- C. Landlord desires to lease the Premises to Tenant and Tenant desires to rent the Premises from Landlord to be used by Oriole Park School for a pre-kindergarten Center Monday through Fridays between the hours of 7:30 a.m. through 5:00 p.m.

**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 (the "Term") of two (2) years commencing as of July 1, 2010 and ending on June 30, 2012.
- 2. **USE.** For general educational purposes and uses incidental thereto including, but not limited to, a pre-kindergarten Center to be used by Oriole Park School Mondays through Fridays from 7:30 a.m. to 5:00 p.m.
- 4. **RENT.** Commencing July 1, 2010, in consideration of the leasing of the Premises as set forth above, Tenant covenants and agrees to pay to the Landlord, as rent ("Rent") for the Premises for the first twelve (12) months of the Term the sum of Three Thousand and 00/100 Dollars (\$3,000.00), payable in monthly installments of \$250.00 on or before the first business day of each month. Commencing on July 1, 2011 the Rent for the Premises for the next twelve (12) months of the Term, Rent shall increase to Three Thousand Six Hundred and 00/100 Dollars (\$3,600.00) payable in monthly installments of \$300.00. Notwithstanding the foregoing, Rent shall not be payable until such time as the Premises are made available to the Tenant.
- 5. **LANDLORD COVENANTS.**
  - A. **Landlord Covenants.** Throughout the Term Landlord shall, at its own cost and expense, be responsible for all utilities for the Premises, which shall include, but shall not be limited to, the following:

- (i) hot and cold water for the Premises;
  - (ii) lighting for the Premises adequate to meet the needs of a pre-kindergarten center for children
  - (iii) heat and/or air conditioning to the Premises whenever heat or air-conditioning shall be necessary and/or required for the comfortable occupancy of the Premises;
- B. Landlord also agrees that the Tenant has the right to inspect, sample and analyze the materials, systems and structures in the Premises as required by the United States Environmental Protection Agency, the Illinois Environmental Protection Agency, or any other municipal or Chicago Board of Education entity charged with establishing and policing occupational or educational health and safety standards, or as necessary to determine compliance of the Premises with standards or guidelines established by any of the foregoing.

6. **TENANT'S RIGHTS AND REPRESENTATIONS.**

- A. Repair, Maintenance and Environmental. Tenant shall be responsible for any and all repairs required to make the Premises ready for the Use, including painting, carpeting, lighting, electrical and telecommunications. Tenant shall be responsible for the general maintenance of the Premises, including window washing, and shall provide its own janitorial services. Further Tenant shall provide its own furniture, equipment and supplies. Tenant shall also provide snow removal in areas needed to access the Premises.
- B. Throughout the Term Tenant shall, at its own cost and expense, have the right to install an alarm system. Tenant shall also have the right to install an appropriate sign on the exterior of the Premises, provided the same complies with federal, state, and municipal laws.
- C. Neither Tenant nor any of its agents or employees shall perform or permit any practice that is injurious to the Premises or unreasonably disturbs other Tenants; is illegal; or increases the rate of insurance on the Premises.
- D. Tenant shall keep out of the Premises materials which could cause a fire hazard or safety hazard and comply with reasonable requirements of Landlord's fire insurance carrier; not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, Landlord's equipment or appurtenances thereto.
- E. Landlord shall have the right of access to the Premises for the purpose of inspecting the Premises and to show the Premises to prospective or actual purchasers, mortgagees, tenants, workmen, or contractors or as otherwise necessary in the operation of the Premises; provided that, except in the case of emergencies, Landlord shall first give written notice to the Tenant a reasonable time prior to its desire to enter the Premises and will schedule its entry so as to minimize any interference with Tenant's use of the Premises.
- F. Tenant shall not use the Premises in a manner that would violate any federal, state and municipal ordinances, laws, ordinances, orders, rules, regulations and requirements pertaining to the Premises. Tenant further covenants: (i) not to do or suffer any waste or damage to the Premises and to comply with the laws, ordinances, orders, rules, regulations, and requirements

of all federal, state and municipal governmental departments which may have jurisdiction over the Premises or to the use or manner of use of the Premises and (ii) not to disfigure or injure the Building or improvements on the Premises, or to the fixtures and equipment thereof.

- G. Tenant shall not cause or permit any lien or encumbrance, whether created by the act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Premises. All liens and encumbrances created by Tenant shall only attach to Tenant's interest in this Lease.
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 have the privilege, without liability in any way accruing against it, to 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 good condition, less reasonable use and wear thereof and casualty excepted.
9. **INSURANCE.**
- A. Tenant self-insures with regard to liability and property damage for at least the first Two Million and No/100 Dollars (\$2,000,000.00) and Tenant agrees that it shall maintain such self-insurance or obtain policies in like amount throughout the Term or any Renewal Term.
- B. The Landlord shall procure and maintain at all times, at Landlord's sole cost and expense, during the Term of this Lease or any Renewal Term the insurance set forth below, with insurance companies authorized to do business in the State of Illinois:
- (i) Commercial Liability Insurance (Primary and Umbrella) or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury, and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations, broad form property, separation of insureds, and contractual liability (with no limitation endorsement). The Tenant, its employees, board members, officers, agents, and representatives shall be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the negligence of the Landlord.
- (ii) All risk property insurance coverage shall be maintained by the Landlord for the full replacement value of the Building.
- C. The parties shall furnish each other original Certificates of Insurance evidencing the required coverage to be in force on the date of this Lease and Renewal Certificates of Insurance, or similar evidence, if the coverages expire or are not renewed during the Term of this Lease or any Renewal Term. The receipt of any certificates does not constitute agreement by either party that the insurance requirements in this Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with all of the requirements of this

Lease. The failure of a party to obtain certificates or other insurance evidence from the other party shall not be deemed to be a waiver by the party so entitled to the certificates. Each party shall advise all insurers, if any, of the provisions of this Lease regarding insurance. Non-conforming insurance shall not relieve either party of its obligations to provide the insurance required by this Lease. Nonfulfillment of the insurance conditions required by this Lease shall, at the option of either party, constitute a default by the other party under this Lease.

- D. The parties shall require its insurer, if any, to provide the other party sixty (60) days notice if the coverage is substantially changed or is canceled or not renewed. Any and all deductibles or self insured retentions on the insurance required herein shall be borne exclusively by the party carrying such insurance. Each party agrees that their respective insurers, if any, shall waive their rights of subrogation against the other and its board members, employees, officers, agents and representatives. The parties expressly understand and agree that: (i) any coverages and limits furnished by one party to the other shall in no way limit the liabilities and responsibilities of the parties set forth in this Lease or as may be imposed by law and (ii) any insurance or self-insurance programs maintained by a party shall apply in excess of and not contribute with the insurance provided by the other party under this Lease. The insurance required to be maintained by the parties under this Lease shall not be limited by the indemnities provided under this Lease or as may be provided as a matter of law.
- E. The Landlord agrees that the Tenant's Risk management Department shall have the right to make reasonable modifications, deletions, alterations, or changes to the insurance required to be carried by the Landlord as set forth above.

10. **DEFAULT.** If either party is in default under this Lease and such default shall continue for thirty (30) days after the non-defaulting party has notified the other party by written notice of such default, (unless, in the case of a default which cannot be remedied within thirty (30) days, where the defaulting party shall have commenced and shall be diligently pursuing all necessary action to remedy such default), the non-defaulting party shall have the following remedies:

- A. Cure the default, which, in the case of Tenant, shall allow the Tenant to deduct the cost and expense thereof from the Rent due under this Lease and, in the case of Landlord, shall permit the Landlord to demand that all sums be paid by Tenant within ten (10) business days after Landlord has notified Tenant thereof;
- B. Immediately terminate this Lease by providing written notice as provided for herein; and
- C. Any other remedies provided by applicable law.

11. **ALTERATIONS AND ADDITIONS.** Tenant shall have the right to make such alterations, additions, and improvements to the Premises as it shall deem necessary, provided that any such alterations, additions and improvements shall be in full compliance with applicable law and provided that Tenant has obtained the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed.

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. Rent shall abate as of the date of the casualty or taking, and 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. To the extent allowed by law, 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. This provision shall survive the termination of this Lease for a period of two (2) years.

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. This provision shall survive the termination of this Lease for a period of two (2) years.

14. **SUBLEASE/ASSIGNMENT.** Tenant shall not assign this Lease, in whole or in part, or sublet the Premises, or any part thereof without the written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed.

15. **SECURITY.** Landlord 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. Tenant agrees to cooperate with Landlord in maintaining security and in establishing security measures for the Premises comparable to security at Landlord's other places of operation.

16. **NOTICES.** All notices and other communications given pursuant to this Lease shall be in writing and shall be deemed properly served and effective (a) as of the day of delivery if delivered in person, by messenger, overnight delivery service or a party's attorney or agent, or (b) on the third (3rd) day after deposit in the U.S. mail as registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed as follows:

If to Landlord:                    St. James Lutheran Church  
7400 W. Foster  
Chicago, Illinois 60656  
Attention: Joseph C. Piscitello

If to Tenant:                      Board of Education of the City of Chicago  
125 South Clark Street, 17<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.

17. **PARAGRAPH HEADINGS.** The paragraph headings appearing in this Lease have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope of intent of the paragraph to which they pertain.
18. **SUCCESSORS AND ASSIGNS.** This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and permitted assigns.
19. **AUTHORITY.** The individual officers, agents and employees of the parties hereto who execute this Lease do hereby individually represent and warrant that they have full power and lawful authority to execute this Lease and perform the transactions contemplated hereunder, on behalf of and in the name of their respective principals and/or employers.
20. **SEVERABILITY.** In the event that any provision(s) of this Lease is (are) determined to be legally invalid, the parties hereto agree that particular provision shall be null and void, but that the remainder of this Lease shall remain in full force and effect.
21. **CONFLICT OF INTEREST.** This Agreement is not legally binding on the Tenant if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.
22. **INDEBTEDNESS.** Landlord agrees to comply with the Tenant'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.
23. **CONTINGENT LIABILITY.** The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made. Accordingly, the Landlord agrees that any expenditures beyond the Tenant's then current fiscal year are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budget (s). In the event funds for payment of Rent are not appropriated in subsequent fiscal year budgets, this Lease shall automatically expire at the end of the fiscal year for which such funds have been appropriated.
24. **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.
25. **ETHICS.** The Tenant's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, is incorporated into and made part of this Lease.



27. **HOLDING OVER.** Any holding over by Tenant shall be construed to be a tenancy from month to month only and the Rent shall be at the same rent as set forth in Paragraph 4 of this Lease.
28. **GOVERNING LAW.** This Lease shall be construed and be enforceable in accordance with the laws of the State of Illinois.
29. **ENTIRE AGREEMENT.** All preliminary and contemporaneous negotiations are merged into and incorporated into 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.
30. **TIME IS OF THE ESSENCE.** Time is of the essence of this Lease and of each and every provision hereof.
31. **NO PRINCIPAL/AGENT OR PARTNERSHIP RELATIONSHIP.** Nothing contained in this Lease shall be deemed or construed by the parties hereto not by any third party as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto.
32. **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.

IN WITNESS WHEREOF, the parties have set their hands and seals as the first day of July, 2010.

**LANDLORD:**

**TENANT:**

ST. JAMES LUTHERAN CHURCH

BOARD OF EDUCATION OF THE  
CITY OF CHICAGO

By: Joseph A. Piscitello

By: Patricia L. Taylor  
Patricia L. Taylor,  
Chief Operating Officer

Name: JOSEPH A. PISCITELLO

COO RPT: 10-0628-C0010

Title: PRES. / TREAS.

Approved as to Legal Form:

Attest: Wynne Schlatterer

Patrick J. Rocks  
Patrick J. Rocks, General Counsel

Name: WYNNE SCHLATTERER

Title: VICE PRESIDENT

**EXHIBIT A**

**PREMISES**

For Tenant's exclusive use: three (3) classrooms (including adjacent washroom facilities) located on the lower level of the south end of 7400 W. Foster Ave.