

LEASE AGREEMENT

TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE, as Landlord

and

BOARD OF EDUCATION OF THE CITY OF CHICAGO, as Tenant

This Lease Agreement ("Lease") is made as of the 1st day of October, 2005, between the Teachers Academy for Mathematics and Science ("Landlord"), an Illinois not-for-profit corporation whose principal offices are located at 501 West 35th Street, Chicago, Illinois and the Board of Education of the City of Chicago ("Tenant"), a body politic and corporate, whose principal offices are located at 125 South Clark Street, Suite 1600, Chicago, Illinois.

RECITALS

- A. **WHEREAS**, Landlord has authority to lease the Premises described below; and
- B. **WHEREAS**, Tenant desires to lease the described Premises for the purposes contained in this Lease.

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. **Premises.** Landlord leases to Tenant, that certain building ("Building") and the real estate on which it is located, at 501 West 35th Street, Chicago Illinois (the Building and the real estate are herein collectively called the "Premises" - the legal description of which is set forth on Exhibit A), including all associated parking. All Exhibits are attached to and incorporated into this Lease as though set forth in full.
2. **Term.** The term of this Lease shall commence as of October 1, 2005 and shall end February 1, 2021.
3. **Rent.** The rent ("Rent") payable under this Lease shall be comprised of three components, namely:

3.1 The principal, interest and all other sums due (hereinafter called "Debt Service") under Variable Rate Demand Revenue Bonds issued in February of 2001 by the Illinois Development Finance Authority (currently known as the Illinois Finance Authority, the "IFA") in an original aggregate amount of \$3,500,000.00 (the foregoing are referred to herein as the "IFA Bonds"), with a current outstanding balance of \$3,150,000.000 and with a principal payment due on November 1, 2005 of \$175,000.00 and on each November 1st thereafter. The Landlord agrees that Tenant may satisfy this component of Rent by making payment directly to IFA.

3.2 Landlord's actual costs (i.e. without mark-up) of maintaining the Landlord's corporate existence until the first to occur of the termination of this Lease or February 1, 2021, which costs shall include bookkeeping, payroll, auditing, legal fees, directors and officers insurance, copier machine rental, and other necessary management functions (collectively called "Administrative Costs"), all of which shall be subject to the approval of Tenant, which approval shall not be unreasonably withheld or denied.

3.3 Landlord's actual costs (i.e. without mark-up) of providing an engineer for the operation of the Building ("Engineering Costs"), which costs shall include salary, health and welfare benefits, payroll taxes and substitute engineering fees, all of which shall be subject to the approval of Tenant, which approval shall not be unreasonably withheld or denied.

Annual Rent shall be due and payable, without demand or notice and in advance, in quarterly payments ("Quarterly Rent") on or before each October 1st, December 1st, March 1st, and June 1st of each period of October 1st to September 30th during the Term (each such period of October 1st to September 30th being referred to herein as a "Lease Year"), it being understood and agreed that the component of Rent set forth in Paragraph 3.1 may be satisfied by a direct payment from Tenant to IFA and the remainder shall be paid to the Landlord and that the payment due on October 1st of each Lease Year shall include a principal payment of One Hundred Seventy Five Thousand and 00/100 Dollars (\$175,000.00) to IFA under the IFA Bonds.

For the period October 1, 2005 to September 30, 2006 Tenant agrees to pay the following Annual Rent (which the parties have agreed covers the components of Rent set forth in Paragraphs 3.1., 3.2, and 3.3 above, collectively referred to herein as the "Rent Components"):

Debt Service:	\$295,000.00
Engineering Costs:	64,400.00
Administrative Costs:	<u>64,100.00</u>
Total:	\$423,500.00

The Quarterly Rent for the period October 1, 2005 to September 30, 2006 shall be paid as follows:

October 1, 2005:	\$237,125.00	(includes \$175,000.00 principal payment under IFA Bonds)
December 1, 2005:	62,125.00	
March 1, 2006:	62,125.00	
June 1, 2006	<u>62,125.00</u>	
Total:	\$423,500.00	

Sixty (60) days prior to October 1, 2006 and sixty (60) days prior October 1st of each Lease Year after October 1, 2006, the Landlord shall send to the Tenant a certified statement ("Statement"), certified by an officer of Landlord, itemizing all of the Rent Components paid by Tenant during the prior Lease Year and estimating the Rent Components payable by Landlord during the next Lease Year. Commencing on October 1, 2006 and on the first day of October of each Lease Year thereafter, Tenant shall pay Quarterly Rent to Landlord equal to one-quarter (1/4) of the estimated Rent shown on said Statement for Rent Components 3.2 and 3.3 and the Quarterly Rent for Rent Component 3.1 shall be paid directly to IFA.

Landlord shall keep books and records showing all Rent Components in accordance with a system of accounts and accounting practices consistently maintained and shall permit Tenant and its agents and employees the opportunity to examine the same at all reasonable times. Unless disputed by Tenant as set forth below, Tenant shall pay any deficiency as shown by such Statement within thirty (30) days after receipt of such Statement. If the total of the estimated Quarterly Rent paid by Tenant during any Lease Year exceeds the actual Rent Components due from Tenant for such Lease Year, Landlord shall pay such excess to Tenant within thirty (30) days of the issuance of such Statement.

If Tenant disputes any item or items in such Statement which are not resolved to the mutual satisfaction of both Landlord and Tenant within thirty (30) days following Landlord's receipt of said notice of objection from Tenant, the dispute shall be submitted to one of three (3) independent certified public accounts designated by Landlord as chosen by Tenant ("CPA"), whose decision shall be binding on the parties. Tenant shall pay all fees of the CPA with respect to any such dispute.

4. **Use of the Premises.** Tenant will use and occupy the Premises for administrative offices, training and any other educational use.
5. **Condition of Premises and Repairs, Surrender.** Tenant is leasing the Premises in an "AS-IS" condition and Tenant has examined and knows the condition of the Premises and no representations as to the condition or repair of the Premises have been made by Landlord or its agents prior to or at the execution of this Lease, that are not herein expressed or endorsed hereon. Tenant shall keep the Premises in a clean, sightly, orderly and healthy condition and in good repair, and shall perform all acts required to maintain the Premises in accordance with applicable statutes, ordinances and other governmental requirements.
6. **Alterations, Additions and Improvements.** Tenant shall have the right to make, or suffer or permit to be made, any alterations, additions or improvements in or about the Premises without first obtaining the written consent of Landlord. Any and all alterations, additions and improvements shall be done at Tenant's own expense, and no liens of mechanics, materialmen, laborers, architects, artisans, contractors, subcontractors, or any

other lien of any kind shall be created against or imposed upon the Premises, or any part thereof. Prior to making any alterations, additions or improvements to the Premises pursuant to this Paragraph 6, Tenant shall cause its contractor(s) to obtain Workmen's Compensation Insurance to the extent required by law.

7. **Landlord's Right of Entry.** Landlord shall have the right, upon reasonable notice, to enter upon the Premises to inspect the same and to make any and all improvements, alterations and/or additions of any kind upon the Premises which should have been made by Tenant and which Tenant has failed to make after notice and failure to cure.
8. **Insurance.** Tenant shall self-insure or carry the following:
 - 8.1. Comprehensive general liability insurance during the entire term hereof with limits of not less than One Million (\$1,000,000) Dollars per occurrence and Two Million Dollars in the aggregate against injuries or death to persons occurring in, upon, or about the Premises and Property damage in an amount which is calculated in the same manner as Tenant insures its other real estate in the City of Chicago.
 - 8.2 Landlord acknowledges that Tenant is self-insured up to the first Five Hundred Thousand and 00/100 Dollars (\$500,000.00) of the property insurance program and Tenant agrees that Tenant's insurance carriers shall have an AM Best Rating of A-VII or better.
 - 8.3 Tenant shall, prior to the commencement of the Term, furnish to Landlord certificates evidencing such coverage, which certificates shall state that such insurance coverage may not be changed or cancelled without at least thirty (30) days' prior written notice to Landlord and Tenant.
9. **Utilities.** Tenant shall, at Tenant's sole cost and expense, pay for the cost of all utilities associated with Tenant's use of the Premises.
10. **Indemnification.** Both parties mutually agree to defend, indemnify and hold harmless the other, their respective board members, trustees, employees, agents, officers and officials, from and against any and all liabilities, losses, penalties, damages, and expenses, of every kind, nature and character, including court costs and reasonable attorney fees, arising out of, or relating to, any and all claims, liens, damages, obligations, actions, suits, judgments or settlements, or causes of action, of every kind, nature and character, arising out of the acts or omissions of their respective officials, agents, sub-consultants and/or employees under this Lease. All property situated in the Premises and belonging to Tenant, its agents, employees or invitees or any occupant of the Premises shall be situated there at the risk of Tenant, and Landlord shall not be liable for damage thereto or theft, misappropriation or loss thereof. Notwithstanding the foregoing, to the extent permitted by law, Landlord shall not be liable for, and Tenant hereby waives all claims against Landlord, for injury or death to any one person occurring in or upon the Premises resulting from any cause whatsoever including, but not limited to, water, snow,

frost, ice, explosion, falling plaster, fire or gas, smoke or other fumes, or by reason of leaking, breaking, backing up or other malfunction of any lines, wires, pipes, tanks, boilers, lifts or other apparatuses, regardless of the party that installed or maintained the foregoing (Tenant hereby expressly assumes all responsibility for the safety and security of the person and property of Tenant, and its servants, agents, employees, contractors, suppliers, invitees, patrons and guests, while in, upon or about the Premises).

11. **Assignment and Subletting.** This Lease shall not be assigned, subleased, leased, or mortgaged in whole or in part by the Tenant without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed.
12. **Holding Over.** Tenant's holding or continued use or occupancy shall be construed as a Lease from month to month at the same monthly Rent and subject to the same conditions set forth in this Lease.
13. **Condemnation.** If the Premises, or any part thereof, are (consequentially or otherwise) taken, damaged, or condemned by public authority, this Lease shall immediately terminate as to the part so taken, and Tenant shall have the option, within thirty (30) days after assessing the amount of damage and amount of usable space, to either: (a) continue with the Lease, with Rent for Rent Components 3.2 and 3.3 to be abated to the extent that the actual costs to the Landlord for such Rent Components are reduced; or (b) exercise its Option to Purchase the Premises under Paragraph 27; or (c) choose to terminate this Lease without further obligation. Any damages and payments resulting from any public authority taking, damaging or condemning the Premises shall first be used to payoff the then principal balance and all accrued interest of the IFA Bonds and the balance shall accrue to and belong to Tenant.
14. **Destruction.** If any such damage renders any portion or all of the Premises untenable, Tenant shall, within thirty (30) days after the occurrence of such damage, either: (a) proceed to repair and restore the Premises to a condition and quality as good as existed prior to such casualty, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Tenant's reasonable control, and also subject to zoning laws and building codes then in effect; or (b) exercise its Option to Purchase the Premises under Paragraph 27; or (c) terminate this Lease and use the proceeds of said insurance first to payoff the then principal balance and all accrued interest of the IFA Bonds and the balance shall accrue to and belong to Tenant.

If any such fire or casualty damage renders any portion of the Premises untenable or renders the access provided to the Premises unusable and, if this Lease shall not be terminated pursuant to the foregoing provisions of this Paragraph 14 by reason of such damage, then Rent for Rent Components 3.2 and 3.3 shall abate to the extent that the actual costs to the Landlord for such Rent Components are reduced. If this Lease is terminated pursuant to this Paragraph 14, Rent shall be apportioned on a per diem basis and be paid to the date of termination.

15. **Default.**

15.1 If either party is in default under any of the terms and conditions of this Lease except the payment of Rent (which is covered under Paragraph 15.2 below), the party which is not in default shall have the right to notify the other party of the nature of such default and, if such default is not cured within thirty (30) days thereafter, this Lease shall terminate. Notwithstanding the foregoing: (a) if the default is of such a nature that it cannot be cured within such thirty (30) day period and the defaulting party commences the cure within such thirty (30) days and diligently pursues the cure, such party shall not be in default hereunder and (b) if Landlord is in default hereunder, the Tenant shall have the right to exercise its Option to purchase the Premises under Paragraph 27 of this Lease.

15.2 If Tenant fails to pay Rent as required by the terms of this Lease, Landlord, after providing thirty (30) days' written notice and an opportunity for Tenant to pay, shall have the right to terminate this Lease in accordance with the terms of this Lease and applicable law. Notwithstanding the foregoing, Tenant shall have the right to exercise its Option under Paragraph 27 below within sixty (60) days after Landlord has so elected to terminate this Lease provided that the Purchase Price as defined in Paragraph 27 shall also include all past due payments under the IFA Bonds, including all penalties and late fees, if any, due to Tenant's failure to pay Rent.

16. **Waiver.** The failure of either party to exercise any of its rights under this Lease for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

17. **Binding on Heirs, Successors, and Assigns.** This Lease shall be binding upon and inure to the benefit of the successors, personal representatives, and permitted assigns of Landlord and Tenant.

18. **Entire Agreement.** This Lease (and the Exhibits) constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings and agreements, oral and written, relating hereto. Any amendment hereof must be in a writing signed by both parties.

19. **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: Teachers Academy for Mathematics and Science
501 West 35th Street
Chicago, Illinois 60616
Attention: Executive Director

If to Tenant: Board of Education of the City of Chicago
125 South Clark Street, 16th Floor
Chicago, Illinois 60603
Attention: Director of Real Estate

With a copy to: Board of Education of the City of Chicago
125 South Clark Street, 7th Floor
Chicago, Illinois 60603
Attention: General Counsel

Either party may, from time to time, change the names and addresses furnished for notice hereunder by giving written notice of said change to the other party in accordance with the notice provisions set forth above.

20. **Covenants Regarding Use.**

20.1 Tenant covenants and agrees to:

20.1.1 Maintain the Premises in condition fit for their intended use and to make all necessary repairs, including adequate heat and water, and a sound physical structure.

20.1.3 Not consume, possess, exhibit, sell or offer for sale, nor permit its agents, employees, guests or invitees to consume, possess, exhibit, sell or offer for sale, any alcoholic or intoxicating beverages on or around the Premises.

20.1.3 Comply with all applicable laws, ordinances and governmental regulations and shall not make any use of the Premises which, directly or indirectly, is forbidden by public law, ordinance or governmental regulation or which may be dangerous to life, limb or property.

20.1.4 At its own cost and expense, procure each and every permit, license, certificate or other authorization and any renewals, extensions or continuances of the same required in connection with the lawful and proper use of the Premises.

20.1.5 To provide its own janitorial services, security services, elevator maintenance, parking lot repair and maintenance, snow removal, and exterminating services.

20.2 Landlord covenants and agrees:

20.2.1 to retain an engineer for the Premises, said engineer to perform his or her duties to the satisfaction of Tenant and, if the engineer does not so perform his or her duties to the satisfaction of Tenant, the Landlord agrees to promptly replace

the engineer with someone who meets with Tenant's approval; and

20.2.2 (a) to maintain its tax-exempt status under the Internal Revenue Code; (b) not to allow the IFA Bonds to convert from a variable rate to a fixed rate; and (c) not to allow the letter of credit supporting the IFA Bonds to expire without renewing or replacing the letter or credit with a substitute letter of credit in accordance with the terms of the IFA Bonds. Landlord agrees to promptly give (or cause to give) Tenant prompt notice of breach of any of the foregoing covenants and, in the event of such breach, the Tenant shall have the right to exercise its Option to purchase the Premises under Paragraph 27 below.

21. **Independent Contractor.** It is mutually agreed and understood that neither party nor their employees, officers, agents or contractors are employees of the other.
22. **Governing Law, Forum.** This Lease shall be governed by and construed under the laws of the State of Illinois, which shall be the forum for any lawsuits arising under this Lease or incident hereto.
24. **General Conditions.** This Lease is subject to the approval of the Board of Education of the City of Chicago and IFA.
25. **Inspector General:** Each party to this Lease hereby acknowledges that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education of the City of Chicago has the authority to conduct certain investigations and that the Inspector General will have access to all information and personnel necessary to conduct those investigations.
26. **Contingent Liability.** Any expenditure by the Tenant beyond any current fiscal year during the Term of this Lease is deemed a contingent liability of Tenant, subject to appropriation in the subsequent fiscal year (s).
27. **Grant of Option.** Landlord hereby grants to Tenant the exclusive right and option to purchase the Premises upon the terms and conditions hereinafter set forth (hereinafter referred to as the "Option").

27.1 **Exercise Date of Option.** The Option shall be exercisable at any time during the term of this Lease on the terms and conditions hereinafter set forth.

27.2 **Notice of Exercise.** The Option shall be exercised by Tenant by written notice signed by Tenant and delivered to the Landlord. The date of Tenant's election shall be the date that Landlord receives the notice of election. Said notice of exercise shall set a closing date for the purchase and sale of the Premises, which date shall not be less than ninety (90) days after the date of such notice.

27.3 **Purchase Price.** The total purchase price for the Premises shall be the then outstanding principal and interest due on the IFA Bonds (hereinafter referred to as the "Purchase Price") on the Exercise Date, which shall be paid, plus or minus proration, in certified or cashier's check at Closing, as hereinafter defined. If the principal balance and accrued interest due on the IFA Bonds has been paid, the Purchase Price shall be One Dollar (\$1.00).

27.4 **Conveyance.** Landlord agrees to convey, or cause to be conveyed, to Tenant, or Tenant's nominee, title to the Premises by a recordable, stamped Warranty Deed, subject only to: (a) general real estate taxes and special assessments not due and payable as of the date of the closing; (b) acts of Tenant and those parties acting through or for Tenant; (c) building lines, zoning laws, statutes and ordinances; and (d) those title exceptions set forth on Exhibit D ("Permitted Title Exceptions").

27.5 **Closing.** The consummation of the transaction herein described (hereinafter referred to as the "Closing") shall be at the time set forth in the notice of exercise of option described in Paragraph 27.2 hereof, at First American Title Insurance Company in Chicago, Illinois or such other location as is acceptable to Tenant and Landlord, provided title is shown to be good or is acceptable to Tenant. At the Closing, Landlord shall deliver the Deed described in Paragraph 27.4 hereof and a Bill of Sale conveying to Tenant such personal property owned by Landlord and used or useful in the operation of the Premises.

27.6 **Delivery of Possession.** Landlord shall deliver and Tenant agrees to accept possession of the Premises on the day of the Closing.

27.7 **Condition.** Tenant agrees to accept possession of the Premises in the same condition as it is at the date of this Lease, as the same may be altered or improved by Tenant.

27.8 **Evidence of Title.** Landlord shall deliver, or cause to be delivered, to Tenant or Tenant's nominee, within ten (10) days from the date of exercise of the Option by Tenant, a current title commitment ("Title Commitment") from First American Title Insurance Company ("Title Company") or such other title company chosen by Landlord and reasonably acceptable to Tenant for an ALTA (1970) Form B Owner's Title Insurance Policy ("Title Policy") in the amount of the Purchase Price. At the Closing Landlord shall cause to be issued to Tenant or Tenant's nominee the Title Policy in the amount of the Purchase Price hereof covering title to the Premises on the date thereof. The Title Commitment and Title Policy shall show title in the intended grantor, subject only to (i) the title exceptions set forth in Paragraph 27.4 hereof; (ii) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing and which the Landlord will so remove at that time by using the funds to be paid to Landlord hereunder; and (iii) the general exceptions contained on said form of policy, subject to the affirmative coverage over said general exceptions set forth below. The Title Policy shall be conclusive evidence of good title as

therein shown as to all matters insured by the policy subject only to the exceptions therein stated. The Title Policy shall contain an agreement by the Title Company, or shall be supplemented with an agreement by the Title Company delivered to Tenant no later than five (5) days prior to Closing, stating that the Title Policy will provide full extended coverage insurance which shall result in the deletion of the following general exceptions: (i) liens for labor or materials, whether or not of record; (ii) parties in possession (other than tenants under Leases, solely as such tenants); (iii) unrecorded easements; (iv) taxes or special assessments not shown by the public records; and (v) exceptions which a correct survey would disclose. The Title Policy shall also contain the following additional affirmative endorsements and such other endorsements as are reasonably requested by Tenant:

a. an endorsement insuring Tenant that there are no violations of any restrictive covenants, conditions or restrictions affecting the Premises, that there are no encroachments by the Buildings onto any easements or any building lines or setbacks affecting the Premises, or onto any adjacent property, or any encroachments onto the Premises of existing improvements located on adjoining land;

b. an access endorsement insuring that all adjoining streets are public streets and that there is direct and unencumbered access to the same from the Premises;

c. a survey endorsement insuring that all the property insured is legally described on a specifically mentioned survey and foundations in place as of the date of such policy are within the lot lines and applicable setback lines, that the Buildings do not encroach onto adjoining land or onto any easements;

d. a zoning endorsement insuring that the Premises are zoned for the present and contemplated building and business thereon and insuring against loss or damage arising due to a prohibition of said use or requiring removal of the Building due to a violation of applicable laws or ordinances including, but not limited to, laws and ordinances relating to area of the Premises, floor area of the Building, setbacks, height and parking;

e. a contiguity endorsement insuring that all parcels comprising the Premises are contiguous;

f. an endorsement insuring that no instrument, covenant or condition affecting the Premises provides for an easement over the Premises or for a private assessment or charge; and

g. an endorsement insuring that all of the Premises and the Building are covered by one (1) or more permanent index numbers which do not cover other property.

h. All of the above endorsements as well as all title charges and survey costs shall be paid by Tenant.

27.9 **Correction of Defects.** If the Title Commitment or a survey of the Premise discloses unpermitted exceptions, Landlord shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the Title Commitment or to have the Title Company commit to insure against loss or damage that may be occasioned by such exceptions, and, in such event, the Closing shall be extended to a date fifteen (15) days after delivery of the corrected commitment or the time specified in Paragraph 27.5 hereof, whichever is later. If Landlord fails to have the exceptions removed, or in the alternative, to obtain the Title Commitment for title insurance specified above as to such exceptions within the specified time, Tenant may terminate its exercise of the Option or may elect, upon notice to Landlord within ten (10) days after the expiration of the thirty (30) day period, to take title as it then is with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount. If Tenant does not so elect, the exercise of the Option shall become null and void without further actions of the parties.

27.10 **Closing Adjustments.** Tenant shall pay the amount of any stamp tax imposed by law by the State of Illinois and the County of Cook on the transfer of title, and shall furnish completed Real Estate Transfer Declarations signed by Tenant or Tenant's agent in the forms required pursuant to the Real Estate Transfer Tax Acts of the State of Illinois; the County of Cook; and the City of Chicago. Tenant shall pay the amount of the transfer tax imposed by the local ordinances, if any.

27.11 **Time.** Time is of the essence of the provisions of the Option herein granted.

27.12 **Notice.** All notices herein required shall be in writing and shall be served as set forth in Paragraph 19 of this Lease.

27.13 **Survey.** Not later than ten (10) business days prior to the Closing, Tenant shall obtain a plat of survey of the Premises prepared by a duly licensed surveyor authorized to do business in the State of Illinois and acceptable to Tenant, certified to Tenant and the Title Company, in a manner satisfactory to Tenant. The Survey shall reveal no encroachments onto the Premises from any adjacent property, no encroachments by or from the Premises or Buildings onto any adjacent property, and no violation by any of the Buildings on the Premises of any building line or easement affecting the Premises. Said survey shall certify that the Premises is not in an area identified by an agency or department of the federal government as having special flood or mudslide hazards which would require flood insurance under the Flood Insurance Act of 1968.

27.14 **Saturday, Sunday, and Holidays.** If the date for Closing or performance of an obligation falls on a Saturday, Sunday or holiday, the date shall be deferred until the first

business day following.

27.15 **Binding Effect.** No amendments, modifications or changes shall be binding upon a party unless set forth in a duly executed document.

27.16 **Escrow.** At the option of either party, the transaction herein contemplated shall be closed through an escrow with the Title Company, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by said company, with such special provisions inserted in the escrow agreement as may be required to conform with the Option herein granted. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of consideration and delivery of deed shall be made through the escrow and the cost of said escrow shall be paid by Tenant.

27.17 **Broker.** Tenant and Landlord hereby represent to each other that neither of them have had any dealings with respect to the Premises with any broker or real estate dealer. Landlord and Tenant agree to indemnify and hold each other harmless from and against any brokerage claim asserted contrary to the foregoing representation with respect to the subject transaction.

27.18 **Memorandum of Lease.** Upon execution of this Lease, the parties agree to execute and record the Memorandum of this Lease, a copy of which is attached hereto and made part hereof as Exhibit B.

28. **Personal Property.** On or before the commencement date of this Lease, Tenant shall purchase, at a price of Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00), certain personal property in the Premises from the Landlord pursuant to a Bill of Sale, a copy of which is attached hereto and made part hereof as Exhibit C. \$60,600.00 of said purchase price shall be deposited in to s Strict Joint Order Escrow with the Title Company in the form of Exhibit E attached hereto and made part hereof, and shall be paid as follows:

(a) \$25,000.00 shall be paid to Walter Daniels Construction Co. in return for a dismissal of any legal proceedings which have been filed and a Final Waiver of Lien and Contractors Affidavit acceptable to the Tenant; and

(b) \$35,600.00 shall be paid to The Children's First Fund.

29. **Landlord's Use of Space in the Premises.** During the Term, Landlord shall have right, at no cost to the Landlord, to use such office and storage space within the Premises (which shall include telephones service and digital network hook-up), as shall be necessary in the reasonable judgment of Tenant for Landlord to maintain Landlord's corporate existence.

IN WITNESS WHEREOF, the authorized representative of the parties have executed this Lease as of the first day of October, 2005.

Landlord:

Teachers Academy for Mathematics and Science

By: Stephen C. Mitchell
Stephen C. Mitchell
(Printed Name)

Chairman / Trustees
(Title)

Attest: Nicholas A. Ciutola

NICHOLAS A. CIUTOLA
(Printed Name)

SECRETARY
(Title)

Tenant:

The Board of Education of the City of Chicago:

By: Michael W. Scott
Michael W. Scott, President

Attest: Estela G. Beltran
Estela G. Beltran, Secretary

Board Report No. 05-0928-OP 7

Approved as to Legal Form: AC

Patrick J. Rocks.
Patrick J. Rocks., General Counsel

Exhibit A

Legal Description

See Attached

LEGAL DESCRIPTION

PARCEL 1: THE NORTH 224.72 FEET OF THE WEST 141.0 FEET OF THE EAST 174 FEET OF BLOCK 1 OF B. SHURTLEFF'S SUBDIVISION OF THE NORTH ½ OF BLOCK 22 OF CANAL TRUSTEES' SUBDIVISION OF SECTION 33, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN , IN COOK COUNTY, ILLINOIS.

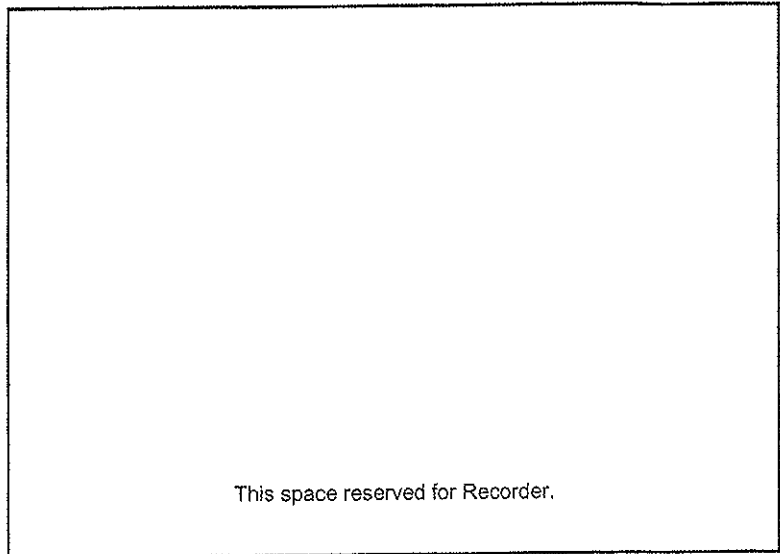
PARCEL 2: THE SOUTH 24.27 FEET OF THE NORTH 248.99 FEET OF THE WEST 141.0 FEET OF THE EAST 174 FEET OF BLOCK 1 OF B. SHURTLEFF'S SUBDIVISION OF THE NORTH ½ OF BLOCK 22 OF CANAL TRUSTEES' SUBDIVISION OF SECTION 33, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN , IN COOK COUNTY, ILLINOIS.

Exhibit B

Memorandum of Lease

See Attached

THIS DOCUMENT PREPARED BY:
Stuart C. Unger
Board of Education of the City of
Chicago
Suite 700
125 South Clark Street
Chicago, Illinois 60603
(773) 553-1742



MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into as of the first day of October, 2005, between the Teachers Academy For Mathematics and Science. (hereinafter "Landlord"), an Illinois not-for-profit corporation, whose principal offices are located at 501 West 35th Street, Chicago, Illinois and the Board of Education of the City of Chicago (hereinafter "Tenant"), a body politic and corporate, whose principal offices are located at 125 South Clark Street, Suite 1600, Chicago, Illinois.

1. For valuable consideration, Landlord acknowledges that it has, pursuant to that certain Lease (the "Lease") of even date herewith among Landlord and Tenant, leased and demised to Tenant the real property situated in Cook County and legally described on Exhibit "A" attached hereto (the "Property").
2. The commencement date of the Lease is on the date hereof (the "Commencement Date") and the term of the Lease shall end on February 1, 2021, unless earlier terminated pursuant to the terms and provisions of the Lease.
3. The Landlord has granted the Tenant an Option to Purchase the Property at any time during the term of the Lease in accordance with the provisions of Paragraph 27 of the Lease.
4. All other terms and conditions applicable to the Lease are set forth in the Lease.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date first written above.

Landlord:

Tenant:

**Teachers Academy For Mathematics
and Science:**

**The Board of Education of the City of
Chicago:**

By: _____

By: _____

Printed Name

Michael W. Scott, President

Title: _____

Attest: _____

Attest: _____

Printed Name

Estela Beltran, Secretary

Title: _____

:

Approved as to Legal Form:

Patrick J. Rocks, General Counsel

Board Report # _____

**THIS MEMORANDUM OF LEASE PREPARED BY
AND UPON RECORDING RETURN TO:**

Stuart C. Unger, Esq.
125 South Clark Street
7th Floor
Chicago, Illinois 60603

Property Address: 501 W. 35th Street, Chicago, IL

P.I.N. Numbers: 17-33-305-003-0000
17-33-305-004-0000

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County of and State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ President of Teachers Academy For Mathematics and Science, and _____ personally known to me _____ Secretary of said corporation, and personally known to me the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____ President and _____ Secretary, they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this ____ day of _____, 2005.

MPRESS
NOTARIAL SEAL
HERE

Notary Public

My commission expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County of and State aforesaid, DO HEREBY CERTIFY that _____ and _____, personally known to me to be the _____ and _____ of the Board of Education of the City of Chicago, a body politic and corporate, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ and _____, they signed and delivered the said instrument, as their free and voluntary act and as the free and voluntary act and deed of said Board of Education, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this ____ day of _____, 2005.

IMPRESS
NOTARIAL SEAL
HERE

Notary Public

My commission expires: _____

EXHIBIT C

Bill of Sale

See Attached

BILL OF SALE

Seller, Teachers Academy For Mathematics and Science, of Chicago, Illinois, in consideration of FIVE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$550,000.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Buyer, Board of Education of the City of Chicago, of Chicago, Illinois, the personal property located at 501 West 35th Street, Chicago, Illinois set forth on Rider 1 attached hereto and made part hereof.

Seller hereby represents and warrants to Buyer that Seller is the absolute owner of said personal property, that said personal property is free and clear of all liens, charges and encumbrances, and that the Seller has full right, power and authority to sell said personal property and to make this Bill of Sale. *All warranties of quality, fitness and merchantability are hereby excluded.*

IN WITNESS WHEREOF, Seller has signed and sealed this Bill of Sale at Chicago, Illinois this _____ day of _____, 2005.

Teachers Academy For Mathematics and Science

By: _____

(Printed Name)

(Title)

Attest: _____

(Printed Name)

(Title)

STATE OF ILLINOIS

)
) SS.
)

COUNTY OF COOK

I, the undersigned, a Notary Public, in and for the County of and State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ President of Teachers Academy For Mathematics and Science, and _____ personally known to me _____ Secretary of said corporation, and personally known to me the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____ President and _____ Secretary, they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this ____ day of _____, 2005.

IMPRESS
NOTARIAL SEAL
HERE

Notary Public

My commission expires:

RIDER 1

LIST OF PERSONAL PROPERTY

See Attached

EXHIBIT D

PERMITTED TITLE EXCEPTIONS

See Attached

EXHIBIT E

STRICT JOINT ORDER ESCROW

See Attached

**FIRST AMERICAN TITLE INSURANCE COMPANY
30 NORTH LASALLE STREET, CHICAGO, ILLINOIS 60602**

Refer to: _____
Phone No.: _____
Fax No.: _____

STRICT JOINT ORDER ESCROW TRUST INSTRUCTIONS

ESCROW TRUST NO.: _____

DATE: _____, 2005

To: First American Title Insurance Company

Customer Identification:

Landlord: Teachers Academy for Mathematics and Science

Tenant: Board of Education of the City of Chicago,

Property Address: 501 West 35th Street, Chicago, Illinois

Projected Disbursement Date: _____, 2005

Deposits: The sum of \$60,600 by Landlord and Tenant.

Delivery of Deposits:

The above-referenced escrow trust deposits ("deposits") are deposited with the escrow trustee to be delivered by it only upon the receipt of a joint order of the undersigned or their respective legal representatives or assigns. Notwithstanding the foregoing, the escrow trustee is hereby directed to immediately pay \$35,600.00 to the Children's First Fund in accordance with the letter of instructions for the delivery of said funds which has been deposited with the escrow trustee contemporaneously with the execution of this Escrow.

Except as set forth above, in no case shall the above-mentioned deposits be surrendered except upon the receipt of an order signed by the parties hereto, their respective legal representatives or assigns, or in obedience to the court order described below.

Billing Instructions:

Escrow trust fee will be billed as follows: 100% to Tenant

PLEASE NOTE: The escrow trust fee for these joint order escrow trust instructions is due and payable within 30 days from the projected disbursement date (which may be amended by joint written direction of the parties hereto).

Investment:

Deposits made pursuant to these instructions may be invested on behalf of Landlord; provided that any direction to escrow trustee for such investment shall be expressed in writing and contain the consent of Tenant, and also provided that you are in receipt of the taxpayer's identification number and investment forms as required. Escrow trustee will, upon request, furnish information concerning its procedures and fee schedules for investment.

Commingle:

Except as to deposits of funds for which escrow trustee has received express written direction concerning investment or other handling, the parties hereto agree that the escrow trustee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that escrow trustee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under Section 2-8 of the Corporate Fiduciary Act (205 ILCS 620/2-8) and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish escrow trustee's obligation to apply the full amount of the deposits in accordance with the terms of these escrow instructions.

In the event the escrow trustee is requested to invest deposits hereunder, First American Title Insurance Company is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of these escrow trust instructions.

Compliance With Court Order:

The undersigned authorize and direct the escrow trustee to disregard any and all notices, warnings or demands given or made by the undersigned (other than jointly) or by any other person. The said undersigned also hereby authorize and direct the escrow trustee to accept, comply with, and obey any and all writs, orders, judgments or decrees entered or issued by any court with or without jurisdiction; and in case the said escrow trustee obeys or complies with any such writ; order, judgment or decree of any court, it shall not be liable to any of the parties hereto or any other person, by reason of such compliance, notwithstanding any such writ, order, judgment or decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case the escrow trustee is made a party defendant to any suit or proceedings regarding this escrow trust, the undersigned, for themselves, their heirs, personal representatives, successors, and assigns, jointly and severally, agree to pay to said escrow trustee, upon written demand, all costs, attorney's fees, and expenses incurred with respect thereto. The escrow trustee shall have a lien on the deposits(s) herein for any and all such costs, fees and expenses. If said costs, fees and expenses are not paid, then the escrow trustee shall

have the right to reimburse itself out of the said deposit(s).

Execution:

These escrow trust instructions are governed by and are to be construed under the laws of the State of Illinois. The escrow trust instructions, amendments or supplemental instructions hereto, may be executed in counterparts, each of which shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

For Landlord:

Name: Scott D. Hodes

Address: 180 North LaSalle, Suite 1916
Chicago, Illinois 60601

Phone: (312) 782-9263

Fax: (312) 443-1650

For Tenant:

Name: Board of Education of the City of Chicago
By: Stuart C. Unger, Assistant General Counsel

Address: 125 S. Clark Street, Suite 700
Chicago, Illinois 60603

Phone: (773) 553-1742

Fax: (773) 553-1703

Signature: _____

Signature: _____

Accepted: First American Title Insurance Company, as Escrow Trustee

By: _____ Date: _____, 2005