

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** ("Lease") is made as of August 20, 2001 between NORTH LAWDALE COLLEGE PREPARATORY CHARTER HIGH SCHOOL ("NLCP"), a not-for-profit educational institution ("Tenant") and the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate ("Landlord").

### RECITALS:

- A. Landlord is the owner of the Chicago Public School's ("CPS") George Howland School of the Arts located at 1616 South Spaulding Avenue, Chicago, Illinois (the "Building").
- B. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of the Building known as the 1893 Space as well as that portion known as the Annex Space and certain other space (collectively the "Premises"), together with certain common areas (the "Shared Areas") on the terms outlined in this Lease. The Premises are depicted on Exhibit A attached hereto. The Shared Areas are depicted on Exhibit B attached hereto. At the completion of construction (as such term is defined herein), Tenant shall also be entitled to exclusive use of storage space allocated to it within the Building.
- C. Landlord shall occupy the remainder of the Building and operate the George Howland School of the Arts ("Howland") therein.

### AGREEMENT:

**NOW THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full, and the mutual promises and covenants set forth herein, the parties agree as follows:

- 1. Term.
  - (a) This Lease shall commence on August 20, 2001 and, unless otherwise terminated in accordance with its terms, shall terminate on July 31, 2003 (the "Term"). Notwithstanding the foregoing, if the Tenant's Charter is renewed by the Landlord, the Term of this Lease shall automatically be renewed on the same terms and conditions of this Lease for each period of time that the Tenant's Charter is renewed, except the termination date of this Lease shall be on the first to occur that: (a) Tenant's Charter expires by its terms or (b) Tenant's Charter is terminated by Landlord or (c) this Lease is otherwise terminated in accordance with its terms. Notwithstanding the foregoing, in no event shall this Lease extend beyond July 31, 2041.
  - (b) Subject to all of the terms and conditions of this Lease, and upon Landlord's receipt of

evidence of insurance as required in this Lease, Tenant shall be granted a license ("License") from and after July 1, 2001 for early occupancy to the 1893 Space (and all other portions of the Premises in which Construction has been Substantially Completed by said date), for the purpose of: (i) conducting orientation meetings for its students; (ii) use of its staff; and (iii) installing furniture, equipment, and other fixtures therein. The License granted in this Section 1 (b) is subject to the following terms and conditions:

- i) The License shall not be deemed to permit Tenant to operate its business until August 20, 2001.
- ii) The License is conditioned upon Tenant's labor not interfering with Landlord's contractors or its labor. If at any time such entry shall cause disharmony, interference or union disputes of any nature whatsoever, or if Landlord shall, in Landlord's sole judgment, determine that such entry, such work or the continuance thereof shall interfere with, hamper or prevent Landlord from proceeding with Substantial Completion at the earliest possible date, the License may be withdrawn by Landlord immediately upon written notice to Tenant. Such entry shall be deemed to be under and subject to all of the terms, covenants and conditions of this Lease and Tenant shall comply with all of the provisions of this Lease which are the obligations or covenants of the Tenant. If Tenant's agents or labor incurs any charges from Landlord, including, but not limited to, charges for use of construction or hoisting equipment on the Building site, such charges shall be deemed an obligation of Tenant and shall be collectable in the same manner as any other monetary obligation under this Lease and upon default in payment thereof Landlord shall have the same remedies as for a default under this Lease.
- iii) Landlord and its representatives, agents, officers, board members, employees and all other parties now or hereafter having any direct or indirect interest in the Premises or succeeding to the interest of any of the aforementioned parties shall not be liable in any way for any injury or death to any person or persons, loss or damage to the Premises, the Building, adjoining property or loss or damage to property placed therein prior to Substantial Completion, all of the same being at Tenant's sole risk.

2. Rent. Tenant shall pay Landlord the sum of One Dollar ("Rent") for the use and operation of the Premises and the Shared Areas for the entire Term of this Lease and any renewals thereof and which Rent includes cost of utilities, services and all other uses of the Building without additional charges.

3. Construction.

- a. Landlord and Tenant agree that as part of the consideration for this Lease, substantial renovations shall be made to the Building, including the Premises, which improvements are detailed in the Construction Documents dated February 27, 2001 set forth on Exhibit F attached hereto and incorporated herein by reference (the "Construction").
- b. Tenant shall pay Landlord the sum of \$1,036,000.00 toward the costs of the Construction (the "Charter Contribution"). The Charter Contribution shall be paid as follows:
  - i) upon "Substantial Completion" of the Construction, Tenant shall pay to Landlord \$500,000.00 of the Charter Contribution. The Construction shall be deemed to be substantially completed ("Substantially Completed" or "Substantial Completion") when Landlord's Architect certifies that it has been completed in accordance with the Construction Documents referenced in the Work Letter and Construction Agreement, a copy of which are attached hereto as Exhibit G (except for "Punch List Items" as defined hereinafter), as evidenced by the issuance of a Certificate of Occupancy for the Premises. Upon Substantial Completion of the Construction, the Landlord and Tenant shall inspect the Premises and jointly prepare a punch list of agreed upon items of Construction remaining to be completed by Landlord (the "Punch List Items").
  - ii) within thirty (30) days following completion of the Punch List Items, Tenant shall pay to Landlord \$250,000.00 of the Charter Contribution. Tenant shall provide Landlord with notice memorializing the date that the Punch List Items have been completed in order for the parties to determine when the second payment of the Charter Contribution is due.
  - iii) commencing on September 1, 2002 and continuing on the anniversary of said date for four (4) additional and consecutive years, Tenant shall pay to Landlord an amount equal to one-fifth (1/5th) of the then remaining Charter Contribution (i.e. \$57,200.00 per year totaling \$286,000.00).
- c. If, during the first two (2) years of the Term, Tenant's Charter is terminated or this Lease is terminated for reasons other than the Tenant's default, Tenant shall be entitled to a 100% return of the Charter Contribution that Tenant has paid to Landlord. After the first two (2) years of the term of this Lease, the Tenant's right to a return of the Charter Contribution that Tenant has paid to Landlord shall be reduced by 10% for each year of the term of this Lease. If this Lease is terminated as a result of a default by the Tenant or a Sublease or Assignment without Landlord's consent in accordance with Section 22 of this Lease,

Tenant's obligation to pay the balance of the Charter Contribution shall be accelerated and Tenant shall promptly pay the Landlord said balance in one (1) lump sum payment.

- d. The parties contemplate that the Construction within the Premises will be Substantially Complete by August 20, 2001. If Substantial Completion is not achieved by August 20, 2001, as evidenced by a valid certificate of occupancy, then a temporary space resolution committee made up of one (1) independent representative for each party will determine an alternative temporary location for Tenant until the Premises are available, which space will include without limitation the exclusive use of the auditorium for classroom purposes.
- e. In addition to the Construction, Tenant shall have the right to construct or perform certain improvements and alterations to the Premises as set forth in Exhibit E attached hereto ("Tenant's Work"). If Tenant desires to install or construct any additional improvements, Tenant's right shall be subject to Section 8 of this Lease. Tenant's Work shall be subject to the following terms and conditions:
  - i) Tenant is hereby granted the right to utilize contractors of Tenant's own choice (hereinafter referred to as "Tenant's Contractor") to construct Tenant's Work in compliance with all applicable governmental laws, rules, statutes, ordinances and regulations, subject to Landlord's reasonable approval as to the qualifications of any such contractor. Prior to commencing any work on or to the Premises, Tenant shall submit all tenant plans ("Tenant Plans") and written contracts for such work, together with financial information regarding Tenant's Contractor, to Landlord for approval. All installations, alterations and additions shall be in accordance with the Tenant's Plans and shall be constructed in a good and workmanlike manner and only new and good grades of material shall be used. Tenant shall permit CPS's Department of Operations ("Landlord's Supervisor") to observe all construction operations within the Premises performed by Tenant's Contractor. The Tenant shall be required, at its sole cost and expense, to provide for its own supervision of the Tenant's Contractor. No silence or statement by the Landlord's Supervisor shall be deemed or construed as an assumption by said Landlord's Supervisor or the Landlord of any responsibility for or in relation to the construction of Tenant's Work or any guarantee that the Tenant's Work completed within the Premises complies with laws, complies with Tenant's Plans, or is suitable or acceptable to the Tenant for Tenant's intended business purposes. Tenant shall, prior to commencement of any installations, alterations or additions and Tenant's Work, furnish to Landlord, contractor's affidavits identifying all labor and material to be expended and used in Tenant's Work.
  - ii) The cost of all work necessary to construct the Tenant's Work (including, but not

limited to, all labor, material, and permits) and to pay architectural fees, permit fees, and engineering fees shall be the responsibility of the Tenant.

- iii) Tenant, at its sole cost and expense, shall file all necessary plans with the appropriate governmental authorities having jurisdiction over Tenant's Work. Tenant shall be responsible for obtaining all permits, authorizations and approvals necessary to perform and complete Tenant's Work. Tenant shall not commence Tenant's Work until the required permits authorizations and approvals for such work are obtained and delivered to Landlord. Tenant shall not seek the approval of the City of Chicago until it has obtained the Landlord's written approval. Landlord agrees to reasonably cooperate with Tenant in connection with Tenant's procurement of the necessary permits or governmental approval required to complete Tenant's Work.
- iv) Tenant and Tenant's Contractor shall work in harmony and shall not interfere with the performance of other work in the Building by Landlord or Landlord's contractors. If, at any time, Tenant or Tenant's Contractor shall cause (or threaten to cause) such disharmony or interference, Landlord may terminate their access to the Premises upon 24 hours' written notice to Tenant, and thereupon, Tenant and Tenant's Contractor causing such disharmony or interference shall immediately withdraw from the Premises and the Building until Landlord determines such disturbance no longer exists.
- v) At all times, the Landlord and Landlord's Supervisor shall have access to the Tenant's Work wherever it is in preparation or progress for the purpose of observing and reviewing the same; provided, however, Landlord shall not unreasonably interfere with the performance of Tenant's Work in connection with any such observations or review.
- vi) The Tenant's Work shall be performed with a minimum of interference with Landlord's use of the Howland portion of the Building. Tenant shall take all reasonable and customary precautionary steps to protect its facilities and the facilities of others affected by Tenant's Work and to properly police same. Construction equipment and materials are to be located in confined areas and delivery and loading of equipment and materials shall be done at such reasonable locations and at such time as Landlord shall direct so as not to interfere with the use or operation of the Howland portion of the Building. Tenant shall, at all times, keep the Premises and adjacent areas free from accumulations of waste materials or rubbish caused by its suppliers, contractors or workmen. Landlord may require daily clean-up and reserves the right to do clean-up at the expense of Tenant if

Tenant fails to comply with Landlord's reasonable cleanup requirements. At the completion of Tenant's Work, Tenant's Contractor shall forthwith remove all rubbish and all tools, equipment and surplus materials from and about the Premises and Building. After written notice from Landlord, any damage caused by Tenant's Contractor to any portion of the Building or to any property of Landlord shall be repaired forthwith to its condition prior to such damage by Tenant at Tenant's sole cost and expense.

- vii) Tenant and Tenant's Contractor shall assume responsibility for the prevention of accidents to its agents and employees and shall take all reasonable safety precautions with respect to the work to be performed and shall comply with all reasonable safety measures initiated by the Landlord and with all applicable laws, ordinances, rules, regulations and orders applicable to the Tenant's Work, including those of any public authority for the safety of persons or property. Tenant shall advise Tenant's Contractor to report to the Landlord any injury to any of its agents or employees and shall furnish Landlord a copy of the accident report filed with its insurance carrier within three (3) days of its occurrence.
- vii) Tenant expressly agrees that none of its agents, contractors, workmen, mechanics, suppliers or invitees shall enter the Premises unless and until each of them shall furnish Landlord with satisfactory evidence of insurance coverage, financial responsibility and appropriate written releases of mechanics' lien claims (if available) and Tenant agrees that no liens shall attach to the Premises as a result thereof.
- viii) Landlord may, but shall be under no obligation to, observe the construction of the Tenant's Work at any time, provided that no liability shall be imposed or asserted against Landlord by reason of such observation. Tenant and its contractors shall permit Landlord and its agents reasonable access to all aspects of construction of Tenant's Work and Landlord agrees not to interfere with the Tenant's Work as a result of the rights granted under this subsection 3 (e) (viii).
- ix) Prior to the commencement of the Tenant's Work, Tenant shall provide Landlord with evidence, fully prepaid, of workers compensation, builders risk, and general liability insurance naming Landlord as an additional insured thereunder in amounts and written by companies reasonably satisfactory to Landlord.
- x) Except for the gross negligence or wilful misconduct of Landlord and to the fullest extent permitted by law, Tenant shall indemnify and hold harmless the Landlord, its agents and employees, from and against all claims, damages, liabilities, losses

and expenses of whatever nature (including but not limited to court costs and reasonable attorneys' fees), the cost of any repairs to the Premises or Building necessitated by activities of the Tenant or Tenant's Contractor, bodily injury to persons or damage to property of the Landlord, its employees, agents, invitees, licensees, or others, arising out of or resulting from the violation by Tenant of any of the terms and provisions of this Section 3 (e) and/or the performance of the Tenant's Work by the Tenant or Tenant's Contractor.

- f. On or before August 20, 2001, in connection with the completion of Construction, NLCP and Howland, with the assistance of CPS's Department of Operations shall, separately from this Lease, prepare a mutually agreeable schedule for the moving and relocation of their respective facilities to conform to the final plans and layout of the Building, including the Premises.
  - g. Landlord agrees to reasonably cooperate with the Tenant in connection with Tenant's procurement of the necessary permits or governmental approval required to complete Tenant's Work.
4. Operation and Maintenance. Building related services, including maintenance, janitorial, water, heat, electric, timing, fire/warning systems, trash removal and standard level security will be provided and paid for by Landlord as part of this Lease at no additional cost to Tenant. The foregoing shall be provided to the Tenant according to the same standards that are provided to other public high schools of approximately the same size as the Building and number of students that are in the Building.
5. Use of Premises.
- a. The Tenant shall have the right to use and occupy the Premises and the Shared Areas as a Charter School and all uses incidental thereto (the "Use"). Tenant shall have exclusive use and unrestricted access to the Premises (outlined in red on Exhibit A) including any allocated storage space and shall have non-exclusive use of the Shared Areas (outlined in green on Exhibit B), including the non-exclusive use of staff bathrooms, during the hours and pursuant to the terms outlined on Exhibit C.
  - b. By August 20, 2001 and by June 1st of each subsequent academic year, the principals of NLCP and Howland shall mutually create and agree on a basic schedule that will govern the use of the Shared Areas for the following academic year. This Lease is based on the principle of equal co-occupancy and equal right of access to the Shared Areas.
  - c. Some or all of certain technical, communication, and networking infrastructure and

equipment may be located in space designated as either "Howland's Space" or "NCLP's Space". Both Howland and NLCP shall have non-exclusive access to any and all facilities needed for the maintenance and operation of their respective Systems as defined in Section 8 below. Such facilities shall be treated as "Shared Areas" for the purposes herein.

6. Supervision of Custodial Staff. The principal appointed to serve at Howland will formally supervise the facilities' staff (the janitors and engineer) according to the specifications outlined in Exhibit D. The principal of NLCP will have authority to direct the staff activities as they pertain to or relate to activities located in or concerning the Premises. If any dispute arises between NLCP and the facilities staff, said matters will be brought to the Howland principal for redress. The Howland Principal will work in good faith to resolve these issues promptly. If said issues are not addressed promptly or fairly, Section 7 of this Lease shall apply.
7. Conflict Resolution. Should conflicts arise between Howland and NLCP pertaining to usage of the Building that cannot be resolved between the respective school principals who are required to work in good faith to resolve such disputes, Howland and NLCP may appeal to a mediation board ("Mediation Board") established to make decisions in these matters. The Mediation Board shall consist of business representatives other than the Principals of either school ("Representative" or "Representatives") chosen by each party. The Mediation Board shall be a "standing committee" in order that the Representatives are identified prior to any particular dispute resolution. Upon written notice, either party may change their Representative at any time. Decisions made by the Mediation Board shall be final and binding on the parties.
8. Alterations and Modifications. Except for Tenant's Work (which is governed by Section 3 (e) above), Tenant shall not make any additions, alterations, or improvements to the Premises without obtaining the prior written consent of Landlord. Notwithstanding the foregoing, Tenant shall, without Landlord's consent, have the right to make alterations or minor decoration within the Premises, up to the sum of \$15,000.00, employing contractors selected by Tenant (in accordance with the provisions of Section 3 (e) above), provided such alterations and decorations at all times: (a) are in keeping with the standards of Tenant's existing Premises and the Building; (b) do not interfere with the safety and operation of the Premises or the Building; (c) do not affect the structure of the Building or the Building's systems such as mechanical, electrical, plumbing, HVAC or other Building systems serving, located in, or passing through the Premises (collectively the "Systems"); and (d) Tenant has given fifteen (15) days advance written notice to the Principal and Building Engineer of Howland.
9. Indemnification. Tenant and Landlord agree to indemnify, defend and hold harmless each other, and their respective officers, directors, board members, employees, agents, affiliates, and representatives, and all other parties claiming by, through or under any of the preceding, from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), property damage,



causes of action, losses, expenses, damages or penalties, including, without limitation, court costs and attorneys' fees, arising or resulting from, or occasioned by or in connection with any act or omission to act (whether negligent, willful, wrongful or otherwise) by the other party, its officers, directors, board members, students, employees, agents, affiliates or other representatives.

10. Insurance/Mutual Wavier of Subrogation. Tenant shall name the Board as an additional named insured under its Comprehensive General Liability Policy. Upon the execution of this Lease, Tenant shall provide the Landlord with a binding Certificate of Insurance providing that there will be no cancellation or termination thereof unless Landlord receives thirty (30) days prior written notice. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease or anyone claiming by, through or under them and (b) such party is then either covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof. By this Section 10, Landlord and Tenant intend, and hereby agree, that the risk of loss or damage to property shall be borne solely by the parties' insurance carriers. It is hereby agreed that Landlord and Tenant shall look solely to, and seek recovery from, only their respective insurance carriers in the event a loss is sustained for which insurance is carried or is required to be carried under this Lease. Landlord and Tenant expressly waive any and all claims against each other with respect to claims, damages, or losses for which insurance is carried or required to be carried hereunder. For this purpose, applicable deductible amounts shall be treated as though they were recoverable under such policies. If Landlord or Tenant elects to self-insure any of the insurance required of Landlord or Tenant hereunder, the party electing to self-insure shall be considered an insurance carrier for purposes of this Section 10.
  
11. Return of Premises. Except for Tenant's Work and alterations and additions approved by Landlord under Section 8 of this Lease, upon the termination of this Lease, Tenant shall immediately vacate and surrender the Premises, returning the same to Landlord in the condition it was in when Tenant took possession thereof, excepting ordinary wear and tear, fire and other casualty.
  
12. Notice. All notices required hereunder shall be in writing and shall be deemed properly served if delivered in person or if sent by registered or certified mail, with postage prepaid and return receipt requested, to the following addresses (or to such other addresses, as either party may subsequently designate in writing):

If to Landlord:	Department of Real Estate Board of Education of the City of Chicago 125 S. Clark Street, 16th Floor
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Chicago, Illinois 60603

and a copy to: Law Department  
Board of Education of the City of Chicago  
125 S. Clark Street, 7th Floor  
Chicago, Illinois 60603  
Attn: General Counsel

If to Tenant: Steans Family Foundation  
405 North Wabash Avenue  
Suite P-2 South  
Chicago, Illinois 60611  
Attn: Greg Darnieder

and a copy to: North Lawndale College Preparatory Charter High School  
1616 South Spaulding Avenue  
Chicago, Illinois 60623  
Attn: Principal

13. Rules and Regulations. Landlord may promulgate reasonable rules and regulations with respect to the use of the Shared Areas and, upon notice thereof, Tenant agrees to comply with and observe same. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of this Lease in the same manner as if they were contained herein as covenants. Landlord reserves the right, from time to time, to amend or supplement said rules and regulations in a reasonable manner and to adopt and promulgate additional rules and regulations applicable to the Premises and the Building. Notice of such additional rules and regulations and amendments or supplements to the existing rules and regulations shall be given to Tenant. Notwithstanding the above, no rules or regulations shall significantly interfere with Tenant's use and enjoyment of the Premises.
14. 105 ILCS 5/34 Provisions.
  - a. This Lease is not legally binding on the Landlord 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 of Education members during the one-year period following expiration of other termination of their terms of office.
  - b. Each party to this Lease 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.

15. Board of Education Ethics Code. The Board of Education Ethics Code (95-0927-RU3), adopted September 27, 1995, and as amended from time to time, is hereby incorporated into and made a part of this Lease as if fully set forth herein.
16. Board of Education Indebtedness Policy. Tenant agrees to comply with the Board of Education Indebtedness Policy (95-0726-EX3), adopted July 26, 1995, and as amended June 26, 1996 (96-0626-PO3), which is hereby incorporated into and made a part of this Lease as if fully set forth herein. The Board shall be entitled to set off an amount due hereunder equal to such sum or sums as may be owed by the Tenant to the Board, the State of Illinois Student Assistance Commission, the City of Chicago or the County of Cook for which the period granted for payment has expired and the amount of fines for any parking ticket, notice of parking violation, or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified in the complaint. Notwithstanding the above, the Board may decline to so set off such sums if the Tenant (i) has entered into an agreement with the Board, or any other entity mentioned, for payment of all amounts owed and is in compliance with such agreement, (ii) is contesting liability for or the amount owing in a pending administrative or judicial proceeding, or (iii) has filed a petition in bankruptcy and the amounts owed are dischargeable in bankruptcy.
17. Government Law. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.
18. Non-Appropriation of Funds. The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made and, therefore, any expenditures beyond the current fiscal year are deemed to be contingent liabilities only, subject to appropriation in the subsequent fiscal year budget.
19. Covenant Against Liens. Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Building or Premises, and any liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and in case of any such lien attaching, Tenant covenants and agrees, promptly upon notice of such lien attaching, to cause it to be released and removed of record.
20. Default and Remedies.
  - A. Tenant's Default and Landlord's Remedies.

a. Each of the following shall constitute a breach of this Lease by Tenant and Tenant shall be in default hereunder if: (i) Tenant fails to make any payment required hereunder within five (5) days of written notice that the payment is due; (ii) Tenant fails to observe or perform any of the other covenants, conditions or provisions of this Lease or under the Work Letter to be observed or performed by Tenant and Tenant fails to cure such default within thirty (30) days after written notice thereof to Tenant; provided, however, Tenant shall have such additional time to cure a non-monetary breach as may be reasonably necessary, so long as Tenant commences such cure with such thirty (30) day period and thereafter proceeds with reasonable diligence to complete such cure (however, in no event, shall the time for completion of the cure exceed ninety (90) days); (iii) the interest of Tenant in this Lease is levied upon under execution or other legal process; (iv) a petition is filed by or against Tenant to declare Tenant bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Federal Bankruptcy Code, or any amendment, replacement or substitution therefor, or to delay payment of, reduce or modify Tenant's debts, or upon the dissolution of Tenant; (v) Tenant is declared insolvent by law or any assignment of Tenant's property is made for the benefit of creditors; (vi) a receiver is appointed for Tenant or Tenant's property; or (vii) Tenant abandons the Premises, it being understood that summer breaks and legal holidays shall not constitute abandonment.

b. In the event of any breach of this Lease by Tenant, Landlord at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, terminate this Lease and Tenant's right of possession of the Premises and recover all damages to which Landlord is entitled under law, specifically including, without limitation, all payments due under this Lease and all Landlord's expenses of reletting (including repairs, reasonable legal fees and brokerage commissions).

c. Tenant shall pay upon demand, all costs and expenses, including reasonable attorney's fees, incurred by Landlord in successfully enforcing the observance and performance by Tenant of all covenants, conditions and provisions of this Lease to be observed and performed by Tenant, or resulting from Tenant's default under this Lease.

#### B. Landlord's Default and Tenant's Remedies

a. The following shall constitute a breach of this Lease by Landlord and Landlord shall be in default hereunder if: Landlord fails to observe or perform any of the covenants, conditions or provisions of this Lease or under the Work Letter to be observed or performed by Landlord and Landlord fails to cure such default within thirty (30) days after written notice thereof to Landlord; provided, however, Landlord shall have such additional time to cure the breach as may be reasonably necessary, so long as Landlord commences such cure with such thirty (30) day period and thereafter proceeds with reasonable diligence to complete such cure.

- b. In the event of any breach of this Lease by Landlord, Tenant at its option, without further notice or demand to Landlord, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, terminate this Lease and recover all damages to which Tenant is entitled under law.
- c. Landlord shall pay upon demand, all costs and expenses, including reasonable attorney's fees, incurred by Tenant in successfully enforcing the observance and performance by Landlord of all covenants, conditions and provisions of this Lease to be observed and performed by Landlord, or resulting from Landlord's default under this Lease.
21. Maintenance By Tenant. Tenant shall, at its own cost and expense, maintain the Premises in a good and clean condition. Any maintenance that permanently affects the exterior of the Building or the Systems must be pre-approved in writing by Landlord.
22. Sublease or Assignment.
- a. Tenant shall not, without Landlord's prior written consent, which in each instance, may be withheld at the sole discretion of Landlord: (i) assign, transfer, hypothecate, mortgage, encumber, or convey this Lease or subject to or permit to exist upon this Lease or cause this Lease to be subjected to any lien or charge; (ii) allow any transfer of, or any lien upon, Tenant's interest in this Lease by operation of law; (iii) sublet the Premises in whole or in part; or (iv) allow the use or occupancy of any portion of the Premises for a use other than the Use or by anyone other than Tenant or Tenant's employees.
- b. If during the Term, the ownership or the control of Tenant changes or Tenant is no longer a not-for-profit entity, Tenant shall notify Landlord of such change within five (5) days thereof, and Landlord, at its option, may at any time thereafter terminate this Lease by giving Tenant written notice of said termination at least sixty (60) days prior to the date of termination stated in the notice and the provisions of Section 3 (c) shall be applicable to such termination. The term "control" as used herein means the power to directly or indirectly direct or cause the direction of the management or policies of Tenant.
- c. Tenant shall, by notice in writing, advise Landlord of its intention from, on and after a stated date (which shall not be less than sixty (60) days after the date of the giving of Tenant's notice to Landlord) to assign this Lease or sublet any part or all of the Premises for the balance or any part of the Term, and, in such event, Landlord shall have the right, to be exercised by giving written notice to Tenant within thirty (30) days after receipt of Tenant's notice, to terminate this Lease with respect to the space described in Tenant's notice as of the date stated in Tenant's notice for the commencement of the proposed assignment or sublease and the provisions of Section 3 (c) shall not apply. Tenant's notice shall include the name and address of the proposed assignee or subtenant,

a true and complete copy of the proposed assignment or sublease and sufficient information as Landlord deems necessary to permit Landlord to determine the financial responsibility and character of the proposed assignee or subtenant. If Tenant's notice covers all of the Premises and, if Landlord exercises its right to terminate this Lease as to such space, then the Term of this Lease shall expire and end on the date stated in Tenant's notice for the commencement of the proposed assignment or sublease as fully and completely as if that date had been the expiration date of this Lease.

d. Landlord's consent to any assignment or subletting shall not release Tenant of liability under this Lease or permit any subsequent prohibited act, unless specifically provided in such written consent. Tenant agrees to pay to Landlord, on demand, all reasonable costs incurred by Landlord in connection with any request by Tenant of Landlord for Landlord's consent to any assignment or subletting by Tenant.

23. Destruction of Premises.

a. If the Premises are destroyed or injured by any cause and such destruction or injury can reasonably be repaired within one-hundred twenty (120) days after the happening of such destruction or injury, then Tenant shall not be entitled to surrender possession of the Premises, nor shall Tenant's liability to make any payment under this Lease cease, but in the event of such destruction or injury Landlord shall complete such repairs within one-hundred twenty (120) days after the occurrence of such destruction or injury.

b. If the destruction or injury of the Premises cannot reasonably be repaired within one-hundred twenty (120) days after the occurrence thereof, Landlord shall notify Tenant within thirty (30) days after the happening of such destruction or injury whether or not Landlord will repair or rebuild. If Landlord elects not to repair or rebuild, this Lease shall be terminated and the provisions of Section 3 (c) shall apply. If Landlord elects to repair or rebuild, Landlord shall specify the time within which repairs or construction will be completed, and Tenant shall have the option within thirty (30) days after the receipt of such notice to elect to terminate this Lease (and the provisions of Section 3 (c) shall apply) without further liability hereunder. If Landlord fails to complete restoration of the Premises within the specified time, then Tenant, at its election, may terminate this Lease and quit the Premises upon written notice to Landlord (and the provisions of Section 3 (c) shall apply). Unless this Lease is terminated by Landlord or Tenant hereunder, Tenant shall repair and refixtue the interior of the Premises in a manner and to at least a condition existing prior to its destruction.

c. If twenty-five percent (25%) or more of the useable area of the Building or Shared Areas are damaged or destroyed by fire or other casualty, even if the Premises are undamaged, Landlord may terminate this Lease by giving Tenant thirty (30) days' prior written notice of Landlord's election to terminate (and the provisions of Section 3 (c) shall apply). Notice must be given within

sixty (60) days following the occurrence.

24. Condemnation If the Premises are acquired or condemned by any governmental authority, in whole or in part, such that the Premises are unsuitable for the business of Tenant, in Tenant's reasonable business judgment, then the term of this Lease shall terminate as of the date of title vesting, and Tenant shall have no claim against Landlord, or the condemning authority for the value of any unexpired term of this Lease, and the provisions of Section 3 (c) shall apply. Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemner, but not from Landlord, compensation for loss of Tenant's trade fixtures and relocation expenses, if such claim can be made separate and apart from any award to Landlord and without prejudice to Landlord's award. In the event of partial condemnation not rendering the Premises unsuitable for the business of Tenant, Landlord shall promptly restore the Premises to a condition comparable to its condition at the time of the condemnation, less the portion lost by condemnation, and this Lease shall continue in full force. If twenty-five percent (25%) or more of the useable area of the Building is condemned, even if the Premises are not affected, Landlord may terminate this Lease by giving Tenant thirty (30) days prior written notice to Tenant of Landlord's election to terminate and the provisions of Section 3 (c) shall apply.
25. Miscellaneous.
- a. Waiver. No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default and if such default be repeated, no express waiver shall affect any default other than the default specified in the express waiver then and only for the time and to the extent therein stated. Receipt of any payments by Landlord, with knowledge of any breach of this Lease by Tenant or of any default by Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No term or covenant of this Lease shall be deemed waived by Landlord unless such waiver is in writing.
- b. Force Majeure. If either party hereto shall be delayed or hindered or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials or services, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, rebellion, hostilities, military or usurped power, sabotage, through an act of God or beyond the control of the party delayed in the performing of work or doing the acts required hereunder, then performance of such act shall be excused for the period of the delay and the period for the performance of any act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not operate to excuse Tenant from any payments required under this Lease.
- c. Captions and Paragraph Numbers. The captions and paragraph numbers appearing in this

Lease are inserted only as a matter of convenience and they in no way define, limit or describe the scope or intent of such paragraph nor in any way affect this Lease.

- d. Partial Invalidity. If any term or covenant of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease or the application of such term or covenant to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term and covenant of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- e. No Option. The submission of this Lease for examination does not constitute a reservation of or an option for the Premises and this Lease only becomes effective upon the execution and delivery thereof by the Landlord and the Tenant.
- f. Payment of Costs and Expenses. The defaulting party, as determined by a court of competent jurisdiction, shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by the prevailing party in enforcing the covenants and terms of this Lease.
- g. Limitation of Liability. There shall be no personal liability on any persons, firms or entities which constitute Landlord or Landlord's beneficiaries with respect to the terms of this Lease, and Tenant shall look solely to the interests of Landlord in the Building for the satisfaction of any remedy of Tenant in the event of Landlord's default hereunder. Landlord agrees that no board member, trustee, employee, agent, officer or official of Tenant shall be personally charged by Landlord with any liability or expense under this Lease or be held personally liable under this Lease to Landlord.
- h. Entire Agreement. This Lease represents the entire agreement between Landlord and Tenant and supersedes all prior negotiations, representations or agreements, whether written or oral. This Lease may be amended or modified only by a written instrument executed by both Landlord and Tenant.
- i. Exhibits. All exhibits attached hereto are hereby incorporated into this Lease by this reference and expressly made a part of this Lease.
- j. No Third Party Beneficiary. This Lease is not intended and shall not be construed so as to grant, provide or confer any benefits, rights, privileges, claims, causes of action or remedies to any person or entity as a third party beneficiary under any statutes, laws, codes, ordinances or otherwise.



- k. Landlord's Title/Tenant Recovery. The Landlord's title is and always shall be paramount to the title of the Tenant, and nothing herein contained shall empower the Tenant to do any act which can, shall or may encumber such title. If Landlord shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease and if Tenant shall, as a consequence thereof, recover a money judgment against Landlord, Tenant agrees that it shall look solely to Landlord's right, title and interest in and to the Building for the collection of such judgment, that being the sole asset to which Tenant may look for payment of any such judgment; and Tenant further agrees that no other assets of Landlord, wherever situate, shall be subject to levy, execution or other process for the satisfaction of Tenant's judgment and that Landlord shall not be liable for any deficiency.
  
- l. Estoppel Certificate. Tenant shall, at any time and from time to time upon not less than ten (10) days prior written request from Landlord, execute, acknowledge and deliver to Landlord, in form reasonably satisfactory to Landlord a written statement certifying (if true) that Tenant has accepted the Premises; that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that the Landlord is not in default hereunder; the date to which Rent and other charges have been paid in advance, if any, and such other accurate certification as may reasonably be requested by Landlord. It is intended that any such statement delivered pursuant to this subsection may be relied upon by any prospective purchaser or mortgagee of the Premises and their respective successors and assigns.
  
- m. Successors and Assigns. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, and permitted successors and assigns. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by Landlord herein, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.
  
- n. Time of the Essence. Time shall be of the essence hereof.
  
- o. 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. Whenever herein the singular number is used, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

p. Counterparts. This Lease may be executed in several counterparts and the counterparts shall constitute one and the same instrument.

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

**LANDLORD:**

BOARD OF EDUCATION OF  
THE CITY CHICAGO

Michael N. Mayo  
Name: MICHAEL N. MAYO  
Its: BOARD MEMBER

Attest: Sharon M. Revello  
By: Sharon Revello, Secretary

**TENANT:**

NORTH LAWNDALE COLLEGE  
PREPARATORY CHARTER HIGH SCHOOL

[Signature]  
By: Greg Darnieder, President

Attest: Eileen Sweeney  
By: Eileen Sweeney, Secretary

Board Report Number: 01-0725-OP3-D

Approved as to legal form:

[Signature]

Marilyn F. Johnson  
Marilyn F. Johnson, General Counsel

**EXHIBIT A**

**PREMISES**

See Attached

**EXHIBIT B**

**SHARED AREAS**

See Attachment to Exhibit A

## EXHIBIT C

### SCHEDULE OF EXCLUSIVE USE OF SHARED AREAS

To be attached following receipt of hours and terms for use of the auditorium and gymnasium, which hours and term sheet will be provided by NLCP and Howland Elementary by August 20, 2001 for the auditorium and the gymnasium.

**EXHIBIT D**

JANITORIAL SPECIFICATIONS

See Attached

*Cle M. King*

CUSTODIAN MANAGEMENT SERVICES AGREEMENT

This CUSTODIAN MANAGEMENT SERVICES AGREEMENT (the "Agreement") effective this 1st day of March, 2001, is entered into by and between the Board of Education of the City of Chicago (the "Board"), a body politic and corporate, located at 125 S. Clark Street, Chicago, IL, and Ashley's Cleaning Services ("Manager"), an Illinois corporation, located at 717 East 79th Street, Chicago, IL 60619.

RECITALS:

A. The Board desires that Manager render custodian management services to the Board on behalf of the Chicago Public Schools' Custodial Program ("CPS Custodial Program") as more fully detailed herein; and

B. Manager has demonstrated expertise in providing such services, has represented that it has the requisite knowledge, skill, experience and other resources necessary to perform such services, and is desirous of providing such services to the Board.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises and covenants herein contained, the parties agree as follows:

1. **Incorporation of Recitals:** The matters recited above are hereby incorporated into and made a part of this Agreement.
2. **Term:** This Agreement is for a term commencing March 1, 2001 and ending February 28, 2003 (the "Term"), unless terminated sooner as provided herein.
3. **Sheltered Market:** This Agreement has been selected for inclusion in the Board's Sheltered Market Program in accordance with the Remedial Plan for Minority and Women Business Enterprise Economic Participation Program adopted by the Board on January 30, 1991, authorizing the Board to implement the Sheltered Market Program. In furtherance of this program, Manager represents that it is either a (i) Minority Business Enterprise (MBE): A business awarded certification by the City of Chicago as a minority owned and controlled business, authorized to perform in the specialty area of property management or janitorial services; or (ii) Women Business Enterprise (WBE): A business awarded certification by the City of Chicago as a women owned and controlled business, authorized to perform in the specialty area of property management or janitorial services.
4. **Collective Bargaining Agreement:** Manager represents that it is signatory to a collective bargaining agreement with a labor union whose purpose is to protect the interest of custodial workers.
5. **Services:** Manager agrees to provide all custodial workers ("Workers") required herein and to provide those services stated on Exhibit A attached hereto and incorporated herein in connection with the CPS Custodial Program ("Services"). All Services shall be provided in accordance with the Board's Baseline Cleaning Specification as set forth in Exhibit B attached hereto and incorporated herein. All Services shall be performed in accordance with the terms and conditions of this Agreement and to the satisfaction of the Board's Chief Operating Officer.

*AK*

6. **Service Area(s):** Manager shall perform the Services in the following assigned areas ("Service Area"(s)): Service Area A, which is comprised of Board facilities located in Region 1 and the western half of Region 3, having a total square footage of 16,019,896.

The Board reserves the right to increase or decrease Manager's Service Area(s), and thus the square footage being managed, as deemed necessary and appropriate by the Board. Any such change in a Service Area(s) or a reassignment of facilities located within a Service Area will be immediately communicated to Manager in writing, including an explanation for such change or reassignment. Any adjustment to Manager's Management Fee (as defined below) due to any increase or decrease of the square footage assigned to Manager shall be reconciled in Manager's monthly invoice immediately following such increase or decrease.

7. **Compensation:** Manager shall be paid a management fee ("Management Fee") for the Services at the rate of \$0.16 per square foot per annum of the facilities assigned Manager within its Service Area(s), payable monthly as provided in paragraph 19 below. The Management Fee shall include all of Manager's expenses and overhead to provide the Services, except for those specific reimbursable items noted herein. In addition, Manager shall be reimbursed for actual salaries (which must be in accordance with the rates set forth below which are based on the BOMA Chicago rates, but no more than such rates), actual health and welfare benefits (which must be in accordance with BOMA Chicago Health and welfare standards), criminal background screenings, and uniforms (not to exceed \$200 per employee per year), all as further defined herein. In the event Manager, pursuant to the terms of its collective bargaining agreement, is obligated to pay hourly rates and health and welfare benefits which exceed the BOMA Chicago wage rates or BOMA Chicago health and welfare requirements, Manager will not be reimbursed by the Board for such excess.

8. **Wages and Benefits:** Manager shall guarantee that all of its Workers are paid in accordance with the terms and conditions of its collective bargaining agreement, but all such wages must be at least equal to the wage scale set forth below, which wage scale is in accordance with BOMA Chicago rates. Wages will be paid by Manager and reimbursed by the Board (up to the amounts stated below) upon submission of all appropriate documentation on a monthly basis within ten (10) business days of the Board's receipt of a complete invoice package:

- (1) Full-time Workers (based on a regular two-week work period between 41-80 hours):

\$8.45 per hour first year of employment with CPS Custodial Program

\$8.95 per hour second year of uninterrupted employment with CPS Custodial Program

\$9.45 per hour third year of uninterrupted employment with CPS Custodial Program

\$9.95 per hour fourth year of uninterrupted employment with CPS Custodial Program

\$11.85 per hour fifth year of uninterrupted employment with CPS Custodial Program

- (2) Part-time Workers (based on a regular two-week work period of 40 hours or less):

\$8.00 per hour

- (3) Part-time Student Trainees (based on a regular two-week work period of 40 hours or less):

\$7.50 per hour



All Workers currently employed as privatized custodians servicing a Board facility shall not experience any decline in their rate of pay. All Workers shall be paid at a rate consistent with their continuous length of service in the CPS Custodial Program at any Board facility, regardless of such Worker's employer.

9. **Seniority, Probation and Overtime:** The term "seniority" herein refers to the length of service a Worker has had with the CPS Custodial Program regardless of his/her tenure with an individual employer. Seniority shall not be broken or ceased except by discharge for cause, resignation, or layoff. The Board and Manager shall cooperate in determining the proper seniority of all Workers providing service to the Board under this Agreement. There will be no probationary wage for Workers servicing this Agreement. Furthermore, Manager will not be reimbursed for overtime pay unless the Manager has received prior written authorization for such overtime services from an appropriate Board representative.

10. **Part-Time Workers/Student Trainees:** Workers working forty (40) hours or less within a regular two-week work period shall be designated as part-time employees. Workers working between forty one (41) hours and eighty (80) hours within a regular two-week work period shall be designated as full-time employees. Part-time employees may constitute up to 15% of Manager's total workforce servicing this Agreement, but no more at any given time. This percentage also includes those Workers designated as student trainees. Manager shall initiate and implement a student/apprentice program to the fullest extent practicable in performing the Services. Manager shall pay each student trainee the aforementioned wage rate for Part-time Student Trainees. Manager shall insure that such program adheres to any criteria established pursuant to the Illinois School Code or other applicable regulatory agency. Such program will include high school students age eighteen (18) or over in work activities that expose them to the janitorial/sanitation industry. Manager must assign at least twenty-five student trainees per Region for the first year of this Agreement. For the second year of this Agreement, Manager is required to assign 50 student trainees per Region. However, the Board reserves the right to change the number of required student trainees per Region. Manager shall submit monthly reports to the Departments of Operations and Procurements relative to the progress of the program. This program shall include custodial service, custodial supervision, and programmatic curriculum such as safety and proper cleaning procedure training specific to the type of services provided in the janitorial industry. Manager shall submit a description of proposed training to the Department of Operations.

11. **Health and Welfare Benefits:** Manager must provide a health and welfare benefits package that must, at a minimum, include those elements set forth in the BOMA Chicago's Health and Welfare Standards for full-time employees, which standards are included on Exhibit C, attached hereto and incorporated herein. Manager shall be reimbursed for all such health and welfare benefits, up to a maximum of the BOMA Chicago requirements. In no event shall Manager be reimbursed for health and welfare benefits in excess of the BOMA Chicago requirements.

12. **Holidays:** Manager shall ensure that its Workers are provided with paid days of leisure without work responsibilities on all of the days set forth by the Board as Holidays for this population of workers. This holiday benefit shall be provided at a minimum to all full-time Workers servicing this Agreement. These full-time Workers shall be paid for holidays at their regular rate of compensation based on their full-time employment status. The Board reserves the right to change the holiday schedule with 24-hours notice; however, the regularly scheduled holidays are indicated below. Also, all Workers shall receive two (2) floating holidays per year to be used at their discretion. The following is a list of the designated holidays: Labor Day, Memorial Day, Christmas Day, Martin Luther King's Birthday, Independence Day, Thanksgiving Day, New Years Day, and Two (2) Floating Days.

13. **Residency:** Manager shall exert its maximum best efforts to fill janitorial vacancies with persons who reside within their assigned Service Areas. All of Manager's Workers servicing this Agreement are required to reside in the City of Chicago. Manager shall verify compliance with this requirement upon request from the Board.

14. **Existing Custodial Workforce:** Manager agrees to use its best efforts to retain the existing custodial workforce at each Board facility within its assigned Service Area. Manager agrees to execute any transition of service with the least amount of disruption to normal custodial service at each Board facility. If Manager hires a Worker who has been terminated or voluntarily quits working for a different manager servicing the CPS Custodial Program, such Worker shall lose his/her seniority status and shall begin working for Manager at the introductory wages and benefits scale.

15. **Supplies:** The Board shall furnish all cleaning supplies and equipment required to provide the Services. Storage and janitorial areas will be made available to Manager at all facilities.

16. **Manager Personnel Requirements:** Manager must require that all of its Workers, before commencing Services for the Board, successfully pass a criminal background check, health test, and all training requirements specified herein. Manager shall arrange for the criminal background screenings of all Workers servicing this Agreement in accordance with the policies and procedures of the Board. Criminal background screenings must be performed annually for all Workers servicing this Agreement and shall include a search in any state or county in which the Worker has been employed. Manager shall present to the Board current criminal background checks for its Workers servicing this Agreement prior to the beginning of each school year and on an on-going basis at the request of the Board. The cost of such criminal background screenings shall be paid by Manager (and not the Worker) and will be reimbursed to Manager by the Board. Additionally, Manager shall be responsible for ensuring that all Workers hired for the CPS Custodial Program undergo tuberculosis and Hepatitis B screenings. The cost of such health related screenings will not be reimbursed by the Board. Manager shall also provide all Workers with the proper training, as further defined in Exhibit A, prior to assigning any Worker to a Board facility.

Manager shall not assign any Worker to a Board facility until he/she has received satisfactory results from the criminal background check, Hepatitis B and tuberculosis tests, and training. Manager must, prior to the subject Worker reporting for work at a Board facility, provide the school's principal with an endorsement certificate as proof of the Worker's successful completion of criminal background check, required medical testing, and training. This endorsement certificate is required for each custodial Worker entering a Board facility for the purpose of performing work-related functions, including substitute service.

Manager shall maintain a file for each Worker servicing this Agreement. Included in each Worker's file shall be documentation including, but not limited to, a statement signed by a licensed physician relative to the TB and Hepatitis B tests, certification from an authorized entity relative to the criminal background screening, a copy of the Worker's endorsement certificate, and a copy of all training received.

17. **Communication:** All Workers of Manager must possess functional written and verbal skills in English sufficient to communicate with Board staff, and to read and understand equipment and supply instructions, labels, and safety requirements.

18. **Uniform:** Manager shall require all Workers assigned to any Board facility to wear a suitable uniform that is acceptable to the Board during the time the Workers are at a Board facility. Every Worker must wear an identification badge at all times while working at a Board facility. Uniforms shall be clean and neat, have the name of the Worker affixed on the front, and be of a consistent color and design. Workers in violation of the uniform policy shall be subject to immediate dismissal from the assigned work site. Manager is responsible for all costs associated with uniform purchase/rentals to comply with this requirement. Expenses borne by Manager for uniforms shall be reimbursed by the Board, but shall not exceed \$200 per Worker per year.

19. **Invoicing:** Manager shall submit a monthly invoice for its management fee ("Management Fee Invoice") and an invoice every two (2) weeks for its reimbursable expenses ("Reimbursables Invoice") including wages of its Workers showing hours worked at each Board facility. Manager's Reimbursables Invoice shall reflect

separate sections to itemize charges for 1) Workers in the substitution pool, 2) Workers serving privatized schools, 3) Workers serving mixed schools and, 4) other reimbursable expenses. The Board reserves the right to request additional sections or information to be provided on each invoice and/or itemize any charges related to this Agreement. Invoices must be accompanied by relevant documentation including, but not limited to, current payroll registers. Payment will be made only for Services actually provided during the billing period. In the event it is determined that the Board has paid Manager for Services not rendered, the Board may, in addition to all other rights and remedies available hereunder, deduct such overpayment from Manager's next Management Fee Invoice. All payments are subject to offset and reduction by the Board in accordance with the Board's Indebtedness Policy.

Manager shall forward original invoices to the Department of Operations-Finance & Administration, to apply against this Agreement. All invoices must be signed and dated.

Manager shall invoice for overtime only if it is approved in writing by a Board representative or principal of a school. The school principal who requested and approved overtime service shall be responsible for payment of said overtime. In such instances, Manager shall invoice the school directly for these services.

20. **Underpayment of Salaries:** If in the performance of this Agreement there is any underpayment of salaries by Manager, the Board may withhold from Manager, out of payments due to it for its management fee, an amount sufficient to pay to Workers underpaid the difference between the salaries required to be paid and the salaries actually paid such Workers for the total number of hours worked. The amounts withheld shall be disbursed by the Board to Manager's Workers to whom they are due. In the event the Board is required to withhold and disburse said amounts of underpaid salaries to Workers of Manager, the Board shall also withhold from Manager's compensation a sum equal to the Board's cost to administer the payment of said balance of salaries due.

21. **Non-appropriation:** Expenditures not appropriated by the Board in its current fiscal year budget are deemed to be contingent liabilities only and are subject to appropriation in subsequent fiscal year budgets. In the event sufficient funds are not appropriated in a subsequent fiscal year by the Board for performance under this Agreement, the Board shall notify Manager and this Agreement shall terminate on the last day of the fiscal period for which funds were appropriated.

22. **Termination:**

a. **Termination for Convenience.** If at any time during the term of this Agreement, the Board determines, in its sole discretion, that the Services provided by Manager are no longer in its best interest, the Board shall have the option to terminate this Agreement upon thirty (30) calendar days written notice to Manager.

b. **Suspension of Services.** The Board may, on thirty (30) calendar days written notice, request that Manager suspend Services in whole or part. Manager shall promptly resume performance of Services upon written notice from the Board and upon such equitable extension of time as may be mutually agreed upon in writing by the Chief Purchasing Officer and Manager. Responsibility for any additional costs or expenses actually incurred by Manager as a result of remobilization shall be determined by mutual agreement of the parties.

c. **Manager Events of Default.** Events of default ("Events of Default") include, but are not limited to, the following:

- 1) Any material misrepresentation by Manager in the inducement of this Agreement or the performance of Services.
- 2) Breach of any agreement, representation or warranty made by Manager in this Agreement.

- 3) Failure of Manager to perform in accordance with or comply with the terms and conditions of this Agreement, including, but not limited to, the following:
  - a) Action or failure to act which affects the safety and/or welfare of students or Board staff
  - b) Failure to perform in accordance with terms, conditions and specifications of this Agreement;
  - c) Failure to provide any portion of the Services herein at the time fixed for performance and in the manner specified herein;
  - d) Failure to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the performance of the Services due to a reason or circumstances within Manager's reasonable control;
  - e) Failure to perform the Services in a manner satisfactory to the Board, or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
  - f) Failure to promptly re-perform Services within a reasonable time that were determined by the Board to be incomplete or unsatisfactory;
  - g) Discontinuance of the Services for reasons not beyond Manager's reasonable control;
  - h) Failure to pay the required wages to a Worker;
  - i) Failure to provide Workers with required health and welfare benefits;
  - j) Failure to secure required criminal background screenings and health tests; and
  - k) Failure to comply with any term of this Agreement, including but not limited to, the provisions concerning insurance and nondiscrimination, and any other acts specifically and expressly stated in this Agreement constituting an even of default.
- 4) Default by Manager under any other agreement Manager may have with the Board.
- 5) Assignment by Manager for the benefit of creditors or consent by Manager to the appointment of a trustee or receiver or the filing by or against Manager of any petition or proceeding under any bankruptcy, insolvency or similar law.

d. Remedies. The occurrence of any Event of Default which Manager fails to cure within thirty (30) calendar days after receipt of notice given in accordance with the terms of this Agreement and specifying the Event of Default or which, if such Event of Default cannot be reasonably cured within thirty (30) calendar days after notice, Manager fails to commence and continue diligent efforts to cure in the sole opinion of the Board, may permit the Board to declare Manager in default. Whether to declare Manager in default is within the sole discretion of the Chief Purchasing Officer. Written notification of an intention of the Chief Purchasing Officer to terminate this Agreement, in whole or in part, shall be provided and shall be final and effective upon Manager's receipt of such notice. Upon the giving of such notice as provided in this Agreement, the Board may invoke any or all of the following remedies:

- 1) The right to take over and complete the Services or any part thereof; by agreement or otherwise, as agent for and at the cost of Manager either directly or through others. Manager shall be liable to the Board for any excess costs incurred by the Board. Any amount due Manager under this Agreement or any other agreement Manager may have with the Board may be offset against amounts claimed due by the Board.
- 2) The right to terminate this Agreement, in whole or in part, as to any or all of the Services yet to be performed effective at a time specified by the Board.
- 3) The right to suspend Services during the thirty (30) day cure period if the default results from Manager's action or failure to act which affects the safety and/or welfare of students or Board staff.
- 4) The right to specific performance, an injunction or any other appropriate equitable remedy.
- 5) The right to receive from Manager any and all damages incurred as a result or in consequence of an Event of Default.
- 6) The right to money damages.

- 7) The right to withhold all or part of Manager's compensation under this Agreement.
- 8) The right to deem Manager non-responsible in future contracts awarded by the Board.

If the Board considers it to be in its best interest, it may elect not to declare Manager in default or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the Board and that if the Board permits Manager to continue to provide the Services despite one or more Events of Default, Manager shall in no way be relieved of any responsibilities, duties or obligations under this Agreement nor shall the Board waive or relinquish any of its rights.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall be construed as a waiver of any Event of Default or acquiescence thereto, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

e. Turnover of Documents and Records. Upon demand of the Board after termination of this Agreement for any reason or the expiration of this Agreement by its terms, Manager shall turn over to the Board or its designee within three (3) days of demand, all materials, supplies, equipment owned or purchased by the Board, completed or partially completed work analyses, data, computer disks, documents and any other information relating in any way to this Agreement or the performance or furnishing of Services, except that Manager may keep a copy of such information for its own records.

23. Probation: Manager may be placed on a thirty (30) calendar day probation period ("Probation Period") at a particular Board facility if the Board, or its agent, finds such Board facility in a deficient custodial condition or in a condition that does not meet the Board's Baseline Cleaning Specifications. If Manager cannot rectify the deficient custodial conditions at a Board facility within the Probation Period, liquidated damages will be assessed against Manager.

24. Liquidated Damages: Because of the difficulty in ascertaining and quantifying the actual damages which the Board may sustain should Manager fail to perform Services as required under this Agreement, the Board shall have the right to assess liquidated damages for each failure by Manager to perform the Services required under this Agreement after the Probationary Period, unless however, the deficiencies give rise to health/safety issues, in such event the Board shall have the right to immediately impose liquidated damages. The amount of the liquidated damages for each such failure by Manager is defined below.

Manager shall pay such amounts as fixed, and agreed as liquidated damages and not by way of penalty, to the Board and shall authorize the Board to deduct the amount of such liquidated damages from money due Manager for its management fee. If the monies due Manager are insufficient to pay the liquidated damages, Manager shall pay the Board such amount(s) within thirty (30) calendar days after receipt of a written demand by the Board. The Board shall have the right to elect not to assess liquidated damages in its sole discretion. Failure by the Board to assess liquidated damages in any particular instance or occasion shall not preclude or constitute a waiver of the Board's right to assess such damages at a later time, or on a subsequent occasion. The Board's right to assess liquidated damages shall not preclude the assertion of, or be exclusive of, any other available remedy including the right to terminate this Agreement. Any service issue resulting in an assessment of liquidated damages may also result in loss of an assignment to a Board facility or loss of all Board facility assignments as determined appropriate by the Department of Operations.

Liquidated damages will not be assessed if poor performance results from "*Force Majeure*." The term "*Force Majeure*" as used herein means acts of god, acts of public enemy, blockades, wars, insurrections or riots, landslides, earthquakes, fires, storms, floods, washouts, governmental restraints, either federal or state, civil

or military, civil disturbances, and explosions.

The Board may assess liquidated damages in the amounts set out below, on 1) an "each individual incident" basis, 2) an "each occurrence" basis, or 3) an "each day" basis. Liquidated damages assessed on an "each occurrence" basis will be assessed once for each occurrence. Liquidated damages assessed on an "each day" basis will be assessed daily.

Liquidated Damages may be assessed immediately when it has been deemed that Manager has failed to perform the Services required by this Agreement in a manner that jeopardizes the health and safety of those working, learning, or interacting with the Board facilities being serviced. Liquidated damages may also be assessed when the Probation Period has expired and Manager fails to correct the deficiencies consistent with improving the custodial condition of the relevant Board facility

a. Health and Life Safety Service Failures Resulting In Immediate Assessments of Liquidated Damages:

- 1) For each incident in which a Worker is providing Services without a valid endorsement certificate and proof of completion of health and background testing, Manager will be assessed liquidated damages in the amount of \$1,000.
- 2) For each individual incident of a Worker testing positive for being under the influence of alcohol or illegal drugs while providing Services to a Board facility, Manager will be assessed liquidated damages in the amount of \$500, with possible loss of the individual Board facility assignment or all Board facility assignments.
- 3) For each individual incident of Manager failing to report an injury, assault, incident of harassment, theft, verbal abuse, physical abuse, or threatening language within an hour of their notification of such an occurrence, Manager will be assessed liquidated damages in the amount of \$500.
- 4) For each individual incident in which an audited statement supports Manager's failure to comply with the health and criminal background screening provisions of this Agreement, Manager will be assessed liquidated damages in the amount of \$500.
- 5) For each individual incident in which Manager fails to provide training on the specified days in the manner described in this Agreement, consistent with the expectations of the Board's Baseline Training Specifications as related to Occupational Safety and Health Administration guidelines and blood borne pathogen training, Manager will be assessed liquidated damages in the amount of \$500.
- 6) For each individual incident of a Worker observed at a Board facility who is physically unable to perform his/her duties as assigned or is present with a communicable disease, Manager will be assessed liquidated damages in the amount of \$500.

b. Post-Probation Service Failures Resulting In Assessments of Liquidated Damages:

- 1) For each individual incident in which a privatized facility is placed on probation by the Department of Operations, Manager will be assessed liquidated damages in the amount of \$1,000.
- 2) For each day that Manager fails to comply with the requirement to staff all open positions within 24 hours of notification, Manager will be assessed liquidated damages in the amount of \$100.
- 3) For each day that Manager fails to comply with the requirement that it furnish all relevant parties with the documentation consistent with the quarterly report on the date specified by the Department of Operations, Manager will be assessed liquidated damages in the amount of \$100.

- 4) For each individual incident in which Manager is incapable of producing a detailed sectioning plan for any facility in which Manager provides Services, Manager will be assessed liquidated damages in the amount of \$100.
- 5) For each individual incident in which Manager is incapable of producing a detailed site specific employee job description for any individual servicing any Board facility on behalf of Manager, Manager will be assessed liquidated damages in the amount of \$100.
- 6) For each individual incident in which Manager fails to meet any of the requirements specified in the Board's Baseline Cleaning Specifications, Manager will be assessed liquidated damages in the amount of \$100.
- 7) For each day that Manager fails to comply with the requirement that it furnish all relevant parties with the documentation consistent with the supervision ratio reports on a bi-weekly basis, Manager will be assessed liquidated damages in the amount of \$100.

25. **Re-assignment Resulting from Probation:** If Manager fails to rectify a deficient custodial condition present in a Board facility being serviced by it, the Board reserves the right to remove Manager from said facility and re-assign said facility to a different manager.

26. **Personnel Activities at Schools:** Manager shall require that all Workers change their clothes in the areas designated for such purpose at each Board facility. If Workers eat meals at a facility, they must do so only in areas approved by the principal. Smoking is prohibited in all Board facilities, including school buildings and school grounds.

27. **Losses:** Manager shall prohibit its Workers from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment unless authorized to do so by the principal. Manager shall, at its own expense, repair, replace or otherwise compensate the Board for all losses, unauthorized use, theft or damage related to Services provided by Manager or its Workers under this Agreement.

28. **Site Instructions:** Manager shall require its Workers to cooperate with the school's principal or building engineer and shall work in conjunction with all Board representatives to ensure that the needs of the schools are met.

29. **Status:** Workers that provide Services to the Board under this Agreement shall at all times be deemed employees of Manager and not of the Board. Therefore, Manager shall comply with all Federal, State and City tax requirements and government regulations.

30. **Unacceptable Work:** Manager, at its own expense, shall timely re-execute any work found to be unacceptable by the Board.

31. **Compliance:** Manager shall be appropriately licensed, insured, bonded and shall meet all other requirements specified in this Agreement. Workers of Manager shall conform and adhere to the established building policies and the policies established by a school. Manager shall comply with all OSHA requirements and shall provide documentation of such compliance upon request from the Board. Manager shall develop and maintain a program for all Workers servicing this Agreement to assure compliance with EPA and OSHA guidelines.

32. **Cooperation:** Manager agrees to work cooperatively in a spirit of good faith with the Board, its agents and the principals and employees of all Board facilities. Manager shall meet with the Board whenever necessary to promptly resolve any concerns that arise relative to the administration of the CPS Custodial Program.

33. **Record Keeping and Reporting:** Manager shall maintain and develop a database of disputes and complaints that include the date and time of the report, response and resolution to the dispute, names of the



involved parties and any other action that was required by the dispute. The database will be supplemented and supported by written documentation. Manager shall maintain adequate documentation relative to worksheets and time logs and submit such information to the Board in a Quarterly Service Report. Such documentation shall, at a minimum, include the following information: name of Worker, address, documented results of the TB, Hepatitis B, criminal background screenings and training, a statement as to whether the Worker resides within the boundaries of the City of Chicago, current school assignments, number of Workers assigned to a facility, Worker's status of employment with Manager (including term of employment, tenure with the Board, and documentation of endorsement certificate) and the number of hours worked. Manager shall develop a reporting schedule and mechanism to inform and update the Department of Operations regarding staff compliance with the terms and conditions of this Agreement. Manager shall provide quarterly management reports to the Department of Operations that will include, but not be limited to, the following: Executive Summary, Management Variance Report, Income and Expense Statement, Balance Sheet, Cash Flow Statement, Activity Report, and Security Report. The final report contents will be determined and agreed upon independently with Manager and the Department of Operations.

The Board also requires documentation of supervisors' names, telephone numbers, their status of employment with Manager, and their responsibilities relevant to the CPS Custodial Program.

34. **Audit:** Manager shall permit and cooperate in a periodic audit by Board staff or Board-appointed auditors of the Services performed by Manager under the terms of this Agreement. Failure of Manager to comply in full and cooperate with the requests of the Board or its agents can result in the Board, in addition to all other rights and remedies hereunder, charging Manager for the cost of such audit. In addition, Manager will be expected to retain, at its sole cost, a certified public accountant who can internally audit and certify the payroll of its Workers.

35. **Solicitation:** Manager is absolutely prohibited from soliciting the use, purchase or sale of cleaning products to Board personnel for use at Board facilities within Manager's Service Area(s). Manager shall ensure that its Workers adhere to this prohibition.

36. **Turnover:** Manager shall use its best efforts to minimize turnover of Workers who are providing Services to the Board under this Agreement.

37. **Service Days:** All work shall be performed during the Monday through Friday workweek; holidays excluded (unless otherwise requested by the Board). Non-scheduled work shall be performed only with prior approval of the Board. Regular work schedules may be set for Tuesday through Saturday workweeks with the consent of the principal of a given Board facility, Manager and the respective Worker.

38. **Confidential Information, Dissemination of Information, Ownership, Survival:**

a. **Confidential Information.** In performance of Services to the Board, Manager may have access to or receive certain information that is not generally known to others ("Confidential Information"). Manager agrees not to use or disclose any Confidential Information or any records, reports, or documents prepared or generated as a result of this Agreement without the prior written consent of the Board or its designee.

b. **Dissemination of Information.** Manager agrees not to use or disclose any Confidential Information or any records, reports or documents prepared or generated as a result of this Agreement ("Work Product") without the prior written consent of the Board. Manager shall not issue publicity news releases or grant press interviews, except as may be required by law, during or after the performance of the Services, nor shall Manager disseminate any information regarding Services without the prior written consent of the Board. In the event that Manager is presented with a request for documents by





any administrative agency or with a *subpoena duces tecum* regarding any records, data, or Work Product which may be in Manager's possession as a result of Services under this Agreement, Manager shall immediately give notice to the Board and its General Counsel with the understanding that the Board shall have the opportunity to contest such process by any means available to it prior to submission of any documents to a court or other third party. Manager will not be obligated to withhold delivery of documents beyond the time ordered by a court of law or administrative agency, unless the request for production or *subpoena* is quashed or withdrawn, or the time to produce is otherwise extended. Manager agrees to cause its personnel and staff to undertake the same obligations of confidentiality agreed to by Manager under this Agreement.

c. Ownership. All intellectual property, Work Product, and any and all other records, reports, documents, and materials prepared or generated as a result of this Agreement, shall at all times be and remain the property of the Board. All of the foregoing items shall be delivered to the Board upon demand at any time and in any event, shall be promptly delivered to the Board upon expiration or termination of this Agreement. In the event any of the above items are lost or damaged while in Manager's possession, such items shall be restored or replaced at Manager's expense.

d. Survival. The provisions of this paragraph shall survive the termination or expiration of this Agreement.

39. Representations and Warranties of Manager: Manager represents and warrants that the following shall be true and correct as of the date of this Agreement and shall continue to be true and correct (as may be modified from time to time subject to Board approval) during the Term of this Agreement:

a. Contractor's Disclosure Form. The disclosures in the Contractor's Disclosure Form submitted by Manager to the Department of Procurement and Contracts are true and correct. Manager shall promptly notify the Board of any material change in information set forth therein, including, but not limited to, change in ownership or control, and any such change shall be subject to Board approval, which shall not be unreasonably withheld.

b. Licensed Professionals. Services required by law or by this Agreement to be performed by professionals shall be performed by professionals licensed to practice by the State of Illinois in the applicable professional discipline.

c. Financially Solvent. Manager warrants that it is financially solvent, is able to pay all debts as they mature and is possessed of sufficient working capital to complete all Services and perform all obligations under this Agreement.

d. Compliance with Laws. Manager is and shall remain in compliance with all local, State and Federal laws, ordinances, regulations and statutes relating to this Agreement and the performance of Services, including, but not limited to, the Prevailing Wage Act, 820 ILCS 130/1 *et seq.*, the Drug-Free Workplace and any others referenced in this Agreement relating to nondiscrimination. Further, Manager is and shall remain in compliance with all Board policies and rules.

e. Gratuities. No payment, gratuity or offer of employment was made to Manager or any of its members if a joint venture, in relation to this Agreement or as an inducement for award of this Agreement. Manager is and shall remain in compliance with all applicable anti-kickback laws and regulations.

f. Ethics. No officer, agent or employee of the Board is or will be employed by Manager or has or will

have a financial interest, directly or indirectly, in this Agreement or the compensation to be paid hereunder except as may be permitted in writing by the Board's Ethics Policy (95-0927-RU3), adopted September 27, 1995, as may be amended from time to time, which policy is incorporated herein by reference as if fully set forth herein.

g. Good Standing. Manager and each of its joint venture members if a joint venture, are not in default or have not been deemed by the Chief Purchasing Officer to be in default under any other agreement with the Board during the five (5) year period immediately preceding the date of this Agreement, and have not been debarred under the Board's Debarment Policy during the three (3) year period immediately preceding the date of this Agreement.

h. Authorization. Manager has taken all action necessary for the approval and execution of this Agreement, and execution by the person signing on behalf of Manager is duly authorized by Manager and has been made with complete and full authority to commit Manager to all terms and conditions of this Agreement that shall constitute valid, binding obligations of Manager.

40. Independent Contractor: It is understood and agreed that the relationship of Manager to the Board is and shall continue to be that of an independent contractor and neither Manager, its agents or employees shall be entitled to receive Board employee benefits. It is further understood and agreed that the Board shall not be responsible for, nor incur any liability for, any State or Federal withholding or other taxes or for FICA or State unemployment insurance for Manager, its agents, employees, and the payment of any such taxes incurred or due by Manager shall be the sole responsibility of Manager. Manager agrees that neither Manager nor its staff shall represent themselves as employees or agents of the Board. Manager shall provide the Board with a valid taxpayer identification number as defined by the United States Internal Revenue Code, including, but not limited to, a social security number or a federal employer identification number.

41. Indemnification: Manager agrees to defend, indemnify and hold harmless the Board, and its respective Board members, employees, agents, officers and officials from and against liabilities, losses, penalties, damages and, expenses, including costs and attorney fees, arising out of all claims, liens, damages, obligations, actions, suits, judgments or settlements, or causes of action, of every kind, nature and character arising or alleged to arise out of the negligent or willful acts or omissions of Manager, its officials, agents and employees in the performance of this Agreement.

Manager shall, at its own cost and expense, appear, defend and pay all attorney fees and other costs and expenses arising hereunder. In addition, if any judgment shall be rendered against the Board in any such action, Manager shall, at its own expense, satisfy and discharge such obligation of the Board. The Board shall have the right, at its own expense, to participate in the defense of any suit, without relieving Manager of any of its obligations hereunder. The Board retains final approval of any and all settlements or legal strategies which involve the interest of the Board.

The indemnities set forth herein shall survive the expiration or termination of this Agreement.

42. Non-Liability of Board Officials: Manager agrees that no Board member, employee, agent, officer or official shall be personally charged by Manager or its members if a joint venture with any liability or expense under this Agreement or be held personally liable under this Agreement to Manager, or its members if a joint venture.

43. Insurance: Manager, at its own expense, shall procure and maintain insurance covering all operations under this Agreement. All insurers shall be licensed by the State of Illinois and rated A, X or better by A.M. Best or a comparable rating service. Manager shall submit to the Board satisfactory evidence of insurance coverage and, upon request, shall promptly provide a certified copy of any applicable policy of insurance.



Minimum insurance requirements are:

- a. Workers' Compensation and Employers' Liability Insurance. Workers' Compensation Insurance affording workers' compensation benefits for all employees as required by law and Employers' Liability Insurance covering all employees who are to provide Services under this Agreement with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence.
- b. Commercial General Liability Insurance (Primary and Umbrella). Commercial General Liability Insurance or equivalent with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence, combined single limit for bodily injury, personal injury and property damage liability coverage shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion), explosion, collapse, independent contractors, separation of insured's, defense and contractual liability. The Board shall be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from Services.
- c. Automobile Liability Insurance. Automobile Liability Insurance when any motor vehicle (whether owned, non-owned or hired) is used in connection with Services to be performed, with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.
- d. Umbrella/Excess Liability Insurance. Umbrella or Excess Liability Insurance with limits not less than Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence, which will provide additional limits for employers' general and automobile liability insurance and shall cover the Board and employees, subject to that of the primary coverage.
- e. Insurance Certificate. Manager shall require its insurer(s) to submit insurance certificate(s) evidencing the required coverage maintained by Manager indicating that the Board and its employees and agents, and such other parties as may be designated by the Board are *additional insureds* on the general and automobile liability insurance and must evidence sixty (60) days prior written notice of material change, cancellation, or non-renewal be given to:

Natalye Paquin, Chief Purchasing Officer  
Board of Education of the City of Chicago  
125 South Clark Street, 10th Floor  
Chicago, IL 60603  
Kimberly Sangster, Director of Contract Administration

44. **Non Discrimination:** It shall be an unlawful employment practice for Manager to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to compensation, or the terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, age, handicap or national origin; or to limit, segregate, or classify employees or applicants for employment from equal employment opportunities or otherwise adversely affect an individual's status as an employee because of such individual's race, color, religion, sex, age, handicap or national origin. Manager shall comply with the Civil Rights Act of 1964 as amended, 42 U.S.C.A. Section 2000, *et seq.*, the Age Discrimination in Employment Act, 29 U.S.C.A. §621, *et seq.*, Section 504 of the Rehabilitation Act, 20 U.S.C.A. §701, *et seq.*, as amended, the Equal Opportunities for Individuals With Disabilities Act, 42 U.S.C.A. §12101, *et seq.*, and the Illinois Human Rights Act, 775 ILCS 5/1-10, as amended.

45. **Assignment:** This Agreement shall be binding on the parties and their respective successors and assigns; provided, however, Manager may not assign this Agreement or any obligations imposed hereunder without the prior written consent of the Board.



46. **Entire Agreement; Amendments:** This Agreement, including all exhibits and referenced documents, constitutes the entire agreement of the parties with respect to the matters contained herein. No modification of or amendment to this Agreement shall be effective unless such modification or amendment is in writing and signed by both parties.
47. **Continuing Obligation To Perform:** In the event of any dispute between Manager and the Board, Manager shall expeditiously and diligently proceed with the performance of all of its obligations under this Agreement with a reservation of all rights and remedies it may have under or pursuant to this Agreement at law or in equity.
48. **Survival/Severability:** All express representations or indemnifications made or given in this Agreement shall survive the completion of Services by Manager or the termination of this Agreement for any reason. If any provision or part of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof; then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.
49. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to any conflict of law or choice of law principles.
50. **Waiver:** No delay or omission, or series of delays or omissions, by the Board to exercise any right hereunder shall be construed as any type of waiver of any such right, and the Board reserves the right to exercise any such right from time to time as often as may be deemed expedient.
51. **Conflict of Interest:** This Agreement is not legally binding on the Board 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.
52. **Indebtedness:** Manager agrees to comply with the Board'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.
53. **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.
54. **Right of Entry:** Manager, and any of its officers, employees, or agents, performing Services shall be permitted to enter upon the site in connection with the performance of its Services hereunder, subject to the terms and conditions contained herein and those rules established by the Board. Consent to enter upon a site given by the Board shall not create, nor be deemed to imply, the creation of any additional responsibilities on the part of the Board. Manager shall use, and shall cause each of its officers, employees and agents to use, the highest degree of care when entering upon any property owned by the Board in connection with the services
55. **Joint and Several Liability:** In the event that Manager, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination thereof), then, and in that event, each and every obligation or undertaking herein stated to be fulfilled or performed by Manager shall be the joint and several obligation or undertaking of each such individual or other legal entity.




56. **Notices:** All notices required under this Agreement shall be in writing and sent to the addresses and persons set forth below, or to such other addresses as may be designated by a party in writing. All notices shall be deemed received when (i) delivered personally; (ii) sent by confirmed telex or facsimile (followed by the mailing of the actual document); (iii) one day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt; or (iv) three days after deposit in the U.S. mail as registered or certified, postage prepaid, return receipt requested.

If to the Board: Board of Education of the City of Chicago  
125 South Clark Street  
16th Floor  
Chicago, Illinois 60603  
Attn: Timothy Martin, Chief Operating Officer  
Fax: (773) 553-2901

Copy to: Marilyn F. Johnson, General Counsel  
125 South Clark Street  
7th Floor  
Chicago, IL 60603  
Fax: (773) 553-1701

If to Manger: Ashley's Cleaning Services  
717 East 79th Street  
Chicago, IL 60619  
Attn: Dennis Anderson  
Fax: (773) 881-1516

57. **Performance Bond:** Manager shall furnish the Board performance security in the form of a performance bond in an amount which equals approximately 2½ months' of Manager's anticipated payroll. Manager shall file with the Board a performance bond in such amount to be renewed annually thereafter during the Term of this Agreement. This bond shall be secured at Manager's own expense.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

THE BOARD OF EDUCATION OF  
THE CITY OF CHICAGO

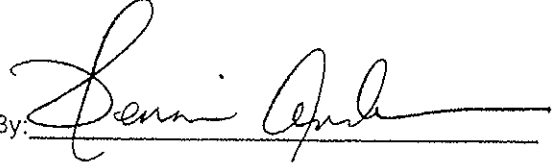
ASHLEY'S CLEANING SERVICES

By:



Norman Bobins, Member

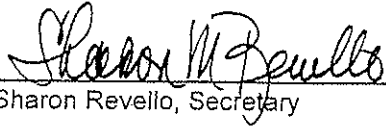
By:



Print Name:

Dennis ANDERSON

Attest: By:



Sharon Revello, Secretary

Title:

Chief Executive Officer

Date:

Feb 27 2001

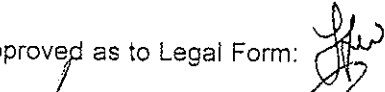
Date:

March 26, 2001

Board Report No.:

01-0221-PR4-2

Approved as to Legal Form:



Marilyn F. Johnson, General Counsel



## EXHIBIT A

### SCOPE OF SERVICES

1. Statement of Work  
Manager shall supply all labor, supervision, and management expertise necessary to provide janitorial Services required at specified Board facilities, inclusive of all associated costs. The Services provided shall be in compliance with all applicable Federal, State and City regulations. The Board seeks to have the highest quality Services delivered in the most cost effective manner. Services must ensure the optimal operation of the facility and maintenance of the Board's Baseline Cleaning Specifications.
2. Service Areas  
A Service Area will be used to identify Services provided pursuant to this Agreement. Service Areas shall be defined based upon the Six Regions or any such subdivision of such Regions. Service Areas are not limited to Regional boundaries, and may include or exclude individual Board facilities located within a Region. Regional boundaries are subject to modification. The Board reserves the right to subdivide Service Areas, as it deems necessary. Service Areas currently assigned to Manager are identified in paragraph 6 of the Agreement.
3. Scope  
Manager shall provide Services, including the required number of employees ("Workers"), for those Board facilities located within Manager's assigned Service Area(s). In addition, substitute Workers shall be managed by Manager as needed. These substitute Workers will replace absent Board-employed Workers. Manager shall adjust its workforce to accommodate for the attrition of Board-employed Workers.  
  
Manager shall identify at least one manager per Service Area to coordinate Services as outlined in the Baseline Cleaning Specifications and to oversee Services provided to the Board. Manager shall maintain an adequate supervisory staff to monitor work performance of all Workers at Board facilities. Manager shall account for the salary and benefits of its supervisory staff (at all levels of the organization relevant to this Agreement) in its management fee. Manager shall manage the execution of the Services.
4. Management of Services  
Manager shall identify by name, where possible, its staff members who will act as supervisors of the Workers. The Board reserves the right to determine a working supervisor/lead custodian at facilities it deems necessary.
5. Number of Personnel  
The Board reserves the right to decrease or increase the number of Workers as may be needed during the Term of this Agreement and makes no commitment as to the actual number of Workers a Manager will be requested to provide during the Term of this Agreement. The Board reserves the right to assign, at its discretion, Manager to those Service Areas determined by the Board.
6. Board's Request for Personnel  
The Department of Operations will provide Manager with personnel assignment lists that will indicate the number of positions at individual facilities within Manager's assigned Service Area(s). Manager shall fill positions that become open consistent with this Agreement. The Board reserves the right, at any time, to adjust, limit, expand, or amend the number of positions assigned to Manager and makes no guarantees about the actual number of positions or the consistency of a Service Area assignment. All positions must be filled by Manager within 48 hours of notification.



The maximum number of Workers assigned by Manager to a specific Board facility shall be determined and directed by the Board. No reimbursement will be made to Manager for Worker assignments that exceed the maximum established by the Board.

7. Substitute Personnel

Manager shall maintain a minimum of 10 on-call Workers per Service Area to serve as potential substitutes for Board-employed Workers. The Board will reimburse Manager for work performed by Workers acting as replacements for absent Board-employed Workers. Manager has the authority to respond to inquiries from schools within its assigned Service Area for substitutes on a first come first serve basis. Substitute Workers should be dispatched on this basis only. If a school does not receive a substitute on the first day of its request and its need persists the following day, then such facility should be placed at the front of the list of schools requesting service. Schools that fail to receive substitute Workers will be priority listed for the following day based on the order of the calls received.

Manager shall ensure that all substitute Workers comply with the terms and standards set forth in this Agreement. It is the responsibility of Manager to provide substitute Worker's for Manager's Worker's absent from their regular working assignments.

Manager is responsible for the notification of the principals and engineers eligible for substitute service from its company and policies regarding requests for such services. The information provided to the immediate staff of a given school shall include phone contacts, a brief explanation of how the substitute program works, and the appropriate representative who can respond to questions or concerns. The list of contacts shall include representatives from Manager as well as other relevant persons. Manager shall dispatch substitutes within 24 hours of notification.

8. Training

Manager shall provide an aggressive local recruitment and training program for all new Workers, as well as ongoing training for all Workers (consisting of a minimum of 20 training hours), and shall provide documentation of compliance with this requirement upon request from the Board.

Manager shall maintain a training program for all Workers which shall, at a minimum, include an overview of the Board's Baseline Cleaning and Training Specifications, a Hazardous Substances Communication Program developed by Manager, proper use of janitorial supplies and chemicals, industry accepted cleaning procedures for schools and school facilities, blood borne pathogen training, as well as Occupational Safety and Health Administration (OSHA) requirements. Testing based on a general understanding of the requirements of the custodial position will be mandatory. Evidence of successful completion of such testing shall be provided to the Board.

Manager shall train all Workers interacting with Board facilities in accordance with the Board's Baseline Training Specifications. The training shall consist of a minimum of twenty (20) hours of training annually. Fifteen (15) hours of training shall take place on the scheduled in-service training days described below. All Workers assigned by Manager to Board facilities must successfully complete an initial five (5) hours of training before reporting for work to a particular Board facility and thereafter continue to receive training throughout employment.

Manager shall at its own cost and expense conduct training for its Workers on the days specified below. Such days will constitute mandatory in-service paid training days. Manager is responsible for the costs associated with training materials and the salary of the Workers. Manager shall be reimbursed for the wages of the Workers in accordance with regular invoicing procedures. These in-service training sessions shall take place at a Board facility with the curriculum being consistent with the interests of the CPS Custodial Program including, but not limited to, discussion and instruction on the items and





functions articulated in the attached Baseline Cleaning Specifications, industry standards, methodologies or techniques for performing custodial functions, and (OSHA) health and safety training. In-service training sessions shall take place on the following days: President's Day, Veterans Day, Columbus Day, and Pulaski Day.

9. Personnel Changes

The Board reserves the right to require Manager to remove from its workforce servicing this Agreement any Worker working at a Board facility who is, in the sole opinion of the Board, incompetent, unsafe, careless, insubordinate, or otherwise objectionable or any Worker who does not meet the personnel requirements specified herein. Habitual dispatch by Manager of unacceptable Workers who are removed by principals or Board representatives may result in a partial or complete termination of this Agreement. All personnel changes enacted by Manager in a certain facility shall be communicated to the principal or engineer prior to the effective date of change.

10. Cleaning Standards

Manager is responsible for providing Services that are consistent with the Board's Baseline Cleaning Specifications and for meeting the Board's standards for clean and safe working/learning environments. A facility suffering from deficient Services will be inspected by the Board and a Probation Period may be imposed in accordance with the terms of this Agreement. Manager is responsible for notifying all relevant parties when a condition exists that could hinder Manager's ability to perform at acceptable levels in a facility. Examples of obstacles include, but are not limited to, insufficient janitorial materials, supplies, equipment, and dangerous or hazardous building conditions.

11. Sectioning Plan

Manager shall provide a sectioning plan to the Board with progressive cleaning provisions for each Board facility serviced by Manager. The facility's principal or engineer must approve this sectioning plan, which shall generically distinguish the assignments and cleaning responsibilities of individual Workers. The sectioning plan of individual facilities shall be done in cooperation with the school's engineer or other relevant Board personnel. The cleaning section or schedule shall be supported by customized job descriptions provided to Workers servicing a facility, as well as the school's engineer or other relevant Board personnel. The sectioning or scheduling of a facility shall be done in a manner in which the performance of the Workers can be optimized. It shall also include, where possible, time allocated for progressive, project, or discretionary cleaning tasks.

12. Student/Apprentice Program

Manager shall initiate and implement a student/apprentice program to the fullest extent practicable in performing the Services. Manager shall pay each student trainee the wage rate for Part-time Student Trainees set forth in this Agreement. Manager shall insure that such program adheres to any criteria established pursuant to the Illinois School Code or other applicable regulatory agency. Such program will include high school students age eighteen (18) or over in work activities that expose them to the janitorial/sanitation industry. Manager must assign at least twenty-five student trainees per Region for the first year of this Agreement. For the second year of this Agreement, Manager is required to hire 50 student trainees per Region. However, the Board reserves the right to change the number of required student trainees per Region. All Student Trainees shall be included in the maximum percentage part-time personnel as defined in this Agreement.

13. Preventative Maintenance Schedule/Custodial Building Manual

Manager shall develop a standard written site-specific Custodial Building Manual to include maintenance and preventative maintenance programs related to the Services at each facility Manager is Servicing under this Agreement. This manual shall include descriptions and schedules for progressive and project cleaning. This manual must be completed within three (3) months of the date of this Agreement and

Need a copy

the manual must be updated yearly thereafter.

14. Supervising Personnel

Manager is responsible for providing supervision for all of its Workers utilizing trained personnel with advanced industry experience. Manager shall maintain a minimum supervision ratio of 1 supervisor for every 60,000 hours assigned in mixed facilities. Manager shall maintain a minimum ratio of 1 supervisor for every 40,000 hours assigned in privatized facilities. A report of the status of these supervision ratios shall be submitted to the Department of Operations twice monthly.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' followed by a horizontal line extending to the right.

EXHIBIT B

BASELINE CLEANING  
SPECIFICATIONS FOR CUSTODIAL SERVICES

1. BASELINE CLEANING SPECIFICATIONS

Below is the Board's comprehensive generic list of the responsibilities of a Worker. It is understood that each Worker must perform expertly on the activities that are related to his/her individual work assignments. All Services shall be completed with attention paid to safety and efficiency. The following list represents baseline routine tasks and frequencies by area within a school facility. Although these are the standard guidelines, it will remain the responsibility of Manager to manage each task on an as-needed and emergency basis if oversight of these areas are assigned to Manager or by the Principal.

The Board's definition of clean is as follows: 1) Free from dirt, dust, litter, stain, impurities; unsoiled, 2) Free from foreign matter or pollution; and 3) The presence of appropriate surface gloss protection, unadulterated clean air; clean drinking water.

KITCHEN, FOOD PREPARATION, EATING & VENDING AREAS

<u>Frequency</u>	<u>Task</u>
Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Dust Mop or Sweep
Daily	Damp mop Non-carpeted Floors
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes & Remove Visible Soil
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Bi-weekly	Vacuum Completely
Weekly	Spray/buff

INTERIOR SURFACES

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Dust Building Surfaces
Daily	Dust Furniture Surfaces
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Clean Floor Mats
Daily	Dust Mop or Sweep



EXTERIOR ENTRY AND EXIT

Daily	Remove Graffiti
Daily	Police Litter
Daily	Spot Clean Building Surfaces
Daily	Clean Floor Mats
Daily	Dust Mop or Sweep

EXTERIOR LOADING DOCK

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Dust Mop or Sweep
Daily	Spot Mop

EXTERIOR

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Dust Mop or Sweep
Daily	Spot Mop

AUDITORIUM-CORRIDOR

Police Daily	Remove Graffiti
Perform as Needed	Police Litter
	Spot Clean Building Surfaces
	Empty Trash Receptacles
	Remove Carpet Stains
	Vacuum Traffic Lanes and Visible Soil
	Vacuum Completely
	Spot Mop
	Dust Mop or Sweep

AUDITORIUM - SEATING AREA

Police Daily	Remove Graffiti
Perform as Needed	Police Litter
	Spot Clean Building Surfaces
	Dust Mop or Sweep Obvious Soil
	Spot Mop
	Dust Building Surfaces
	Damp Mop Non-Carpeted Floors

AUDITORIUM-STAGE

Police Daily  
Perform as Needed

Remove Graffiti  
Police Litter  
Spot Clean Building Surfaces  
Dust Mop or Sweep Obvious Soil  
Spot Mop  
Dust Building Surfaces  
Damp Mop Non-Carpeted Floors  
Dust Furniture Surfaces

CLASSROOMS

Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Twice Weekly  
Twice Weekly  
Bi-Weekly  
Twice Weekly

Remove Graffiti  
Police Litter  
Empty Trash Receptacles  
Clean Writing Boards  
Clean Erasers and Writing Board Trays  
Spot Clean Building Surfaces  
Spot Clean Furniture Surfaces  
Remove Carpet Stains  
Vacuum Traffic Lanes and Visible Soil  
Dust Mop or Sweep  
Spot Mop  
Arrange Furniture  
Clean Sinks and Toilets  
Dust Building Surfaces  
Dust Furniture Surfaces  
Vacuum Completely  
Spray/buff

COMPUTER ROOMS

Daily  
Daily  
Daily  
Daily  
Twice Weekly  
Twice Weekly  
Twice Weekly  
Weekly  
Weekly  
Weekly  
Bi-Weekly  
Bi-Weekly

Remove Graffiti  
Police Litter  
Empty Trash Receptacles  
Remove Carpet Stains  
Dust Mop or Sweep  
Spot Mop  
Vacuum Traffic Lanes and Visible Soil  
Dust Building Surfaces  
Dust Furniture Surfaces  
Spot Clean Building Surfaces  
Dust Mop Non-Carpeted Floors  
Vacuum completely

CONFERENCE ROOMS

Daily  
Daily  
Daily

Remove Graffiti  
Police Litter  
Empty Trash Receptacles

Daily	Clean Writing Boards
Daily	Clean Erasers and Writing Board Trays
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture surfaces
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Daily	Daily Dust Mop or Sweep
Weekly	Spot Mop
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Bi-Weekly	Vacuum completely
Bi-Weekly	Dust Mop Non-Carpeted Floors
Twice Weekly	Spray/buff

COPY ROOMS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Furniture Surfaces
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Daily	Dust Mop or Sweep
Daily	Spot Mop
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Spot Clean Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Bi-Weekly	Vacuum completely
Weekly	Spray/buff

CORRIDORS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Furniture Surfaces
Daily	Spot Clean Building Surfaces
Daily	Clean and Disinfect Drinking fountains
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Daily	Dust Mop or Sweep
Daily	Spot Mop
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Spot Clean Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors
BI-Weekly	Vacuum Completely
Weekly	Spray/buff

CORRIDOR-AUTOSCRUB EQUIPMENT

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Furniture Surfaces
Daily	Spot Clean Building Surfaces
Daily	Clean and Disinfect Drinking fountains

Note - Applicable floor finishes should be used for Spray Buffing

LAB TEACHING SHOPS

Daily	Dust Mop or Sweep
Daily	Clean Counters and Sinks
3 Times Weekly	Spot Mop
Twice weekly	Autoscrub
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Spray/buff

LAB TEACHING ROOMS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Dust Mop or Sweep spot Mop
Daily	Refill Dispensers
Weekly	Dust Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors

LAB - TECHNICAL ROOMS

Daily	Remove Graffiti
Daily	Spot Mop

LIBRARY - WORK AREAS

3 Times Weekly	Empty Trash Receptacles
3 Times Weekly	Dust Mop or Sweep Obvious Soil
Twice Weekly	Dust Mop or Sweep
Weekly	Dust Building Surfaces
Weekly	Spot Clean Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Bi-Weekly	Spray/buff

LOBBIES

Daily	Remove Graffiti
Daily	Police Litter

Daily	Empty Trash Receptacles
Daily	Spot Clean Furniture Surfaces
Daily	Spot Clean Building Surfaces
Daily	Clean and Disinfect Drinking Fountain
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Daily	Dust Mop or Sweep

STAIRS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Spot Clean Building Surfaces
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Daily	Dust Mop or Sweep
Daily	Spot Mop
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Dust Building Surfaces
Twice Weekly	Spray/buff

STORAGE AREAS

Daily	Remove Graffiti
Weekly	Police Litter
Weekly	Empty Trash Receptacles
Weekly	Dust Building Surfaces
Weekly	Spot Clean Building Surfaces
Weekly	Dust Mop or Sweep Obvious Soil
Weekly	Spot Mop
Bi-Weekly	Remove Carpet Stains
Bi-Weekly	Damp Mop Non-Carpeted Floors
Bi-Weekly	Vacuum Traffic Lanes and Visible Soil
BI-Weekly	Vacuum Completely

RESTROOM FACILITIES

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Furniture Surfaces
Daily	Spot Clean Building Surfaces
Daily	Clean and Disinfect Fixtures
Daily	Refill Dispensers
Daily	Dust Mop or Sweep
Daily	Damp Mop Non-Carpeted Floors
Daily	Disinfect All Surfaces
Daily	Disinfect Toilets and Urinals
Daily	Wet Clean and Disinfect Floors
Weekly	Dust Building Surfaces
Weekly	Dust Furniture surfaces



Weekly

Clean and Refill Floor Drains

WORK AREA

Daily  
Daily  
Daily  
Daily  
3 Times Weekly  
Twice Weekly

Remove Graffiti  
Police Litter  
Spot Mop  
Remove Carpet Stains  
Empty Trash Receptacles  
Dust Mop or Sweep

Twice Weekly  
Weekly  
Weekly  
Weekly  
Twice Weekly  
Twice Weekly  
Twice Weekly

Vacuum Traffic Lanes and Visible Soil  
Dust Building Surfaces  
Dust Furniture Surfaces  
Spot Clean Building Surfaces  
Damp Mop Non-Carpeted Floors  
Vacuum Completely  
Spray/buff

OFFICE/ADMINISTRATION AREAS

Daily  
Daily  
3 Times Weekly  
Twice Weekly  
Twice Weekly  
Twice Weekly  
Weekly  
Weekly  
Weekly  
Twice Weekly  
Twice Weekly  
Twice Weekly

Remove Graffiti  
Spot Mop  
Empty Trash Receptacles  
Remove Carpet Stains  
Dust Mop or Sweep  
Vacuum Traffic Lanes and Visible Soil  
Dust Building Surfaces  
Dust Furniture Surfaces  
Spot Clean Building Surfaces  
Damp Mop Non-Carpeted Floors  
Vacuum Completely  
Spray/buff

STUDENT LOUNGE | STUDY AREAS

Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Daily  
Weekly  
Weekly  
Weekly  
Weekly  
Bi-Weekly

Remove Graffiti  
Police Litter  
Empty Trash Receptacles  
Spot Clean Building Surfaces  
Spot Clean Furniture Surfaces  
Dust Mop or Sweep  
Remove Carpet Stains  
Vacuum Traffic Lanes and Visible Soil  
Dust Building Surfaces  
Dust Furniture Surfaces  
Damp Mop Non-Carpeted Floors  
Spray/buff  
Vacuum Completely

MAIL ROOMS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Spot Mop
Daily	Dust Mop or Sweep
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff

STAFF LOUNGES

Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Clean and Disinfect Fixtures
Daily	Refill Dispensers
Daily	Spot Mop
Daily	Dust Mop or Sweep
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff
Bi-Weekly	Vacuum Completely

STUDENT LOUNGES

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Dust Mop or Sweep
Daily	Remove Carpet Stains
Weekly	Vacuum Traffic Lanes and Visible Soil
Weekly	Dust Building Surfaces
Weekly	Dust Furniture surfaces
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff
BI-Weekly	Vacuum Completely

LOCKER ROOMS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles

Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Dust Mop or Sweep
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Weekly	Dust Building Surfaces
Weekly	Dust Furniture surfaces
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff
Bi-Weekly	Vacuum Completely

CUSTODIAL CLOSETS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Dust Mop or Sweep
Daily	Clean and Disinfect Fixtures
Weekly	Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors

COMPUTER LABS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surfaces
Daily	Spot Clean Furniture Surfaces
Daily	Dust Mop or Sweep
Daily	Spot Mop
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lanes and Visible Soil
Weekly	Dust Building Surfaces
Weekly	Dust Furniture Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff
BI-Weekly	Vacuum Completely

ELEVATORS

Daily	Remove Graffiti
Daily	Police Litter
Daily	Spot Clean Building Surfaces
Daily	Dust Mop or Sweep
Daily	Remove Carpet Stains
Daily	Dust Building Surfaces
Daily	Clean Elevator Door Tracks
Daily	Clean Floor Mats
Weekly	Damp Mop Non-Carpeted Floors
Weekly	Spray/buff

Bi-Weekly

Vacuum Completely

GYMNASIUMS, SHOWER ROOMS, SWIMMING POOLS, AND PHY

Daily	Remove Graffiti
Daily	Police Litter
Daily	Empty Trash Receptacles
Daily	Spot Clean Building Surface
Daily	Spot Clean Furniture Surface
Daily	Dust Mop or Sweep
Daily	Remove Carpet Stains
Daily	Vacuum Traffic Lands and
Daily	Spot Clean Equipment
Daily	Clean and Disinfect Pool Deck with Product that maintains
	Chemical Balance of Pool Water
3 Times Weekly	Dust Building Surfaces
Weekly	Damp Mop Non-Carpeted Floors
Bi-Weekly	Vacuum Completely
Every 4 Weeks	Spray/buff
Every 4 Weeks	Scrub Swimming Pool Area

**PROJECT WORK**

**ANNUAL FREQUENCY**

Carpet Shampooing 'Bonnet Method'	2
Carpet Shampooing 'Extraction Method'	1
Machine Scrub Floors	12
Recondition Finished Floors	3
Strip and Refinish Floors	1
Windows	1
Blinds	1
Wall Washing	1
Light Fixtures	1
Desk Cleaning	1

SUMMER AND SPECIAL PERIOD CLEANUP PROJECTS

Three times per year, an extensive cleaning program is to be accomplished. During Summer/Christmas/New Year's Break and Spring Vacation, all school buildings are to be totally clean by completing all cleaning project tasks.

DAILY CUSTODIAN DUTIES

1. Clean up floor spills (water, human waste, pop, coffee, etc.) as soon as possible once identified.
2. Move boxes, furniture, etc., when requested.
3. Set-up for scheduled meetings, clean up afterward and return room, equipment, etc., to original set up.
4. Assist building engineer in emergencies (clogged toilets, broken glass, etc.)
6. Assist in snow removal during school hours.
7. Assist in salting sidewalks during school hours.
8. Unlock doors and turn common area lights on each morning.

9. Mop all entranceways and corridors during inclement weather.
10. Clean entrance door glass daily.
11. Twice daily clean all restrooms of spills (to be mopped), replenish supplies (re-supply dispensers as needed), and remove litter.
12. Report any unsafe condition, including expended fire extinguishers to CPS Personnel.
13. Service lunchroom; remove garbage (breakfast and lunch), spot-mop, set-up and takedown furniture as needed.

#### CLEANING EQUIPMENT SPECIFICATION - CUSTODIAL/JANITORIAL

A specific list for each school will be developed. Examples are:

##### 1. High School Equipment List

- 4 upright vacuums
- 2 wet/dry tanks
- 1 auto scrubber
- 1 multipurpose
- 1 carpet extractor
- power washer
- 6 floor sets
- 8 cad sets
- 8 closet sets
- 1 restroom set

##### 2. Elementary Schools Equipment List

- 1 upright vacuum
- 1 wet/dry tank
- 1 multipurpose burnisher
- 2 floor sets
- 1 cad set
- 1 closet set
- 1 restroom set

#### GROUNDS AND SITE MAINTENANCE

The final component of the Base Line Specifications for the Board is that of Ground and Site Maintenance, including snow removal and ice melting. The general guidelines for maintenance include:

1. Provide management skilled in the operation of an effective grounds management program.
2. Provide field support and technical backup to respond to the specific needs and concerns of the Board, including athletic fields (maintaining safe playable surfaces specific to the sport), turf; woody ornamental (perennial and annuals), staffing, power equipment, and the outfitting of proper hand tools for the staff.
3. Provide periodic surveys of operational standards for grounds management program and upgrade as needed to improve safety, efficiency, and aesthetics.
4. Establish an operations calendar that outlines an annual program for grounds management practices.

5. Quality control includes routine written inspections to assure quality and safety on school grounds and safe/playable athletic fields.
6. The program shall be designed to promote the safe and enjoyable use of recreational facilities as well as the overall attractiveness of the school district. All equipment and supplies necessary to perform these services, including but not limited to tractors, lawn mowers, edgers, trucks, hand tools, seed, fertilizer, lime, herbicides, mulch, plant material, hoses, and sprinklers is the responsibility of the Board.

**A. GENERAL SITE MAINTENANCE SPECIFICATION**

1. Scope - Site and Adjoining Playfields

The work required under this section shall include all labor, supervision, equipment, tools, material, transportation and all means of ground maintenance work as specified in these Specifications, or as necessary to complete the project in a first-class manner.

2. Litter control

These areas shall include, but not be limited to the following:

- Lawn Areas
- Sidewalks, curbs, and hard Surface Areas
- Tree Wells
- Planting Beds
- Roadways and Driveways
- Building Entrances
- Litter control shall consist of manually or mechanically picking up and disposing of all paper, bottles, litter, cigarette butts, etc., or any other foreign object which, if left, would leave the area unsightly.

**B. SITE: SNOW REMOVAL POLICY AND EMERGENCY PROCEDURES**

The snow removal policy consists of the following:

1. Scope

Provide all labor and supervision necessary to accomplish total snow removal and ice control from the driveways, roadways, service roads, parking areas, sidewalks and entranceways as defined in these Specifications or as necessary to complete the operations in a first-class manner.

2. Sidewalk and Patios

Have personnel and equipment available twenty-four (24) hours a day for snow removal and ice control operations. In this section "equipment" means clothing or other attire necessary for snow removal or ice control operations, which may include but is not limited to hats, coats, boots and gloves. The Board shall provide shovels, snow blowers or ice for snow removal or ice control operations.

Be on the alert for icy conditions or snow on sidewalks at all times. If icy conditions exist, apply calcium chloride to maintain sidewalk and entrances clear and safe at all times. The Custodian Management Company's snow removal policy must include a requirement to immediately notify the facility's representative when repairs are needed and how corrective measures should be made.



3. Roadways, Driveways and Parking Lots

Have personnel and equipment available twenty-four (24) hours a day for snow removal and ice control operations. Be on the alert for icy conditions or snow on sidewalks at all times. If icy conditions exist, apply calcium chloride to maintain sidewalk and entrances clear and safe at all times.

4. Responsibilities

Be responsible for the logistics, management, implementation, and quality assurance of the snow removal effort and supply all labor.

5. Communications

The weather forecast shall be monitored continuously during the winter season November 1 through April 30) through "THE NATIONAL WEATHER SERVICE" on a daily basis on local news broadcasts.

6. Operating Plan

Prior to imminent snowfall, the Board's Building Engineer shall inventory all snow removal materials. It will be recorded on a checklist with the following, information:

- Pager Battery Check
- Verification of Phone Numbers

Instructions regarding Proper Snow Clothing  
Move Equipment & Materials to Loading Dock Staging Area  
Housekeeping Meeting and Assignment Listing  
Emergency Procedures after Regular Working Hours

The objective is to provide service that not only meets, but also exceeds the level of service in the Snow Removal Plan, Standard Operating Procedures of the Board.

In the event of a snow or ice storm, personnel must respond by removing snow from sidewalks, entrances, ramps, bus stops and anywhere else the snow presents a hazard.

During normal working hours, day and evening, the Board's Building Engineer will be responsible for the snow removal crew and for contacting the Custodian Management Company who will determine the amount of snow that has fallen, the rate of fall and what action is to be initiated.

A list of employees will be furnished along with telephone numbers of individuals permitted to operate snow blowers and plow.

The Custodian Management Company will direct the appropriate personnel to ensure that snow is removed by 6:00 a.m.

7. Procedures

Only authorized personnel will be permitted to operate snowplows. They will be fully trained on operation and the necessary safety precautions. The first areas to be cleaned are the entrances. A 2" path must be cleared from the entrance doors to the walkway. All handicapped areas must also be cleared.

The second area to be cleaned is a 30" wide path around the building, starting at the entrance. Work will continue until all walks have been cleared. Curbs and gutters will also be cleared at crosswalks and entrances. At this time, broadcast spreaders will be used to evenly spread Ice-Melt at the entrances and wide areas of the sidewalks. Care shall be given not to spread Ice-Melt on or near the grass or other planted items.

In the event of a heavy accumulation of snow, the plow will be used to remove the snow and form a path around the building pushing the snow towards the curb. Ramps will be plowed starting at the basement level and pushed towards the street.

After all areas are cleared and the snow has stopped, inspections will be conducted to ensure that there is a clear walking path especially at entrance and walkways. In the event of freezing, Ice-Melt may be applied. If in the following days, day-time melting and night-time freezing takes place, snow melt wash and remaining snow will be removed from the area.

## 2. OTHER BASELINE TRAINING SPECIFICATIONS

The following list represents the baseline curriculum for an acceptable training program based on the standards of the Board. Training programs shall be organization specific and shall in no way be limited to the materials listed below. Although these are the standard guidelines, it will remain the responsibility of the Manager to manage each task on an as-needed and emergency basis. If oversight of these areas or deficiency is noted by the Principal, immediate corrective instruction will be required. Successful completion of a training program with this baseline curriculum is required by the Board. Certification of completion shall be provided to the individual custodian, the relevant assigned school, the Board, and its agents.

- a. TRAINING PLAN & VISION: A brief explanation of the purpose of a training program, supported by the corporate vision of the Custodian Management Company.
- b. STRIPPING & FINISHING
- c. CAFETERIA/LUNCHROOM CARE
- d. DUST MOPPING & DAMP MOPPING
- e. TOP SCRUBBING
- f. SPRAY BUFFING
- g. BURNISHING - ULTRA HIGH SPEED (UHS)
- h. FLOOR CARE A) Wood Floors, B) Resilient Floors
- i. GENERAL POLICING
- j. BONNET METHOD
- k. SHAMPOOING
- l. HOT WATER EXTRACTION
- m. RESTROOM CARE
- n. DISINFECTING AND SANITATION TECHNIQUES
- o. HIGH AND LOW DUSTING
- p. SAFETY AND OSHA
- q. BLOODBORNE PATHOGENS
- r. HAZARDOUS SUBSTANCE COMMUNICATION PROGRAM
- s. MATERIALS REQUISITION AND HANDLING





EXHIBIT C

BOMA HEALTH AND WELFARE BENEFITS



BOMA/CHICAGO - LOCAL 7 - 2000 JANITORIAL AGREEMENT

ARTICLE XIII HEALTH & WELFARE FUNDS

Section 1. For the period April 10, 2000 through November 30, 2000, Employers shall contribute \$265.18 (two hundred sixty-five dollars and eighteen cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence for periods in excess of those specified in Article XVII, Section 1 and Section 5 of this Article, respectively.

Section 2. For the period December 1, 2000 through November 30, 2001, Employers shall contribute the amount of \$291.20 (two hundred ninety-one dollars and twenty cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare Fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence for periods in excess of those specified in Article XVII, Section 1 and Section 5 of this Article, respectively.

Section 3. For the period December 1, 2001 through April 6, 2003, Employers shall contribute the amount of \$308.53 (three hundred eight dollars and fifty-three cents) each month on behalf of each employee on its active payroll to the Local 25 S.E.I.U. Welfare Fund; provided, however, that the Employers' contributions shall be prorated for those months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence for periods in excess of those specified in Article XVII, Section 1 and Section 5 of this Article, respectively.



## BOMA/CHICAGO - LOCAL 1 - 2000 JANITORIAL AGREEMENT

Section 4. The Employer adopts the provisions of and agrees to comply with and be bound by the Trust Agreement establishing the Local 25 SEIU Welfare Fund and all amendments thereto, and also hereby irrevocably designates as its representatives the Trustees named as Employer Trustees in said Agreement, together with their successors selected in the manner therein provided, and further ratifies and approves all matters heretofore done in connection with the creations and administration of said Trust and all actions to be taken by such Trustees within the scope of their authority.

Section 5. Welfare Fund payments shall be continued on eligible employees when said employees are on a medical leave of absence up to the periods provided for in Article XVII, Section 1, or beyond that period for special reasons agreed to by the Employer and the Union. Welfare Fund payments shall be continued on eligible employees when said employees are on a personal leave of absence up to a period of ninety (90) days, or beyond that period for special reasons agreed to by the Employer and the Union. Beyond that time, the Welfare Fund payment shall be made for and on behalf of the temporary, extra, substitute, floater or vacation replacement employee, but in no event shall contributions be made for both the eligible employee and the temporary, extra, substitute, floater or vacation replacement employee; provided, however, that any temporary, extra, substitute, floater or vacation replacement employee who has been employed either by the Employer or by the janitorial contractor performing bargaining unit work for the Employer for more than twelve (12) consecutive months shall have contributions made on his/her behalf.

Section 6. The Employer shall make remittances to the Welfare Fund on or before the fifteenth (15<sup>th</sup>) calendar day of the month following the month in which the work was performed.

Section 7. With each report to the Welfare Fund, the Employer shall give the names, Social Security numbers and starting dates of new, regular employees and termination dates of regular employees.

Section 8. Payments to the Welfare Fund shall be made on the prelisted remittance forms sent by the Fund Office, or reproduced records which give all of the required information in a form acceptable to the Fund. Failure to submit the required information in a form acceptable to the Fund will be subject to the arbitration provisions of Article XIX.

### ARTICLE XIV PENSION PLAN

Section 1. During the term of this Agreement, Employers shall contribute to the Local 25 SEIU and Participating Employers Pension Trust at the rate of \$12.00 per week for each employee regularly scheduled to work thirty (30) or more hours per week who actually work at least 50% of the employee's scheduled workweek. In the event such employee does not work at least 50% of the employee's scheduled workweek, the Employer shall make contributions at the rate of thirty cents (\$0.30) per hour for all hours actually worked. For employees not meeting the aforesaid conditions, contributions shall be made at the rate of thirty cents (\$0.30) per hour worked for employees who actually worked less than 30 hours per week. Paid holidays, paid vacations and funeral absence (up to three working days) are deemed time worked for pension contribution purposes. The Union and the Employer shall endeavor to have the Trustees of the Pension Fund arrange to have the employee's last employer notified when an employee makes application for a pension. In the event an employee works during his or her holiday or vacation, one payment to the Pension Fund is all that will be required.

Section 2. Each Employer adopts the provisions of and agrees to comply with and be bound by the Trust Agreement establishing said Local 25 SEIU and Participating Employers Pension Trust, and all amendments thereto, and also hereby irrevocably designates as its representatives the Trustees names as Employer Trustees in said Agreement, together with their successors selected in the manner therein

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waive interest or liquidated damages pursuant to the collection policy described in Section 3, below, shall not modify the Employer's agreement that the maximum liquidated damages specified in the Trust are reasonable approximation of actual damages under all circumstances where the Employer is delinquent.

Section 3. Employer acknowledges that the Trustees of the Funds have the Fiduciary obligation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to ensure prompt collection of Employer contributions and the resolution of delinquencies through the use of payroll audits and other enforcement procedures. Accordingly, the Employer hereby irrevocably designates as its representatives the Trustees named Employer Trustees of the Funds and their successors in connection with the adoption, amendment and administration of a collection policy setting forth payroll audit and collection procedures in accordance with the terms and conditions of ERISA prohibited transaction class exemption 76-1. Employer hereby consents to and agrees to be bound by the provisions of such collection policy, as amended, as though fully set forth in this Agreement.



**EXHIBIT E**

LESSEE IMPROVEMENTS AND ALTERATIONS

Electrical distribution; computer cabling distribution; and minor finish of Tenant's build-out, all in support of Tenant's Educational Programs.

**EXHIBIT F**

**CONSTRUCTION DOCUMENTS**

See Attached

EXHIBIT G

WORK LETTER AND CONSTRUCTION AGREEMENT

See Attached

## WORK LETTER AND CONSTRUCTION AGREEMENT

**THIS WORK LETTER AND CONSTRUCTION AGREEMENT** (the "Agreement") is made and entered into as of the 20th day of August, 2001 between North Lawndale College Preparatory Charter High School, a Not-For-Profit Educational Institution ("NLCP") and the Board of Education of the City of Chicago, a body politic and corporate ("BOE").

### **RECITALS**

**WHEREAS**, by virtue of that certain Lease dated as of the date hereof between NLCP, as Tenant, and BOE, as Landlord (the "Lease"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, NLCP is the holder of a leasehold interest in a certain portion (the "Premises") of the real property and improvements commonly known as the George Howland School of the Arts, located at 1616 South Spaulding Avenue, Chicago, Illinois (collectively the "Howland Property"); and

**WHEREAS**, NLCP acquired its interest in the Premises with the intention of contributing toward the cost of certain improvements to the Premises, which improvements would be constructed by BOE or on its behalf; and

**WHEREAS**, pursuant to the Chicago Public Schools Capital Improvement Plan, BOE shall cause certain construction of improvements to be completed at the Howland Property, which work includes, but is not limited to certain improvements to the Premises. The "Premises Construction" (as defined herein) is detailed in the Construction Documents (as defined below) dated February 27, 2001 between BOE and the architect and engineer of record (collectively referred to herein as the "Architect"); and

**WHEREAS**, NLCP is not a party to the Construction Documents, nor will NLCP be a party to the Construction Documents prepared in connection with or governing the scope and construction of the Premises Construction; and

**WHEREAS**, NLCP desires to be involved in the Premises Construction and BOE agrees to involve NLCP in the Premises Construction given its financial contribution towards the Premises Construction; and

**WHEREAS**, the parties agree that the terms of NLCP's involvement in the Premises Construction shall be in accordance with the terms and conditions set forth in this Agreement and all Exhibits hereto.

**NOW THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full; the mutual benefits, covenants and agreements contained herein; and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### **ARTICLE I - Definitions.**

Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Lease. If there is any conflict or inconsistency between the provisions of the Lease and those of this Agreement, the provisions of this Agreement will control. The following terms, which are not defined in the Lease, have the meanings indicated:



1. "Premises Construction" means all alterations, improvements and installations to be constructed or installed by BOE (or on its behalf) for NLCP in the Premises according to this Agreement, as the same are more specifically detailed in Exhibit B attached hereto and made a part hereof, but shall not include the Tenant's Work as set forth in the Lease.

2. "Construction Documents" means complete construction plans and specifications for the Premises Construction.

## ARTICLE 2 - Premises Construction

2.1 Premises Construction. The Premises Construction shall consist of all planning, investigation, analysis, surveying, design, demolition, improvement, construction, installation, inspection, coordination and other work and services as necessary to accomplish (i) the integrated preparation of the Premises for use by NLCP as a Charter High School as contemplated in the Lease and (ii) development of the Premises Construction, all in accordance with plans prepared and approved as provided in this Agreement, including without limitation those prepared by the Architect. Notwithstanding the foregoing to the contrary, until such time as the Premises Construction is Substantially Complete, NLCP, shall have the right to review and comment upon the material terms of the Construction Documents and any documents related thereto, and BOE will in good faith consider and incorporate NLCP's comments when feasible. To the extent that NLCP's review and comments cause an increase in the cost or expense of construction of either the Premises or any part of the Howland Property, NLCP shall bear all such increased cost and expense and shall promptly pay the same to the BOE after Substantial Completion. Notwithstanding the foregoing, the parties hereto agree that NLCP shall not be responsible nor pay any increase in cost or expense of construction if NLCP's review and comment regarding construction pertains to or discloses BOE's failure to construct the Premises or the Howland Property substantially in accordance with the Construction Documents. Premises Construction shall also include:

- (a) Studies, Tests, Reports, Etc. Preparation of flood control reports, soil reports and tests, seismic analysis, hydrological studies, compaction tests, core drillings, environmental impact reports, and other reports, data, information, and studies as may be required by applicable Federal, state and local law or as otherwise may reasonably be necessary for the design, development, planning and construction of the Premises Construction, including preparation of technical specifications and drawings where applicable.
- (b) Site Preparation. Demolition, clearing, rough grading, excavating, fill, compaction and finish grading for the Premises Construction, including any undercutting and stabilization of subgrades.
- (c) Permits, Licenses, etc. Securing all authorizations, permits and licenses, including both those of a temporary nature and those of a permanent nature, from all of the various agencies or bodies requiring the issuance of the same, as maybe necessary to effectuate the construction and intended use of the Premises so as to be in substantial compliance with all applicable federal, state and local laws and requirements.

(d) Technical Services, Bonds and Insurance. All architectural, engineering and related services, construction bonds, builder's risk insurance and other insurance necessary or appropriate in connection with the Premises Construction.

### ARTICLE 3 - Coordination of Howland Property Construction\Payment

3.1 General Obligations of the BOE. The BOE shall cause the Premises Construction to be performed at the times set forth in the Construction Timetable and Schedule of Critical Dates, Exhibit C attached hereto and incorporated herein by reference, and in accordance with the final plans and specifications for the Premises Construction as reviewed and commented upon in advance by NLCP, all as more specifically set forth in Section 4.1 below. BOE shall hire such contractors and professional consultants as it deems necessary and/or prudent to complete the Howland Property Construction in accordance with the terms and conditions set forth in Section 4.3 below.

3.2 Payment of Costs and Expenses. Except as otherwise provided herein, BOE shall bear and pay for all costs and expenses of the Premises Construction required hereby. In connection with its payment obligations, the BOE shall require reasonable documentation supporting the amount due pursuant to each disbursement made, together with releases and waivers of any liens which such contracts or professional consultants may have or claim against all or part of Premises or the Premises Construction as set forth as of the date of payment. NLCP shall make a Charter Contribution towards the costs of the Premises Construction in accordance with the terms and provisions of the Lease.

### ARTICLE 4- Construction of Common Improvements

4.1 Howland Property Construction. The Premises Construction shall be constructed in accordance with the Construction Documents. The Construction Documents shall consist of the final drawings, specifications, site plans and landscaping plans prepared by the BOE (or its authorized agents) as reviewed and commented upon in advance by NLCP. Changes to the Construction Documents shall also be submitted prior to NLCP for its prior review and comment.

4.2 Schedule of Common Improvement Work. The BOE shall commence the Premises Construction no later than August 20, 2001 and diligently pursue the same to completion, using its best efforts and in a good and workmanlike manner, all in accordance with the Construction Timetable and Schedule of Critical Dates attached hereto as Exhibit C and incorporated herein by reference and as set forth in the Lease.

4.3 Contracts for Construction. The BOE shall enter into written contracts for all work required to construct the Premises Construction as herein required. All contracts entered into for Premises Construction shall be in accordance with the Construction Documents, and shall be entered into by the BOE and provided in advance to NLCP for its review and comment. The BOE shall, in good faith, consider and incorporate NLCP's comments when feasible.

4.4 Contract Requirements. All contracts entered into with respect to the Premises Construction shall include the following requirements and standards:

(a) Contractor's Warranty. All contractors shall warrant and represent to the BOE, its successors and assigns, in accordance with the terms or the standard contracting services agreements between the BOE and its various construction services providers, that all Premises Construction shall be free from defects of every kind and nature.

(d) Compliance with Laws. All contractors shall cause all Premises Construction to substantially comply with the building and zoning laws of the City of Chicago and State of Illinois and with all other applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state, local and municipal governments and the appropriate departments, commissions and boards thereof.

#### ARTICLE 5 - General Provisions

5.1 Governing Law. This Agreement shall be construed, interpreted and applied in accordance with the laws of the State of Illinois.

5.2 Exhibits. All exhibits referred to herein and affixed hereto are deemed to be incorporated herein by reference with the same force and effect as if at each place of reference, such respective Exhibit were set forth in its entirety.

5.3 Duration of Agreement. This Agreement shall remain in full force and effect from the date hereof until the completion of the Premises Construction and the performance of all agreements herein contained.

5.4 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all counterparts shall together constitute one and the same instrument.

5.5 Headings. The Article and Section headings herein are for convenience and reference only, and in no way define or limit the scope and content of this Agreement or in any way affect its provisions.

5.6 Notice. Whenever any notice, request, demand, consent, approval, disapproval, designation or other communication (a "Notice") is required or permitted to be made or given under this Agreement, then the Notice shall only be effective and deemed given if made in writing and delivered by personal delivery or deposited with the United States Postal Service, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

(a) If to NLCP, then:

North Lawndale College Preparatory Charter High School  
1616 South Spaulding Avenue  
Chicago, Illinois 60623  
Attn: Principal

with a copy to:

Steans Family Foundation  
405 North Wabash Avenue  
Suite P-2 South  
Chicago, Illinois 60603  
Attn: Greg Darnieder

(b) If to BOE, then:

Board of Education  
Department of Operations  
125 South Clark Street, 16<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: Chief Operating Officer

With copy to:

Board of Education  
125 South Clark Street, 7<sup>th</sup> floor  
Chicago, Illinois 60603  
Attn: General Counsel

or to such other address or addresses in the United States any party hereto may from time to time specify by Notice similarly given to the other parties, it being understood and agreed that each party shall have the right to designate an address or addresses for notices to such party under this Agreement. Any Notice shall be deemed to have been made or given on the date the same is received or receipt thereof is declined. If any Notice requires any action or response by the recipient, such fact shall be clearly stated in the Notice.

#### 5.7 Indemnity.

a. BOE agrees to protect, defend, indemnify and save harmless NLCP and its officers, directors, employees, agents, invitees and assigns from and against all loss, claims and expenses, including reasonable fees of counsel arising because of damage to or loss or destruction of property, including loss of use thereof, or because of bodily injury, sickness or disease, including death, sustained by any person, including but not limited to all claims under any Workmen's Compensation, Workmen's Occupational Disease, or other federal, state or local acts, ordinances, orders or regulations relating to the employment, health, safety or working conditions of workmen, arising out of, resulting from, caused by or occurring in connection with any operations or Work performed by or for BOE, including its general contractor, construction manager or subcontractors, in the course of fulfillment of BOE's obligations under this Agreement excluding any damage, loss, destruction or injury caused solely by NLCP's own negligence.

b. NLCP agrees to protect, defend, indemnify and save harmless BOE and its officers, board members, employees, agents, invitees and assigns from and against all losses, claims and expenses, including reasonable fees of counsel arising because of damage to or loss or destruction of property, including loss of

use thereof, or because of bodily injury, sickness or disease, including death, sustained by any person, including but not limited to all claims under any Workmen's Compensation, Workmen's or other federal, state or local acts, ordinances, orders or regulations relating to the employment, health, safety or working conditions of workmen, arising out of, resulting from, caused by or occurring in connection with Tenant's Work performed by or for NLCP excluding any damage, loss, destruction or injury caused solely by BOE's own negligence.

5.8 Relationship of 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. Whenever herein the singular number is used, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

5.9 No Third Party Beneficiary. Except as expressly set forth herein, the provisions of this Agreement are for the exclusive benefit of the parties hereto and not for the benefit of any third party, and no provisions of this Agreement are intended to create or constitute any third party beneficiary thereof. No person or entity other than a party hereto shall be entitled to make any claim against the other parties or any of them under or by virtue of this Agreement or any provisions hereof.

5.10 Several Liability. The obligations of each party under this Agreement and under each contract entered into pursuant to this Agreement shall be several, and not joint and several.

5.11 Limitation of Liability. There shall be no personal liability on any persons, firms or entities which constitute BOE with respect to the terms of this Agreement, and NLCP shall look solely to the interests of BOE in the Building for the satisfaction of any remedy of NLCP in the event BOE's default hereunder. BOE agrees that no board member, trustee, employee, agent, officer or official of NLCP shall be personally charged by BOE with any liability or expense under this Agreement or be held personally liable under this Agreement to BOE. If BOE shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Agreement and if NLCP shall, as a consequence thereof, recover a money judgment against BOE, NLCP agrees that it shall look solely to BOE's right, title and interest in and to the Building for the collection of such judgment, that being the sole asset to which NLCP may look for payment of any such judgment; and NLCP further agrees that no other assets of BOE, wherever situate, shall be subject to levy, execution or other process for the satisfaction of NLCP's judgment and that BOE shall not be liable for any deficiency.

5.12 105 ILCS 5/34 Provisions.

a. This Agreement is not legally binding on the BOE 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 of Education members during the one-year period following expiration of other termination of their terms of office.

b. 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.

5.13. Board of Education Ethics Code. The Board of Education Ethics Code (95-0927-RU3), adopted September 27, 1995, and as amended from time to time, is hereby incorporated into and made a part of this Agreement as if fully set forth herein.

5.14. Board of Education Indebtedness Policy. NLCP agrees to comply with the Board of Education Indebtedness Policy (95-0726-EX3), adopted July 26, 1995, and as amended June 26, 1996 (96-0626-PO3), which is hereby incorporated into and made a part of this Agreement as if fully set forth herein.

5.15 Non-Appropriation of Funds. The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made and, therefore, any expenditures beyond the current fiscal year are deemed to be contingent liabilities only, subject to appropriation in the subsequent fiscal year budget.

5.16 Waiver. No waiver of any default of NLCP hereunder shall be implied from any omission by BOE to take any action on account of such default and if such default be repeated, no express waiver shall affect any default other than the default specified in the express waiver then and only for the time and to the extent therein stated. Receipt of any payments by BOE, with knowledge of any breach of this Agreement by NLCP or of any default by NLCP in the observance or performance of any of the conditions or covenants of this Agreement, shall not be deemed to be a waiver of any provision of this Agreement. No term or covenant of this Agreement shall be deemed waived by BOE unless such waiver is in writing.

5.17 Force Majeure. If either party hereto shall be delayed or hindered or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials or services, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, rebellion, hostilities, military or usurped power, sabotage, through an act of God or beyond the control of the party delayed in the performing of work or doing the acts required hereunder, then performance of such act shall be excused for the period of the delay and the period for the performance of any act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not operate to excuse NLCP from any payments required under this Agreement.

5.18 Partial Invalidity. If any term or covenant of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement or the application of such term or covenant to persons or circumstances other than those to which it is held

invalid or unenforceable shall not be affected thereby, and each term and covenant of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5.19 Payment of Costs and Expenses. The defaulting party, as determined by a court of competent jurisdiction, shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by the prevailing party in enforcing the covenants and terms of this Agreement.

5.20 Entire Agreement. This Agreement represents the entire agreement between BOE and NLCP and supersedes all prior negotiations, representations or agreements, whether written or oral as to the subject matter hereof. This Agreement may be amended or modified only by a written instrument executed by both BOE and NLCP.

5.21 Successors and Assigns. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, and permitted successors and assigns. BOE, at any time and from time to time, may make an assignment of its interest in this Agreement and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by BOE herein, BOE and its successors and assigns (other than the assignee of this Agreement) shall be released from any and all liability hereunder.

**IN WITNESS WHEREOF**, this Agreement has been duly executed as of the day and year first above written.

**NORTH LAWNDALE COLLEGE PREPARATORY CHARTER HIGH SCHOOL,**  
a Not-For-Profit Educational Institution

By: \_\_\_\_\_  
Name: Greg Darnieder, President

Attest: \_\_\_\_\_  
By: Eileen Sweeney, Secretary

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to Legal Form  
By: \_\_\_\_\_  
Marilyn Johnson, General Counsel

Attest: \_\_\_\_\_  
By: Sharon Revello, Secretary

Board Report No.: 01-0725-OP3

**EXHIBIT A**

**Lease**

See Attached



**EXHIBIT C**

**Construction Timetable and Schedule of Critical Dates**

Intentionally Omitted - except for August 20, 2001, which is the date of Substantial Completion