

**LEASE**

**THIS LEASE** is made and entered into this 15th day of **NOVEMBER**, 2010, ("Lease") by and between, **THE BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate (herein referred to as "**Landlord**") and, **THE CITY OF CHICAGO**, a municipal corporation (hereinafter referred to as "**Tenant**").

**RECITALS**

**WHEREAS**, Landlord is the owner of the premises more commonly known as 901 East 133rd Place, Chicago, Cook County, Illinois ("**Premises**"), which, in part, houses the Wheatley Child Parent Center ("**Parent Center**"); and

**WHEREAS**, the Parent Center is situated within the Chicago Housing Authority, an Illinois municipal corporation ("**CHA**"), owned public housing development referred to as Altgeld Gardens Housing ("**Altgeld Gardens**"); and

**WHEREAS**, Tenant does not have a Chicago Public Library Branch ("**Chicago Public Library**") in the vicinity of the Parent Center; and

**WHEREAS**, pursuant to the terms of that certain Intergovernmental Agreement dated March 1, 2010 by and among Landlord Tenant and CHA: (i) Tenant and CHA shall each contribute \$100,000 to the cost of the rehab ("**Renovation**"); and (ii) Landlord shall be responsible for all planning, design, construction and any other work required to complete the Renovation of approximately 4,000 square feet of the Parent Center, depicted on **Exhibit A** attached hereto and made a part hereof, into a new Chicago Public Library Branch at the Wheatley Child Parent Center ("New Wheatley Library"); and

**WHEREAS**, after the completion of the Renovation, Landlord shall lease ("Lease") to Tenant, and Tenant shall lease from Landlord the New Wheatley Library, for use and occupancy by the Tenant's Chicago Public Library; and

**WHEREAS**, CHA shall not be a party to the Lease terms set forth herein;

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

**SECTION 1. GRANT**

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

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Approximately 4,000 square feet of the Parent Center located at 901 East 133rd Place, Chicago, Cook County, Illinois (PIN # \_\_\_-\_\_\_-\_\_\_ (the "Library Premises").

**SECTION 2. TERM**

The term of this Lease ("Term") shall commence on the Tenant's date of occupancy and shall end sixty (60) full months following such occupancy unless sooner unless sooner terminated as set forth in this Lease. Upon expiration or termination of the Term, for any reason, the Renovation and all improvements made to the Library Premises pursuant to this Lease shall become the sole property of the Landlord, and Tenant shall cease to have any ownership or leasehold rights under this Lease.

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

3.1 Rent. Tenant shall pay Landlord base rent for the Chicago Public Library's use of the Library Premises pursuant to the Lease terms set forth herein in the amount of:

One Dollar (\$1.00) for the entire Term, the receipt and sufficiency of said sum being herewith acknowledged by the Tenant and Landlord.

3.2 Leasehold Taxes. To the extent that Tenant is not exempt from taxes or fees, Tenant shall pay when due any and all leasehold real estate taxes or other taxes assessed or levied on the Library Premises assessed on or after the date of occupancy and in connection with this Agreement or Chicago Public Library's use of the Library Premises. Tenant shall cooperate with Landlord in resolving any leasehold real estate or other tax issues that may arise. Tenant shall not be responsible for any leasehold taxes assessed against third parties or the Landlord's use or ownership of the Premises or any portion thereof other than the Library Premises, subject to the terms of the Lease.

3.3 Utilities and Other Services. Tenant shall pay when due any and all costs and expenses of any kind related to the Leased Premises, including, but not limited to; charges for gas, electricity, water, sewer, light, heat, waste disposal, telephone, cable, alarm systems, all other communication systems, and all other utilities, environmental matters, demolition, construction, and charges that may be assessed on the Library Premises after the Renovation has been deemed complete by Landlord, and during, or as a result of, Tenant's occupancy of the Library Premises. Tenant shall assume full responsibility for any other utility services and telephone or other communication services used in, or supplied to, the Library Premises by or for Tenant. Notwithstanding the foregoing, Tenant shall assume no such responsibilities for other portions of the Premises not included in the Library Premises.

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

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4.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon observing and keeping the covenants, agreements and conditions of the Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Library Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

4.2 Tenant's Duty to Maintain Library Premises and Right of Access. Unless otherwise provided in this Lease, Tenant shall, at Tenant's sole expense, keep the Library Premises in a condition of thorough repair and good order, and in compliance with all applicable provisions of the Municipal Code of Chicago upon completion of the Renovation. Landlord shall have the right of access to the Library Premises for the purpose of inspecting and making repairs to the Library Premises, provided that except in the case of emergencies Landlord shall first giving notice to Tenant of its desire to enter the Library Premises, or any portion thereof, and will schedule its entry so as to minimize any interference with Tenant's use of Library Premises or Tenant's workers or contractors. Notwithstanding the foregoing, the parties acknowledge and agree that no advance notice of entry is required in the event of an emergency.

4.3 Use of the Library Premises. Tenant shall use the Library Premises to operate the Chicago Public Library (the "Use) and not in a manner that would violate any Law. Tenant further covenants not to do or suffer any waste or damage, comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments which may be applicable to the Library Premises or to the Use of the Library Premises, disfigurement or injury to any building or improvement on or adjacent to the Library Premises, or to fixtures or equipment thereof. Tenant agrees that in utilizing said Library Premises that it shall not discriminate against any member of the public because of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income.

4.4 Alterations and Additions. Tenant shall have the right to make such alterations, additions and improvements on the Library Premises as it shall deem necessary, provided that any such alterations, additions and improvements shall be in full compliance with the applicable Law and provided that Tenant has obtained the prior written consent of Landlord. Landlord shall not unreasonably withhold consent.

**SECTION 5. ASSIGNMENT AND LIENS**

5.1 Assignment. Tenant shall not assign the Lease in whole or in part, or sublet the Library Premises or any part thereof without the prior written consent of Landlord in each instance. Landlord shall not unreasonably withhold consent.

5.2 Tenant's Covenant Against Liens. Tenant shall not cause or permit any lien or encumbrance, 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 Library Premises.

**SECTION 6. INSURANCE AND INDEMNIFICATION**

6.1 Tenant's Self-Insurance. Tenant is self-insured and agrees to maintain such insurance in full force and effect on the leasehold during the entire Term. Tenant's self-insurance shall be subject to the approval of the Tenant's Risk Management Department. Tenant will provide Landlord with a letter executed by an authorized official evidencing that Tenant is self-insured. This letter shall be tendered to Landlord when the Lease is executed.

6.2 Mutual Indemnification. Tenant and Landlord shall indemnify and hold each other harmless against all liabilities, judgment costs, damages, and expenses that may accrue against, be charged to, or be recovered from either party by reason of any negligent performance of or failure to perform any of their obligations under the Lease.

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

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

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

7.3 Landlord Inspector General. Tenant, Landlord, and CHA acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of Landlord 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.

7.4 Landlord Conflicts, Indebtedness, Ethics. This Lease and the Lease shall not be legally binding on 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 Landlord Board members during the one year period following expiration or other termination of their terms of office. Landlord's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated and made a part of this Lease. Landlord's Board of Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated and made a part of this Lease.

**SECTION 8. INDEMNITY; DEFAULT**

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8.1. The Landlord agrees to indemnify, defend and hold the Tenant, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the Tenant arising from or in connection with (i) the Landlord's failure to comply with any of the terms, covenants and conditions contained within this Lease, or (ii) the Landlord's or any contractor's failure to pay general contractors, subcontractors or materialmen in connection with the Renovation.

8.2. The failure of the Landlord to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Landlord under this Lease or any other agreement directly related to this Lease shall constitute an "Event of Default" by the Landlord hereunder. Upon the occurrence of an Event of Default, the Tenant may terminate this Lease and any other agreement directly related to this Agreement. The Tenant may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

In the event the Landlord shall fail to perform a covenant which the Landlord is required to perform under this Lease, notwithstanding any other provision of this Lease to the contrary, an Event of Default shall not be deemed to have occurred unless the Landlord has failed to cure such default within thirty (30) days of its receipt of a written notice from the Tenant specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the Landlord shall not be deemed to have committed an Event of Default under this Lease if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

8.3. The failure of the Tenant to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Tenant under this Lease or any other agreement directly related to this Lease shall constitute an "Event of Default" by the Tenant hereunder. Upon the occurrence of an Event of Default, the Landlord may terminate this Lease and any other agreement directly related to this Lease. The Landlord may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure injunctive relief or the specific performance of the agreements contained herein.

In the event the Tenant shall fail to perform a covenant which the Tenant is required to perform under this Lease, notwithstanding any other provision of this Lease to the contrary, an Event of Default shall not be deemed to have occurred unless the Tenant has failed to cure such default within thirty (30) days of its receipt of a written notice from the Landlord specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the Tenant shall not be deemed to have committed an Event of Default under this Lease if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## SECTION 9. MISCELLANEOUS

9.1 Notice. All notices, demands or requests which may be or are required to be given, demanded or requested by either party or to the other shall be in writing. All notices, demands and requests to Tenant shall be delivered by national overnight courier or shall be by

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United States registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant as follows:

Chicago Public Library  
Attn: Commissioner's Office  
401 South State Street, 10<sup>th</sup> Floor  
Chicago, Illinois 60605

With a copy to:

City of Chicago  
Department of General Services  
Office of Real Estate Management  
30 North LaSalle - Suite 300  
Chicago, Illinois 60602

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

Board of Education of the City of Chicago  
Department of Real Estate  
125 South Clark Street, 17<sup>th</sup> Floor  
Chicago, Illinois 60603

With a copy to:

Board of Education of the City of Chicago  
Law Department  
125 S. Clark Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: General Counsel

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

Chicago Housing Authority  
Operations Division  
60 East Van Buren Street  
Chicago, Illinois 60605

With a copy to:

Chicago Housing Authority  
Office of the General Counsel  
60 E. Van Buren, 12<sup>th</sup> Floor  
Chicago, Illinois 60605

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Attn: General Counsel

Any notice, demand or request which shall be served upon to any party, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

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

9.3 Governing Law. This Lease shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. If there is a lawsuit under this Lease, each Party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

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

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

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

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

9.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

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

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9.10 Termination of Agreement. Tenant and Landlord shall have the right to terminate the Lease for any reason without penalty any time after January 1, 2011 by providing each other with one one-hundred twenty (120) days prior written notice.

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

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

9.13 No Other Rights. This Lease does not give Tenant or Landlord any other right with respect to the Library Premises.

9.14 No Personal Liability. No elected or appointed official or member or employee or agent of the Tenant, Landlord, or CHA shall be individually or personally liable in connection with this Lease because of their execution or attempted execution or because of any breach hereof. This limitation on liability survives any termination or expiration of this Lease.

9.15 Further Assurance. The Parties shall perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Lease.

9.16 No Implied Waivers. No waiver by either Party of any breach of any provision of this Lease shall be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Lease. No notice to, or demand on, either Party in any case shall, of itself, entitle that Party to any further notice or demand in similar or other circumstances.

9.17 Parties' Interest/No Third Party Beneficiaries. This Lease shall be binding upon the Parties and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Parties, and their respective successors and permitted assigns (as provided herein). This Lease shall not run to the benefit of, or be enforceable by, any person or entity other than a Party and its successors and permitted assigns. This Lease should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Lease, nor any act of the Parties, shall be deemed or construed by any of the Parties hereto or by third parties to create any relationship of third party beneficiary,



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principal, agent, limited or general partnership, joint venture, or any association or relationship involving any of the Parties.

9.18 Remedies Cumulative. The remedies of a Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such Party unless specifically so provided herein.

**SECTION 10. ADDITIONAL TENANT RESPONSIBILITIES**

10.1 Maintenance. Tenant shall provide, at Tenant's expense, engineering service for all maintenance and repair of the Library Premises, including mechanical, electrical components, and plumbing components. Engineering service as used herein shall refer strictly to service for the maintenance and repair of the physical plant that services the Library Premises. Notwithstanding the foregoing, Tenant shall assume no maintenance responsibilities for other portions of the Premises not included in the Library Premises.

10.2 Custodial Service. Tenant shall provide and pay for nightly custodial services to the Library Premises when necessary as determined by Tenant. Notwithstanding the foregoing, Tenant shall assume no custodial responsibilities for other portions of the Premises not included in the Library Premises.

10.3 Illegal Activity. Tenant, or any of its agents or employees, shall not perform or permit any practice that is injurious to the Library Premises, is illegal, or increases the rate of insurance on the Library Premises.

10.4 Hazardous Materials. Tenant shall keep out of the Library Premises materials which cause a fire hazard or safety hazard and shall comply with reasonable requirements of Landlord's fire insurance carrier; not destroy, deface, damage, impair, nor remove any part of the Library Premises or facilities, equipment or appurtenances thereto and maintain the smoke detectors in the Library Premises in accordance with applicable law.

10.5 Alarm Service and Security. Tenant shall be responsible for security to the Library Premises during Tenant's normal hours of operation. In addition, Tenant shall pay for monthly alarm service and security if necessary at Tenant's sole discretion. Notwithstanding the foregoing, Tenant shall assume no alarm and security responsibilities for other portions of the Premises not included in the Library Premises.

10.6 Extermination Services. Tenant shall provide and pay for exterminator service whenever necessary at Tenant's reasonable discretion. Notwithstanding the foregoing, Tenant shall assume no extermination responsibilities for other portions of the Premises not included in the Library Premises.

10.7 Heating. Tenant shall provide and pay for heating to the Library Premises whenever heating shall be necessary and/or required for the comfortable occupancy of the Library Premises by Tenant. Tenant shall maintain the heating plant and equipment that services the Library Premises portion only in good operable condition. Notwithstanding the foregoing,

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Tenant shall assume no heating responsibilities for any other portions of Landlord's property not specifically included in the Library Premises.

10.8 Air-Conditioning. Tenant shall provide and pay for air-conditioning to the Library Premises whenever air-conditioning shall be necessary and/or required for the comfortable occupancy of the Library Premises by Tenant. Tenant shall maintain all the air-conditioning plant and equipment that services the Library Premises portion in good operable condition. Notwithstanding the foregoing, Tenant shall assume no air-conditioning responsibilities for other portions of Landlord's property not specifically included in the Library Premises.

10.9 Condition on Surrender. Upon the termination or cancellation of this Lease, Tenant shall surrender the Library Premises to the Landlord in a comparable or better condition to the condition of the Library Premises at the beginning of Tenant's use, with normal wear and tear taken into consideration.

10.10 Trade Fixtures. Upon the termination or cancellation of this Lease by lapse of time, Tenant may remove Tenant's personal property, trade fixtures, and equipment, provided that Tenant shall repair any injury or damage to the leased Library Premises which may result from such removal.

**SECTION 11. ADDITIONAL LANDLORD RESPONSIBILITIES**

11.1 Snow Removal. Landlord shall provide and pay for prompt removal of snow and ice from sidewalks which immediately abut the Library Premises.

11.2 Landscaping. Landlord shall provide and pay for any landscaping services that may be required to the physical grounds which immediately abut the Library Premises.

11.3 Garbage Pick-up and Scavenger Service. Landlord shall provide garbage removal service and scavenger service to the Library Premises.


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

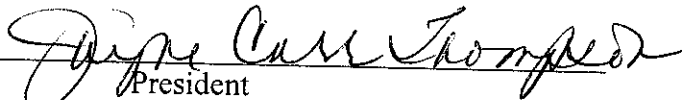
**CITY OF CHICAGO**, an Illinois municipal corporation:  
**BY: THE DEPARTMENT OF GENERAL SERVICES**

By:   
Commissioner

**APPROVED: THE CHICAGO PUBLIC LIBRARY**

By:   
Commissioner

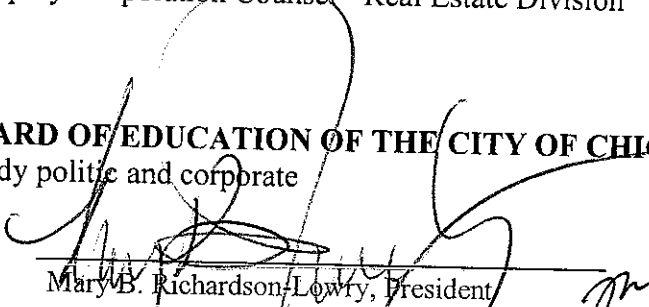
**APPROVED: THE CHICAGO PUBLIC LIBRARY BOARD OF DIRECTORS**

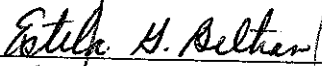
By:   
President

Approved as to Legal Form:

  
Deputy Corporation Counsel - Real Estate Division

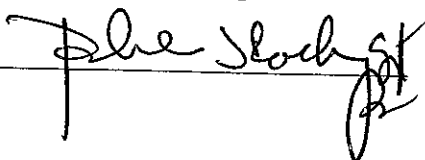
**BOARD OF EDUCATION OF THE CITY OF CHICAGO**,  
a body politic and corporate

By:   
Mary B. Richardson-Lowry, President

Attest:  10/1/10  
Estela G. Beltran, Secretary

Board Report No.: 10-0224-EX2<sup>2</sup>, 10-0623-AR2-11  
10-0825-AK1-6

Approved as to Legal Form:



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EXHIBIT A

DEPICTION OF LIBRARY PREMISES

(To Come)