LEASE AGREEMENT FOR A PORTION OF 6041 W. DIVERSEY AVENUE, CHICAGO ILLINOIS BETWEEN HOLY TRINITY GREEK ORTHODOX CHURCH AND SOCRATES GREEK-AMERICAN SCHOOL, AS LANDLORD <u>AND</u> THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, AS TENANT

DATED: AUGUST 1, 2011

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LEASE AGREEMENT FOR A PORTION OF 6041 W, DIVERSEY AVENUE, CHICAGO, ILLINOIS BETWEEN HOLY TRINITY GREEK ORTHODOX CHURCH AND SOCRATES GREEK-AMERICAN SCHOOL, AS LANDLORD, AND THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, AS TENANT

THIS LEASE AGREEMENT ("Lease") is made as of this 1st day of August, 2011 ("Commencement Date") between HOLY TRINITY GREEK ORTHODOX CHURCH AND SOCRATES GREEK-AMERICAN SCHOOL (collectively "Landlord") and the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate ("Tenant").

RECITALS:

A. Landlord is the owner of certain real estate located at 6041 W. Diversey Avenue, Chicago, Illinois, which is improved with a building ("Building").

B. Tenant desires to lease space within the Building consisting of fourteen (14) classrooms, offices, library, lunchroom, gym and the two (2) parking lots for shared use with Landlord. The foregoing are collectively referred to herein as the ("Premises"). Ingress and Egress from the parking lots is on Meade and McVicker.

C. Landlord desires to so lease the Premises to Tenant.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full, and for other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. <u>GRANT/TERM.</u> Landlord hereby leases the Premises to Tenant, upon the terms and conditions hereinafter set forth, for a term commencing as of August 1, 2011 and ending on July 31, 2016 ("Term").

2. **<u>RIGHT OF EARLY TERMINATION.</u>** The parties acknowledge and agree that after the first three (3) years of the Term, either party may terminate this Lease upon One Hundred Eighty days (180) prior written notice to the other party.

3. <u>USE</u>. Tenant shall use the Premises for educational purposes every Monday through Friday from 7:00 a.m. to 4:00 p.m. during the Term.

4. **<u>RENT.</u>** In consideration of the leasing of the Premises as set forth above, Tenant covenants and agrees to pay to the Landlord, as rent for the Premises ("Rent"), the following each month of the Term: Fourteen Thousand Three Hundred Seventy-Five and 00/100 Dollars (\$14,375.00), with an annual Rent of One Thousand Seventy-Two Five Hundred and 00/100 Dollars (\$172,500.00).

5. **ADDITIONAL RENT.** Upon invoice and pertinent documentation requested from Landlord, Tenant shall, in its usual course of business, reimburse Landlord for the actual cost of heat and electricity ("Additional Rent"). The parties acknowledge and agree that the cost of heat and electricity is estimated to be Seventy Thousand and 00/100 Dollars (\$70,000.00) per year.

6. <u>TENANT IMPROVEMENTS</u>. The parties acknowledge and agree that Tenant shall have the right to make improvements to the Premises ("Tenant Work") with Landlord's consent. N:\LegalShare\Contracts Group\Contracts Group\Thomas\Leases\Holy Trinity and Socrates\Lease -Socrate9-9-11.docHoly Trinity & 2 Socrates lease-6041 W. Diverseys 7. **OPERATIONS AND MAINTENANCE.** Throughout the Term, Tenant shall be responsible for day to day operation of the Premises, including janitorial services, normal maintenance and snowplowing. Further, Tenant shall maintain the separate HVAC for the gym and lunchroom.

8. **<u>OUIET ENJOYMENT.</u>** Landlord covenants that Tenant shall have the right to peacefully and quietly have, hold and enjoy the Premises without any encumbrance or hindrance by or from Landlord, its agents, employees, successors and assigns.

9. <u>SURRENDER OF PREMISES UPON TERMINATION.</u> Upon termination of this Lease, by lapse of time or otherwise, the Tenant shall have the privilege, without liability in any way accruing against it, to remove any and all of its properties, supplies, and equipment of all kinds from said Premises. The Tenant shall deliver the Premises, upon termination, in as good a state or condition as the Premises existed on the date of this Lease with the Tenant Improvements, less reasonable use and wear thereof and damages by fire and accident excepted.

10. **INSURANCE.**

A. Tenant self-insures with regard to liability and property damage for at least the first Two Million and No/100 Dollars (\$2,000,000.00) and Tenant agrees that it shall maintain such self-insurance or obtain policies in like amount throughout the Term.

Landlord agrees to purchase and keep in full force and effect during the Term, including any В. extension or renewals thereof, insurance under policies issued by insurers of recognized responsibility, qualified to do business in State of Illinois on the Building, the Premises and on all Tenant Improvements in amounts not less than the greater of the then full replacement cost (without depreciation) of the Building (above foundations) or an amount sufficient to prevent Landlord from becoming a co-insurer under the terms of the applicable policies, against fire and such other risks as may be included in standard forms of fire and extended coverage insurance available from time to time. The policy shall name Tenant as an additional insured and shall contain a clause that the insurer will not cancel, change or fail to renew the insurance without first giving Tenant thirty (30) days prior written notice. Said insurance shall be in form, and carried with responsible companies, reasonably satisfactory to Tenant. The policy or a duly executed certificate for the same (which shall be binding on the insurer and evidence the insurer's waiver of subrogation) together with satisfactory evidence of the payment of the premium thereon, shall be provided to Tenant on or before the Commencement Date. If Landlord fails to comply with such requirements, Tenant may obtain such insurance and keep the same in effect, and Landlord shall pay Tenant the premium cost thereof to Tenant upon demand or Tenant may deduct the cost of the same from Rent hereunder.

11. **LANDLORD DEFAULT.** If Landlord is in default under this Lease and such default shall continue for thirty (30) days after Tenant has notified the Landlord by written notice of such default, unless in the case of a default which cannot be remedied within thirty (30) days where Landlord shall have commenced and shall be diligently pursuing all necessary action to remedy such default, the Tenant may, but shall not be obligated to, cure the default itself and deduct the cost and expense thereof from the Rent due under this Lease, or immediately terminate this Lease by providing Landlord written notice as provided for herein.

12. **TENANT DEFAULT.** If the Tenant is in default under this Lease and such default shall continue for thirty (30) days after Landlord has notified the Tenant by written notice of such default, unless in the case of a default which cannot be remedied within thirty (30) days where Tenant shall have commenced and shall be diligently pursuing all necessary action to remedy such default, the Landlord may but shall not be obligated to *N:\LegalShare\Contracts Group\Contracts Group\Thomas\Leases\Holy Trinity and Socrates\Lease -Socrate9-9-11.docHoly Trinity & 3 Socrates lease-6041 W. Diverseys*

cure the default or elect to terminate this Lease by providing Tenant written notice as provided for herein. Termination under this Paragraph 12 shall only be effective as of the end of the regular school year.

13. **CASUALTY AND CONDEMNATION.** If the Premises are made untenanable by fire or other casualty, or taken by any governmental entity pursuant to its power of eminent domain, the Landlord or Tenant may elect to terminate this Lease as of the date of the fire or other casualty or the taking by eminent domain, by notice to the other party within thirty (30) days after the date of the fire or other casualty, or in the case of eminent domain, by notice delivered as soon as reasonably possible after a party receives notice or otherwise becomes aware of such proceedings. Rent and Additional Rent shall abate as of the date of the casualty or taking, and if there is any award or payment by the condemning governmental entity, Tenant shall not be entitled to any portion thereof. Landlord agrees to promptly notify Tenant if it receives any notice of proposed taking by a governmental entity pursuant to eminent domain.

14. **INDEMNIFICATION.**

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

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

15. <u>SUBLEASE/ASSIGNMENT.</u> Tenant shall have the right to sublease or assign its rights to all or any part of the Premises for purposes not inconsistent with the Use for which Tenant has leased the Premises from Landlord.

16. <u>SECURITY.</u> Landlord agrees to establish and maintain security measures appropriate to reasonably protect the Premises, individuals properly present at the Premises, and the personal property located thereon.

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

| If to Landlord: | HOLY TRINITY GREEK ORTHODOX CHURCH and SOCRATES GREEK-AMERICAN SCHOOL 6041 W. Diversey Avenue Chicago, Illinois 60639 Attention: Jim Legothetis Phone No: 312-879-5029 And 312-391-9185 |
|-----------------|---|
| If to Tenant: | BOARD OF EDUCATION Operations and Facilities Department |

125 South Clark Street, 17th Floor

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Chicago, Illinois 60603 Attention: Chief Operating Officer

With a copy to: BOARD OF EDUCATION Law Department 125 South Clark Street, 7th Floor Chicago, Illinois 60603 Attention: Patrick J. Rocks, General Counsel

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

18. **PARAGRAPH HEADINGS.** The paragraph headings appearing in this Lease have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope of intent of the paragraph to which they pertain.

19. <u>SUCCESSORS AND ASSIGNS.</u> This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and assigns.

20. <u>AUTHORITY</u>. The individual officers, agents and employees of the parties hereto who execute this Lease do hereby individually represent and warrant that they have full power and lawful authority to execute this Lease and perform the transactions contemplated hereunder, on behalf of and in the name of their respective principals and/or employers.

21. <u>SEVERABILITY</u>. If any provisions of this Lease is (are) determined to be legally invalid, the parties hereto agree that particular provision shall be null and void, but that the remainder of this Lease shall remain in full force and effect.

22. <u>CONFLICT OF INTEREST</u>. This Agreement is not legally binding on the Tenant if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

23. **INDEBTEDNESS.** Landlord agrees to comply with the Tenant's Indebtedness Policy adopted May 25, 2011 (11-0525-PO2), as may be amended from time to time, which policy is hereby incorporated by reference as if fully set forth herein.

24. <u>CONTINGENT LIABILITY</u>... The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made. Accordingly, the Landlord agrees that any expenditures beyond the Tenant's then current fiscal year are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budget (s).

25. **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.

26. <u>ETHICS</u>. The Tenant's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time is incorporated into and made part of this Lease.

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IN WITNESS WHEREOF, the parties have set their hands and seals as the first day of August, 2011.

TENANT:

BOARD OF EDUCATION OF THE CITY OF CHICAGO

David J. Vitale, President 200

Attest: Estila H. Billian 11/18/11 Estela Beltran, Secretary

LANDLORD;

Title:

HOLY TRINITY GREEK ORTHODOX CHURCH AND SOCRATES GREEK-AMERICAN SCHOOL

| By: June miss J. Leforupis |
|-------------------------------|
| Name: DEMERKIOS M. Lobo THETS |
| Its: PARISIA VOUNUL |
| Attest: |
| Ву: |
| Name: |
| |

Board Report: 11-0525-OP2, 11-0824-442-21 11-1026-4423-18

Approved as to legal form:

Patrick J. Rocks, General Counsel

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