

LEASE
FOR 11000 S. EWING AVENUE, CHICAGO ILLINOIS
BETWEEN
EASTSIDE UNITED METHODIST CHURCH, AS
LANDLORD
AND
THE BOARD OF EDUCATION OF THE CITY OF
CHICAGO, AS TENANT

DATED: JULY 1, 2011

LEASE FOR 11000 S. EWING AVENUE, CHICAGO, ILLINOIS BETWEEN EASTSIDE UNITED METHODIST CHURCH, AS LANDLORD, AND THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, AS TENANT

THIS LEASE ("Lease") is made as of this 1st day of July, 2011 ("Effective Date") between EASTSIDE UNITED METHODIST CHURCH, an Illinois not-for-profit Corporation ("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 11,000 S. Ewing Avenue, Chicago, Illinois, which is improved with a building ("Building").
- B. Tenant desires to lease the following space within the Building: (i) two (2) classrooms and one (1) office on the first floor of the Building (with the Tenant to have exclusive use on 24/7 basis); and (ii) social hall and kitchen on the lower level of the Building (for shared use with Landlord, with the Tenant having exclusive use Mondays through Fridays from 6:00 a.m. to 4:00 p.m. when school is in session). The foregoing are collectively referred to herein as the "Premises".
- 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. **GRANT/TERM.** Landlord hereby leases the Premises to Tenant, upon the terms and conditions hereinafter set forth, for a term commencing as of July 1, 2011 and ending on June 30, 2012 ("Term").
2. **USE.** To house State Pre-Kindergarten classrooms for the Jane Addams Elementary School located at 10810 S. Avenue H, Chicago, Illinois.
3. **RENT.** In consideration of the leasing of the Premises as set forth above, Tenant covenants and agrees to pay to the Landlord Thirty-Six Thousand Seven Hundred-Twenty and 00/100 Dollars (\$36,720.00) as annual rent for the Premises ("Rent"), to be paid at the rate of Three Thousand Sixty and 00/100 Dollars (\$3,060.00) on the first day of each month of the Term.
4. **AS-IS.** Tenant has possession of the Premises, and the parties agree that on the Effective Date Tenant accepts the Premises in an "AS-IS" and "WHERE-IS" condition, Landlord making no representations or warranties of any nature whatsoever as to the condition of the Premises or the Building. Tenant's execution of this Lease shall be deemed to be Tenant's acceptance of the Premises in the order and condition as then exists. No promise of Landlord to alter, remodel, decorate, or improve the Premises or any portion thereof and no representation respecting the condition of the Premises or any portion thereof have been made by Landlord to Tenant.
5. **LANDLORD COVENANTS.** Throughout the Term Landlord shall provide the following:

(A) heat, water, and electricity necessary for the use and occupancy of the Premises for the purposes for which this Lease is made;

(B) any maintenance, replacement, or repairs (including, but not limited to, painting) of the Building. Landlord agrees to maintain the Building in good and tenantable condition and repair during the Term;

(C) any maintenance, replacement, or repairs of the facilities, fixtures and equipment providing hot and cold running water, drinking water and toilet services. All of the foregoing shall be maintained in good operating order and in a safe, healthful and clean condition;

(D) prompt removal of snow and ice from the sidewalks, steps, walkways, driveways and entrance ways serving the Premises;

(E) washing of inside and outside windows at the Premises on a reasonable basis; and

(F) janitorial services for the Premises in accordance with the Janitorial Standards (a copy of which is attached hereto and made part hereof as Exhibit "A"), which shall include, but not be limited to, cleaning, washing, emptying waste-baskets, sweeping of any kind, moving of furniture, and replacing of light bulbs.

At all times, Landlord shall comply with all applicable municipal, county, state and federal ordinances, laws, rules and regulations pertaining to the repair, maintenance and operation of the Premises. Landlord also agrees that the Tenant has the right to inspect, sample and analyze the materials, systems and structures in the Premises as required by the United States Environmental Protection Agency, the Illinois Environmental Protection Agency, the Chicago Department of Health, or any other municipal or Board of Education of the City of Chicago ("Board") entity charged with establishing and policing occupational or educational health and safety standards, or as necessary to determine compliance of the Premises with standards or guidelines established by any of the foregoing.

If Landlord fails to complete any repair, replacement, or maintenance for which Landlord is obligated herein within ten (10) days after written notice from Tenant of a condition requiring repair, replacement, or maintenance (or, if such repair, replacement, or maintenance cannot by its nature reasonably be completed within ten (10) days, Landlord has not commenced within ten (10) days of said notice the repair, replacement, or maintenance and continuously and diligently prosecuted its completion), Tenant may, but shall not be obligated to, commence or complete such repair, replacement, or maintenance. All sums expended and all costs and expenses incurred by Tenant in connection with any such repair, replacement, or maintenance shall be paid by Landlord to Tenant and shall bear interest from the respective date(s) when expended or incurred by Tenant at the rate of the lesser of twelve percent (12%) per annum or the maximum rate then permitted to be charged by law until repaid by Landlord to Tenant, and all such sums together with interest shall be deducted from Rent under this Lease, or payable by Landlord to Tenant on demand.

6. **IMPROVEMENTS.** With the prior written approval of the Landlord, which shall not be unreasonably withheld or denied, the Tenant may make improvements ("Improvements") to the Premises which are necessary for the use thereof by the Tenant.

7. **QUIET ENJOYMENT.** Landlord covenants that Tenant shall have the right to peacefully and quietly have, hold and enjoy the Premises without any encumbrance or hindrance by or from Landlord, its agents, employees, successors and assigns.

8. **SURRENDER OF PREMISES UPON TERMINATION.** Upon termination of this Lease, by lapse of time or otherwise, the Tenant shall have the privilege, without liability in any way accruing against it, to remove any and all of its properties, supplies, and equipment of all kinds from the 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 Improvements, less reasonable use and wear thereof and damages by fire and accident excepted.

9. **INSURANCE.**

A. Tenant self-insures with regard to liability and property damage for at least Two Million and 00/100 Dollars (\$2,000,000.00) and Tenant agrees that it shall maintain such self-insurance or obtain and maintain policies in a like amount throughout the Term.

B. Landlord agrees to purchase and keep in full force and effect during the Term insurance under policies issued by insurers of recognized responsibility, qualified to do business in State of Illinois on the Building and on all 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 or change the insurance without first giving Tenant thirty (30) day's 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 deposited with Tenant on or before the Effective Date and shall provide thirty (30) days notice to the Tenant prior to cancellation, material change, or non-renewal thereof. If Landlord fails to comply with such requirements, Tenant may obtain such insurance and keep the same in effect, and Landlord shall pay the premium cost thereof to Tenant upon demand or Tenant may deduct such cost from Rent due under this Lease.

10. **LANDLORD DEFAULT.** If Landlord is in default under this Lease and such default shall continue for ten (10) 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 ten (10) days where Landlord shall not have commenced and 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.

11. **TENANT DEFAULT.** If the Tenant is in default under this Lease and such default shall continue for ten (10) 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 ten (10) days where Tenant shall not have commenced and be diligently pursuing all necessary action to remedy such default, the Landlord may but shall not be obligated to cure the default or elect to terminate this Lease by providing Tenant written notice as provided for herein. Termination under this Paragraph 11 shall only be effective as of the end of the Tenant's school year.

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

13. **INDEMNIFICATION.**

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

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.

14. **SUBLEASE/ASSIGNMENT.** 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.

15. **SECURITY.** Landlord agrees to establish and maintain security measures appropriate to reasonably protect the Premises, individuals properly present at the Premises, and the personal property located thereon. Tenant agrees to cooperate with Landlord in maintaining security and in establishing security measures for the Premises comparable to security at Landlord's other places of operation.

16. **NOTICES.** All notices and other communications given pursuant to this Lease shall be in writing and shall be deemed properly served and effective: (i) as of the day of delivery if delivered in person, by messenger, overnight delivery service or a party's attorney or agent; or (ii) 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: Eastside United Methodist Church
11000 S. Ewing Avenue
Chicago, Illinois 60617
Attention: Pastor Zaki L. Zaki

If to Tenant: Board of Education of the City of Chicago
Department of Operation and Facilities
125 South Clark Street, 17th Floor
Chicago, Illinois 60603
Attention: Chief Operating Officer

With a copy to: Board of Education of the City of Chicago
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.

17. **SECTION HEADINGS.** The section 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 section to which they pertain.

18. **SUCCESSORS AND ASSIGNS.** This Lease shall inure to the benefit of and be binding upon the respective parties hereto and their respective successors and assigns.

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

20. **SEVERABILITY.** If any provision(s) of this Lease is (are) determined to be legally invalid, the parties hereto agree that particular provision shall be null and void, but that the remainder of this Lease shall remain in full force and effect.

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

22. **INDEBTEDNESS.** Landlord agrees to comply with the Tenant's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as may be amended from time to time, which policy is hereby incorporated by reference as if fully set forth herein.

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

24. **INSPECTOR GENERAL.** Each party to this Lease hereby acknowledges that in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

25. **ETHICS.** The Tenant's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, is, by this reference incorporated into and made part of this Lease.

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

TENANT:

BOARD OF EDUCATION OF
THE CITY OF CHICAGO

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

COO Report Number: 11-0610-COO4

Approved as to legal form:

Patrick J. Rocks
Patrick J. Rocks, General Counsel

LANDLORD:

EASTSIDE UNITED METHODIST CHURCH

By: [Signature]
Name: REV. DR. ZAKI L. ZAKI
Title: PASTOR

Attest:

By: _____

Name: _____

Title: _____

EXHIBIT "A"

JANITORIAL STANDARDS

I. Office Area

A. Daily (Monday through Friday)

1. Vacuum all rugs and carpeted areas.
2. Damp mop all stone, ceramic tile and terrazzo areas.
3. Sweep all other uncarpeted areas.
4. Dust all top surfaces; spot clean all desk tops - glass tops to be cleaned removing fingerprints, stains, etc. with a window glass cleaner; dust all workstations and desks, except where there is paper and any work items are not to be removed.
5. Clean all water fountains and water coolers.
6. Empty and clean all waste receptacles.

B. Periodic

1. Remove fingermarks from all surfaces near light switches, door jambs, etc. - weekly.
2. Sweep floors in private and public stairwells - weekly.
3. Dust all vertical surfaces - monthly.
4. Dust exterior lighting fixtures - quarterly.
5. Clean all interior window metal surfaces of perimeter walls - quarterly.
6. Wash telephones - weekly.
7. Clean and buff all resilient flooring as required.

II. Lavatories

A. Daily (Monday through Friday)

1. Wash all floors. .
2. Wash and polish all mirrors and bright work.
3. Wash and disinfect all toilet seats, basins, bowls and urinals.
4. Refill towel dispensers, soap dispensers, tissue holders, material furnished by Landlord.
5. Empty paper tower receptacles.

B. Periodic

1. Clean and wash all partitions - weekly.
2. Clean and wash all tile walls - monthly.
3. High dusting including lights and grills - monthly.
4. Machine scrub all floors at least monthly.