

## LICENSE AGREEMENT

**THIS LICENSE AGREEMENT** ("this Agreement") is made and entered into as of the 18th day of August, 2012 ("the Effective Date"), between the **Board of Education of the City of Chicago**, a body politic and corporate ("Licensor") and **Lofton's Fighting Tigers MAA, Inc.**, an Illinois corporation ("Licensee").

### WITNESSETH:

For and in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

1. Grant of License. Licensor hereby grants to Licensee the right, privilege and permission, subject to the terms and provisions of this Agreement, to possess and occupy the gymnasium (the "Premises"), located at **Amelia Earhart School** (the "School"), located at 1710 E. 93<sup>rd</sup> St., Chicago, Illinois for the sole purpose of providing a martial arts program (the "Use"), and only during the time periods expressed herein.
  
2. Limitation on License. Licensee hereby acknowledges and agrees that the license granted hereunder is subject to certain limitations and restrictions, namely:
  - A. Licensee shall have the right to utilize the Premises only on the following days and times: **Saturdays from 1:00 p.m. until 5:00 p.m.;**
  
  - B. [Intentionally omitted]; and
  
  - C. Licensee acknowledges that the primary function of the Premises is in connection with the operation of the School and that Licensee's license hereunder is, and shall at all times remain throughout the Term (as hereinafter defined), subordinate to and ancillary to School operations; and in accordance therewith, Licensee hereby agrees that: (i) Licensee shall conduct its operations in the Premises in a manner that will not interfere with, interrupt, or disturb or disrupt in any manner the operation of the School; (ii) Licensee's Use shall not be exclusive and Licensor shall have the right to use the Premises for its own purposes, which purposes shall, at all times, remain paramount to Licensee's right hereunder; and (iii) without any reduction in the License Fee, upon not less than twenty-four (24) hours notice from the Licensor to the Licensee, the Licensor shall have the right to use the Premises for special functions, including, but not limited to, graduation, report card pickup day and parent/teacher conferences.
  
3. Term of License. The term of this Agreement shall be from **August 18, 2012, to August 17, 2013** (the "Term"). Notwithstanding the foregoing, either party may terminate this Agreement, at any time, with or without cause, by providing **30 days** prior written notice to the other party.
  
4. License Fee. Licensee shall pay, directly to the school, an annual license fee of **Five Thousand Forty and 00/100 Dollars (\$5,040.00)**, payable in advance, in monthly installments of **Four Hundred Twenty and 00/100 Dollars (\$420.00)**. The monthly installment payments shall be due on the first day of each month. In the event Licensee uses the Premises outside of the schedule listed in Section 2A of this Agreement, Licensor shall invoice Licensee (and Licensee shall pay Licensor) the current hourly rates for the additional time of use. Licensee should obtain prior approval from Licensor before using the Premises outside of the schedule listed in Section 2A.

5. Costs and Expenses. Any and all costs, expenses or fees arising out of or relating to the granting of this License or the Use shall be borne by Licensee, including, without limitation, permit or approval fees, and insurance premiums. To the extent Licensor is obligated to pay any of the preceding costs, expenses or fees, Licensee shall reimburse Licensor within five (5) days after receipt of written notice from Licensor regarding the same.

6. Compliance with Laws. Licensee shall, at all times during the Term, and any renewal thereof, comply (and shall cause its invitees, employees and agents, to comply) with all laws, codes, statutes, ordinances and regulations applicable to this Agreement and Licensee's Use. In conjunction therewith, Licensee shall obtain, at its sole cost and expense, all zoning and other approvals and permits necessary to use the Premises for the Use stated herein.

7. Maintenance.

- A. Licensee shall be responsible for normal maintenance of the Premises during the Use.
- B. Licensee shall repair any damage to the Premises caused by Licensee, or by its members, invitees, employees or agents.
- C. Licensee shall, at all times during the Use, at Licensee's sole cost and expense, keep the Premises free of all debris, bottles and trash.
- D. [Intentionally omitted].

8. Alterations and Modifications. Licensee shall not alter, modify, improve or otherwise change the Premises, except as otherwise permitted or required under this Agreement.

9. Indemnification. To the fullest extent permitted by law, Licensee shall indemnify, defend and hold harmless Licensor, the School and the Local School Council that is affiliated with the School, and their respective board members, officers, directors, 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: (i) the possession, occupancy or Use of the Premises by Licensee, or its invitees, employees, agents, affiliates or other representatives; (ii) any act or omission to act (whether negligent, willful, wrongful or otherwise) by Licensee, or its invitees, employees, agents, affiliates or other representatives; (iii) a violation of any laws, statutes, codes, ordinances or regulations by Licensee, or its invitees, employees, agents, affiliates or other representatives; and/or (iv) any breach, default, violation or nonperformance by Licensee of any term, covenant, condition, duty or obligation provided in this Agreement. This indemnification, defense and hold harmless obligation shall survive the termination of this Agreement.

10. Waiver of Claims. To the fullest extent permitted by law, Licensee hereby releases Licensor, the School and the Local School Council that is affiliated with the School, and their respective board members, officers, directors, employees, agents, affiliates, and representatives, and all other parties claiming by, through or under any of the preceding, from and waives all claims for damages to person or property sustained by Licensee, regardless of the cause thereof.

11. Insurance. Licensee shall, at its sole cost and expense, maintain for the duration of this Agreement the following insurance coverages: Comprehensive General Liability Insurance with limits not

less than \$1,000,000 in a combined single limit for both injury and property damage. This insurance shall also provide that there will be no cancellation unless the Board receives fifteen (15) days prior written notice. All liability insurance policies must cover the negligent acts or omissions to act of Licensor and Licensee. All such insurance shall be in form and substance satisfactory to Licensor, and shall be issued by insurers authorized to do business in the State of Illinois and rated "A-VII" or better by A.M. Best & Company. Upon execution of this Agreement, certificates of insurance evidencing such coverages shall be provided to Licensor, and such certificates shall state that the insurance coverage thereby provided may not be amended, canceled or not renewed without at least thirty (30) days prior written notice to Licensor and to: Real Estate Department, Board of Education of the City of Chicago, Suite 1700, 125 South Clark Street, Chicago, Illinois 60603. Each policy of insurance required hereunder shall name as additional insureds, by specific endorsement, Licensor and any other parties which may be designated in writing by Licensor. Each such policy shall also contain, whether by endorsement or otherwise, a waiver of subrogation clause in favor of Licensor and any other additional insureds, the effect of which shall be to waive the insurers' rights of recovery against Licensor or such other additional insureds.

12. Condition of Premises. No agreements or representations have been made to Licensee regarding the condition of the Premises, its suitability for the stated Use, or whether it is zoned properly for Licensee's intended Use. By executing this Agreement, Licensee conclusively waives all claims relating to the condition of the Premises and accepts the Premises as being free from defects and in good, clean and sanitary order, condition and repair.

13. Return of Premises. Upon the termination of this Agreement, Licensee shall immediately vacate and surrender the Premises; returning the same to Licensor in the condition required by Section 7 above.

14. Default. If Licensee fails to observe or perform any covenant, agreement, obligation, duty or provision of this Agreement, Licensor may, after five (5) days' prior written notice to Licensee and without prejudice to any other right or remedy Licensor may have at law and/or in equity, terminate this Agreement.

15. Late Fee. For any periodic payment due under this Agreement, if such periodic payment is not received in full by Licensor by the tenth (10<sup>th</sup>) day after its due date, Licensee shall be assessed a late fee equal to five percent (5%) of the total amount of any such periodic payment when due.

16. Assignment and Successors & Assigns.

A. The interest of Licensee under this Agreement is personal to Licensee and may not be assigned or transferred to any other individual or entity without Licensor's prior written consent. Licensor shall have the right at any time to transfer or assign its interest under this Agreement.

B. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Licensor. While this Agreement shall likewise be binding upon the successors and permitted assigns of Licensee, it shall not inure to the benefit of Licensee's successors or unpermitted assigns.

17. Notices. 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):

If to Licensor: Board of Education of the City of Chicago  
Department of Operations  
125 South Clark Street, 17<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: Director of Real Estate

with a copy to: Board of Education of the City of Chicago  
Law Department  
125 South Clark Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn: General Counsel

If to Licensee: Lofton's Fighting Tigers  
1851 West 82<sup>nd</sup> St.  
Chicago, Illinois 60620  
Attn: Andrey C. Lofton  
Phone: 901.451.1013  
E-mail: al461p@att.com

All notices required hereunder shall be deemed received on the date of delivery, or attempted delivery, if delivered in person, or if mailed, on the date which is two (2) days after the date such notice is deposited in the U.S. mail.

18. 105 ILCS 5/34 Provisions.

A. This Agreement is not legally binding on the Licensor 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.

B. Each party to this Agreement hereby acknowledges that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the 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.

19. Board of Education Indebtedness Policy. The Board of Education Indebtedness Policy (96-0626-PO3), adopted July 26, 1996, as amended from time to time, is hereby incorporated into and made part of this Agreement as if fully set forth herein.

20. Board of Education Ethics Code. The Board of Education Ethics Code (11-0525-PO2), adopted May 25, 2011, as amended from time to time, is hereby incorporated into and made part of this Agreement as if fully set forth herein.

21. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

22. Entire Agreement. This Agreement represents the entire agreement between Licensor and Licensee and supersedes all prior negotiations, representations or agreements, whether written or oral. This Agreement may be amended or modified only by a written instrument executed by both Licensor and Licensee.

23. Local School Council Approval. This License is subject to approval of the members of the School's Local School Council.

24. Severability. In case any provision in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.


25. Exhibits. Any exhibits attached hereto are hereby incorporated into this Agreement by this reference and expressly made a part of this Agreement.

26. No Third Party Beneficiary. This Agreement 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.

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


**LICENSOR:**

**BOARD OF EDUCATION  
OF THE CITY OF CHICAGO**

By:   
Name: Liza Balistreri  
Title: Director of Real Estate

**LICENSEE:**

**LOFTON'S FIGHTING TIGERS  
MAA, INC.**

By:   
Name: Andrew Lofton  
Title: Owner/CEO/Chief Instructor

Board Rule: 7-15

# CERTIFICATE OF INSURANCE

06/04/2012

**PRODUCER**  
**Grizzly Insurance Agency, LLC**  
 PO Box 630028  
 Littleton, CO 80163  
 888-868-1164

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

### COMPANIES AFFORDING COVERAGE

Company Letter	A	Starr Indemnity and Liability Company
Company Letter	B	Starnet Insurance Company/WR Berkley Company
Company Letter	C	
Company Letter	D	
Company Letter	E	

**INSURED**  
**Lofton's Fighting Tigers Martial Art Academy**  
**Andrey Lofton**  
 1815 w. 87th Street  
 Chicago, IL 60620

### COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. \*This certificate of insurance does not affirmatively or negatively amend, extend, or alter the coverage afforded by the insurance policy.\*

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>General Liability</b>	P2GL-115459-02_2	6/4/2012	6/4/2013	General Agg	\$2,000,000
	<input checked="" type="checkbox"/> Commercial General Liability				Products - Agg.	\$1,000,000
	<input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occur.				Personal & A	\$1,000,000
	<input checked="" type="checkbox"/> Includes Athletic Participants				Property Damage	\$1,000,000
					Each Occurrence	\$1,000,000
					Fire Damage	\$300,000
					Deductible	\$0
B	Accident Medical Insurance	PAI V00252400-001	6/4/2012	6/4/2013	Per Accident	\$100,000
					Deductible	\$250

### Description of Operation

Martial Arts Training  
 The Certificate Holder(s) is added as an additional insured but only with respect to liability arising out of operations of the named insured during the policy period.

### Certificate Holder - Additional Insured

University of Chicago - Ratner Athletic Center  
 5530 S Ellis  
 Chicago, IL  
  
 Chicago Public Schools

### Cancellation

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE WILL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE-Don Baldwin

*Don Baldwin*

Martial Arts Insurance Program  
 www.karateinsurance.com 888-868-1164 · fax 303-484-4431