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KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 04/04/2023 02:51 PM PG: 1 OF 46

Doc# Fee \$2.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 04/04/2023 02:51 PM PG: 0

**This instrument was prepared by
and after recording be returned to:**

**Pamela Cash
Deputy General Counsel, Real Estate Division
Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605**

CC# 22049116
S/B LKENT

GROUND LEASE

This Ground Lease (this "Lease") is made as of the 3rd day of April, 2023, by and between **Chicago Housing Authority**, an Illinois municipal corporation ("**Landlord**"), having an office at 60 East Van Buren Street, 12th Floor, Chicago, Illinois 60605 and Board of Education of the City of Chicago, a body politic and corporate having offices at 42 W. Madison, Chicago, Illinois ("**Tenant**").

RECITALS:

A. Landlord is the owner of fee simple title to all that certain real property located in the City of Chicago, Illinois (consisting of approximately 73,805 square feet or 1.7 acres), as more particularly described in Exhibit A attached hereto (the "**Real Estate**") and Landlord is engaged in the development and operation of safe, decent and sanitary housing throughout the Chicago metropolitan area for low-income families in accordance with the United States Housing Act of 1937, 42 U.S.C. Section 1437 et. seq. (the "**Housing Act**"), regulations promulgated by the United States Department of Housing and Urban Development ("**HUD**"), and the Housing Authorities Act, 310 ILCS 10/1 et. seq., as amended, and other applicable laws, regulations, and ordinances.

B. Tenant is a unit of local government, a Governmental Entity as that term is hereafter defined, a body politic and corporate organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, 105 ILCS 5/34-1 et seq., created for the purpose of educating and providing educational, recreational, and related facilities, services, resources and opportunities for the children and families residing in the City of Chicago.

C. In accordance with appropriate resolutions adopted by Landlord, Landlord desires to lease the Real Estate to Tenant for the purpose of constructing a new neighborhood high school ("**School**") and in accordance with appropriate resolutions adopted by Tenant, Tenant has declared that it is necessary, useful, and in the public interest to construct and operate a new School on the Real Estate.

D. It is anticipated that upon construction completion, the School will serve and benefit the children and families residing within the area of the new School, including families served by

Landlord who qualify as being eligible to occupy “public housing” (as defined in Section 3(b) of the Housing Act). In exchange for this Lease, Tenant has secured and purchased a 1.97-acre (85,990 square feet) replacement site for Landlord legally described on Exhibit C (the “**Replacement Site**”). The Replacement Site has been or will be conveyed directly to Landlord concurrent with the execution of this Lease.

E. Landlord and Tenant have agreed to enter into this Lease in order to implement the foregoing.

AGREEMENT:

ARTICLE 1

Lease of the Real Estate/Term of Lease

1.01 Lease; Term. Landlord, for and in consideration of the Replacement Site and of the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Estate;

Together with all right, title, and interest of Landlord, if any, in and to any streets, driveways, sidewalks, parkways or alleys adjacent thereto or included within the Real Estate; and

Together with all right, title and interest of Landlord, if any, in, to and under all agreements, easements, rights of way, gores of land, air rights, sewer rights, water courses and water rights, and all privileges, liberties, tenements, and appurtenances whatsoever in any way belonging, relating or appertaining to the Real Estate or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Landlord, and the estate, rights, title, interest, property, possession, claims and demands whatsoever, at law or in equity of Landlord in and to the same; and

Subject, however, to all agreements, easements, encumbrances and other charges or matters affecting the Real Estate listed on Exhibit D attached hereto (the “Permitted Exceptions”) and subject to the provisions of Sections 1.02 and 1.03;

TO HAVE AND TO HOLD the same, subject to the Permitted Exceptions, for a Term of fifty-five (55) years (the “Term”) commencing on the date of this Lease referenced on Page 1 (the “Commencement Date”) and ending on APRIL 2, 2078 (the “Expiration Date”), unless this Lease shall sooner be terminated as hereinafter provided, upon and subject to the covenants, agreements, terms, provisions, conditions and limitations hereinafter set forth, all of which Tenant covenants and agrees to perform, observe and be bound by. Provided Tenant is not in default of any term, covenant or condition of this Lease beyond all applicable cure periods, Tenant may seek to extend the Term of this Lease for two (2) additional periods of twenty (20) years each (the “First Renewal Term”, the “Second Renewal Term” or collectively the “Renewal Terms”) to commence immediately upon the expiration of the Term or the First Renewal Term, as applicable. The First Renewal Term shall be an automatic extension for an additional twenty (20) year period and Tenant shall accept the First Renewal Term with all terms and conditions of this Lease remaining the same. Tenant may seek a Second Renewal Term by giving Landlord written notice of its desire

to do so not less than ninety (90) days prior to the end of the First Renewal Term. Landlord shall have thirty (30) days from receipt of Tenant's written notice to accept Tenant's extension request. If Landlord accepts Tenant's request, then the Landlord shall lease the Real Estate to, and the Tenant shall accept the Real Estate for the Second Renewal Term with all other terms and conditions of this Lease remaining the same.

1.02 Addition of Vacated Public Alleys and Rights-of-Way. The parties acknowledge that all vacations and dedications necessary for, or contemplated in connection with, the Real Estate have been completed prior to the execution of this Lease. In the future, land lying within or comprising existing public alleys and rights-of-way adjacent to portions of the Real Estate may be vacated by the City of Chicago (the "City") and acquired by Landlord and certain streets, passages and other rights-of-way may be dedicated to Governmental Authorities (as that term is hereinafter defined). In each case, with the prior written approval of Tenant, which shall not be unreasonably withheld or delayed, the foregoing shall automatically, and without the necessity of amending this Lease, be included in (or excluded from, in the event of any such dedication of a portion of the Real Estate to Governmental Authorities), the Real Estate. Upon completion of the alleys and rights-of-way vacation process, however, if requested by Landlord or Tenant, the parties shall promptly execute an amendment to this Lease to include a revised legal description for the Real Estate conforming to the revised configuration of the Real Estate, including such vacated portions of the alleys and rights-of-way (or such dedicated portions of the Real Estate). Following completion of construction of the School, no such dedication shall be permitted without the prior written consent of Tenant which consent shall not be unreasonably withheld or delayed.

Notwithstanding the above, Landlord shall not dedicate without Tenant's written consent, any portion of the Real Estate, if the dedication will negatively impact the construction of, or the operation of, the School to be constructed thereon, or reduces the size of the Real Estate to less than 73,805 square feet.

1.03 Lease Cancellation. In the event Tenant is unable to commence construction of the School by January 31, 2025 due to litigation that impacts construction of the School, delay or loss of State funding, unavoidable delays, or force majeure as set forth in Section 18.12, then Tenant and Landlord shall meet and mutually agree upon and execute one of the following three options:

Option One: Landlord extends the dates for Tenant to commence and complete construction of the new School for an additional three (3) years respectively; or

Option Two: Tenant and Landlord cancel the Lease. Tenant returns full possession of the leased vacant land to Landlord free and clear of any liens, mortgages, encumbrances, or claims, and Landlord conveys and transfers full title and possession to the Replacement Site to the Tenant or its designee, free and clear of any liens, mortgages, encumbrances, claims and deeds of trust. Landlord shall not be responsible for any closing costs to clear title, any transfer fees or the costs of the removal of any structures, trailers or other items erected in preparation for commencement of construction in order to return full possession of the leased vacant land to Landlord ; or

Option Three: Tenant submits a proposal to Landlord for the alternate use of the Real Estate, subject to HUD approval. Landlord and Tenant shall reasonably cooperate with each other to mutually determine and agree upon the alternate use of the Real Estate.

Tenant shall notify Landlord on or before December 1, 2024 of its inability to start construction by January 31, 2025. Tenant and Landlord shall have sixty (60) days thereafter to mutually select one of the three options above. If the Parties elect to cancel the Lease, the conveyance of the Real Estate to Landlord and the conveyance of the Replacement Site to Tenant or its designee shall be completed no later than January 31, 2027. Tenant acknowledges that HUD required a Declaration of Trust for the benefit of HUD (“DOT”) to be recorded on the Replacement Site and that the conveyance of the Replacement Site to Tenant or its designee will have to go through the HUD review and approval process to release the DOT.

ARTICLE 2

Definitions

2.01 The terms defined in this Section shall, for all purposes of this Lease, have the following meanings:

(a) “Building” shall mean a building (including without limitation schools, educational and recreational facilities and any ancillary building) included in and constructed upon the Real Estate as part of the Tenant Property, or any part thereof. “Buildings” shall mean all of the Buildings comprising the Tenant Property.

(b) “City” shall mean the City of Chicago.

(c) “Commencement Date” shall have the meaning given in Section 1.01.

(d) “Construction Commencement Deadline” shall mean January 31, 2025, the date by which Tenant must commence construction of the Tenant Property which date shall be extended pursuant to Section 1.03 above.

(e) “Construction Completion Deadline” shall mean December 31, 2029, the date by which Tenant must complete the construction of the Tenant Property, which date shall be extended by the period of any Unavoidable Delay and pursuant to Section 1.03 above.

(f) “Default” shall mean any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

(g) “Environmental Laws” shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended; the Clean Air Act, 42 U.S.C. 7401 et seq., as amended; the Clean Water Act, 33 U.S.C. 1251 et seq., as amended; the Occupational Safety and Health Act, 29 U.S.C. 655 et seq., as amended; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., as amended, and its implementing regulations, including 35 ILL. Admin. Code secs, 740 and 742, as amended; and any other federal, state, local or municipal laws, statutes, regulations, rules or ordinances imposing liability or establishing standards of conduct relating to Hazardous Materials or protection of the environment, as any of the foregoing may be amended and in effect from time to time.

(h) "Environmental Work" means the tasks and work (including any Remediation) necessary to secure a Final NFR Letter.

(i) "Event of Default" shall have the meaning provided in Section 10.01.

(j) "Expiration Date" shall have the meaning provided in Section 1.01

(k) "Final Completion" shall have the meaning provided in Section 5.01.

(l) "Full Insurable Value" shall mean the replacement cost (as to the insurance required pursuant to Section 7.01, excluding foundation and excavation costs) of the Improvements, as determined, at the request of Landlord (not more frequently than at three-year intervals), at Tenant's expense, by an architect, engineer, contractor, appraiser, appraisal company, or insurance company, selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

(m) "Governmental Authority" or "Governmental Authorities" shall mean any one or more of the federal, state and local governmental or quasi-governmental body or bodies having jurisdiction at any time or from time to time during the Term over the Real Estate or the Property, or any part thereof, or the construction, repair, maintenance, operation or use thereof.

(n) "Governmental Entity" shall mean any federal or state agency or department, units of local government, including bodies politic and corporate, political subdivisions, municipal corporations, cities, counties, home rule units, housing authorities, school districts and park districts.

(o) "Hazardous Condition" shall have the meaning given in the Environmental Agreement.

(p) "Hazardous Material" means any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, in any form, including, but not limited to, those pollutants, contaminants, wastes, substances, or materials defined or classified as such in, or listed in or regulated under any Environmental Laws, including without limitation, polychlorinated biphenyls (PCBs), petroleum or any petroleum-based or petroleum-derived products, lead-based paint, asbestos or asbestos-containing materials, mold, urea formaldehyde and radioactive materials.

(q) "Housing Act" shall have the meaning set forth in Recital A.

(r) "HUD" shall have the meaning set forth in Recital A.

(s) "Impositions" shall mean all taxes, including payments in lieu of taxes, assessments, special assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees and other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed upon or become payable out of or become a lien on the Property, Leasehold Estate or the Real Estate, or any part thereof, or any appurtenances thereto. Impositions affecting the Property

or the Real Estate shall be those attributable to the Improvements, the Leasehold Estate, and Tenant's Property .

(t) "Improvements" shall mean any buildings, structures and other improvements, including the Buildings, equipment, fixtures, furnishings and appurtenances, at any time hereafter erected or located on the Real Estate during the term of this Lease.

(u) "Intergovernmental Agreement" means Intergovernmental Agreement Between Chicago Housing Authority and the Board Of Education of the City Of Chicago Relating to the Exchange of Land for the Construction of a New Near South Neighborhood High School.

(v) "Landlord" means Chicago Housing Authority, an Illinois municipal corporation or its successors in interest.

(w) "Leasehold Estate" shall mean the leasehold estate of Tenant in the Real Estate created by this Lease more particularly described in Exhibit B attached hereto.

(x) "Leasehold Mortgage" shall mean any mortgage, deed of trust, assignment of rents and leases, Uniform Commercial Code security agreement and financing statement, or similar security instrument created by Tenant, and which constitutes a lien or security interest on the Tenant Property or any part thereof in favor of a Leasehold Mortgagee.

(y) "Leasehold Mortgage Loan" shall mean a loan secured by a Leasehold Mortgage.

(z) "Leasehold Mortgagee" shall mean the owner or owners, holder or holders from time to time of any Leasehold Mortgage (including trustees under deeds of trust).

(aa) "Lender" shall mean any commercial real estate lender, state or national bank, commercial or savings bank, pension fund, real estate investment trust, or governmental agency or instrumentality, or any HUD-approved mortgagee, or any affiliate of the foregoing, authorized to make loans secured by real property located in the State of Illinois.

(bb) "Net Insurance Proceeds" shall have the meaning given in Section 8.02.

(cc) "NFR Letter" shall mean a (i) "No Further Remediation" letter issued by the Illinois Environmental Protection Agency pursuant to the Site Remediation Program, 415 ILCS 5/58 et. seq., as amended from time to time, with respect to any portion of the Real Estate; and (ii) with respect to any USTs subject to Title 16 of the Illinois Environmental Protection Act, 415 ILCS 5/57 et seq., a "No Further Remediation" letter issued by the Illinois Environmental Protection Agency pursuant to such Title 16, whichever is applicable, in each case with respect to the Real Estate.

(dd) "Partial Restoration" shall mean all work in connection with a Restoration that is less than a Full Restoration (see Article 8). A Partial Restoration may be applicable when the sum of the Net Insurance Proceeds plus all other monies provided by any Person for such Restoration are insufficient to accomplish a Full Restoration. Examples of Partial Restorations include: (1) if a six-flat is destroyed, building a three-flat or townhomes on the lot; (2) if the top unit in a three-

flat is destroyed, making the Building into a two-flat; and (3) if an end townhome unit is destroyed, not rebuilding that unit and making the adjoining unit into an end unit.

(ee) "Permitted Exceptions" shall have the meaning given in Section 1.01. "Permitted Exceptions" shall also include the easements and licenses, if any, hereafter granted or consented to by Landlord in accordance with Section 9.01(d) and any deed restrictions required by the NFR Letter.

(ff) "Person" shall mean any person, corporation, partnership, limited liability company or other legal entity.

(gg) "Pre-Existing Environmental Condition" shall mean any Hazardous Materials and any Hazardous Condition present on, under or in the Real Estate or the structures or improvements thereon on the date of execution of this Lease, whether known or unknown.

(hh) "Proceeds" shall mean, in the case of damage to or destruction of the Improvements, the sum of the Net Insurance Proceeds and, in the case of a condemnation or other taking (or conveyance in lieu thereof), the awards (or compensation paid) therefor.

(ii) "Property" shall mean the Real Estate and the Improvements.

(jj) "Protected Persons" shall mean Landlord or Tenant, as the context so requires, and such party's respective members, managers, partners, officers, directors, agents, employees, advisors, attorneys, consultants and affiliates, and, in the case of Landlord and Tenant, shall include their officials and members of their respective Boards.

(kk) "Real Estate" shall have the meaning given in Recital A.

(ll) "Remediation" means the investigation, cleanup activity or other remedial action required by any Environmental Law, required by any applicable Governmental Authorities under any Environmental Law or otherwise required by this Agreement with respect to any Hazardous Materials.

(mm) "Requirements" shall mean any and all present and future laws, statutes, ordinances, codes, rules, regulations, orders or other requirements of any Governmental Authority and of any applicable fire rating bureau or other body exercising similar functions, applicable to or affecting the Real Estate, Leasehold Estate or the Property, or any part thereof, including without limiting the generality of the foregoing, the ordinances of the City.

(nn) "Restoration" shall have the meaning given in Section 8.01.

(oo) "Tenant" means Board of Education of the City of Chicago, a body politic and corporate, a Governmental Entity, or its successor in interest.

(pp) "Tenant Property" shall mean the Improvements and the Leasehold Estate.

(qq) "Term" shall mean the term of this Lease described in Section 1.01.

(rr) “Terminating Event” shall mean: (i) transfer of Tenant’s interest in the Tenant Property to another party not affiliated with such Tenant without Landlord’s written consent; (ii) transfer of title to such Tenant’s interest in the Tenant Property pursuant to foreclosure of, or deed in lieu of foreclosure with respect to, any mortgage or other security instrument securing loans or advances with respect to the Tenant Property; (iii) termination of this Lease; or (iv) loss of such Tenant’s possession of the Tenant Property pursuant to the appointment of a receiver or pursuant to the exercise by any Leasehold Mortgagee of its right to become a mortgagee in possession. In the event that any of the foregoing occur with respect to less than all of the Tenant Property, or if there is a partial termination of this Lease, then a Terminating Event shall be deemed to have occurred only with respect to such portion of the Tenant Property or that portion of the Property affected by such partial termination.

(ss) “Unavoidable Delay” shall mean litigation for which an order of temporary injunctive relief has been issued by a court, litigation that impacts construction of the School, delay or loss of State funding and Force Majeure as defined in Section 18.12 that impacts the project schedule including the commencement and completion of construction.

2.02 “The words “herein,” “hereof” or “hereunder” and words of similar import refer to provisions contained in this Lease as a whole and not to any particular section or subdivision thereof. All exhibits and riders referred to in the text of this Lease and attached hereto are incorporated into this Lease.

ARTICLE 3

Consideration

3.01 Consideration. As consideration for this Lease, Tenant shall convey, or have any such owner having a right to convey, the Replacement Site to Landlord free and clear of all lettings, occupancies, and licenses, and free and clear of all liens, claims, encumbrances and security interests. Landlord acknowledges that such consideration has been conveyed concurrently with the execution of this Lease and that the Replacement Site is to be used for public housing purposes pursuant to the Declaration of Trust for the benefit of HUD to be immediately recorded against the Replacement Site upon conveyance to Landlord. CHA will seek HUD approval to use the Replacement Site for a mixed-income and mixed-use development to include but not be limited to housing for CHA residents, affordable housing and homeownership.

3.02 No Partnership. Landlord and Tenant agree that they are not partners or joint venturers and that, except in respect to the proceeds of insurance and condemnation awards under the provisions of Articles 8 and 12, they do not stand in any fiduciary relationship to each other.

3.03 Net Lease. Tenant shall pay all cost and expenses of any kind and without abatement, deduction or set-off with respect to the Tenant Property. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind whatsoever

hereunder or be under any other obligation or liability hereunder except as otherwise expressly set forth herein.

3.04 Reimbursements to Landlord; Arrearages. Tenant shall reimburse Landlord for all reasonable expenditures, costs, expenses and fees, including reasonable attorneys' fees, made or incurred by Landlord in curing any Event of Default of Tenant for which Landlord has given Tenant the notice required under Section 10.01, if any. Such amounts shall become due upon delivery by Landlord, after the expiration of the notice and cure period afforded Tenant, if any, of written notice stating the amount of such expenditures, costs, expenses and fees by Landlord. Tenant shall also pay to Landlord upon delivery of notice by Landlord, all amounts payable to Landlord as reimbursements or indemnities pursuant to Sections 6.03 and 6.04.

3.05 Reimbursements to Tenant; Arrearages. Landlord shall reimburse Tenant for all reasonable expenditures, costs, expenses and fees, including reasonable attorneys' fees, made or incurred by Tenant in curing any Event of Default of Landlord for which Tenant has given Landlord the notice required under Section 15.01, if any. Such amounts shall become due upon delivery by Tenant, after the expiration of the notice and cure period afforded Landlord, if any, of written notice stating the amount of such expenditures, costs, expenses, and fees by Tenant.

ARTICLE 4

Impositions

4.01 Payment. Throughout the Term, subject to the provisions of Section 4.04, Tenant shall pay or cause to be paid, as and when the same become due, all Impositions with respect to the Real Estate. Within thirty (30) days after Landlord's written request, Tenant shall deliver reasonable proof of such payment to Landlord.

4.02 Contest of Impositions. Tenant may, if it desires, contest the validity or amount of any Imposition, in whole or in part, by an appropriate proceeding diligently conducted in good faith. Nothing herein contained, however, shall be construed as to allow such Imposition to remain unpaid for such length of time as shall permit the Property, Leasehold Estate or any part thereof, or the lien thereon created by such Imposition, to be sold or forfeited for the nonpayment of the same.

4.03 Reduction and Exemption of Impositions. Tenant, at its expense, may, if it shall so desire, endeavor at any time or times, upon prior written notice to Landlord, to obtain a lowering of the assessed valuation, including any tax or assessment imposed upon Tenant's Leasehold or Improvements, upon the Real Estate or the Property for the purpose of reducing or eliminating taxes thereon and, in such event, Landlord will offer no objection, but without expense to Landlord, in effecting such a reduction. In the event Tenant applies for tax exempt status for the Tenant Property and its Leasehold Estate, Landlord agrees to reasonably cooperate with Tenant to execute documents that may be required for Tenant to obtain tax exempt status for the Tenant Property and Leasehold Estate, at no expense or liability to Landlord. Tenant shall be authorized to collect any tax refund payable as a result of any proceeding Tenant may institute for that purpose and any such tax refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

4.04 Joinder of Landlord. Landlord shall not be required to join in any action or proceeding referred to in Sections 4.02 or 4.03 unless required by law or any rule or regulation in order to make such action or proceeding effective without expense to Landlord. Tenant hereby agrees to indemnify, defend and hold Landlord's Protected Persons harmless from and against all costs, expenses, claims, loss or damage, including reasonable attorney's fees, by reason of, in connection with, on account of, growing out of, or resulting from, any such action or proceeding.

4.05 Tax Divisions. Tenant shall, (1) within thirty (30) days following the execution and delivery of this Lease, send notification to the Cook County Assessor's Office, Exemption Department, via certified mail, return receipt requested (with a copy to the City of Chicago, Department of Planning and Development Office) of a change in the Leasehold Estate in accordance with 35 ILCS 200/9-185 and 35 ILCS 200/15-20 and (2) within thirty (30) days following Tenant's receipt of the new Permanent Index Numbers for the Real Estate file a Petition for Division and/or Consolidation of Property ("Petition") with the Cook County Assessor's Office for a real estate tax division segregating the Landlord's fee interest in the Real Estate from Tenant's Leasehold Estate and ownership of the Improvements. Landlord and Tenant acknowledge that portions of the Real Estate are or may be included in tax parcels ("Shared Tax Parcels") that include land owned by Landlord other than the Real Estate ("Other Land"). Tenant is responsible for providing a copy of its filed Petition(s) to Landlord and monitoring the Division Report generated by the County Assessor's Office to ensure the assignment of new, separate tax parcel designation for the Real Estate and Leasehold Estate. Within fifteen (15) days of receipt of any new, separate tax parcel redesignation, Tenant shall provide Landlord with copies of all such notice of assignment of new, separate tax parcel re-designation for the Real Estate, Leasehold Estate and Other Land, if any. Landlord or Tenant may, if either shall so desire, contest the validity or amount of any such taxes, in whole or in part, by an appropriate proceeding diligently conducted in good faith. Any such contest by Tenant shall be in accordance with Section 4.01. Tenant will promptly forward on to Landlord copies of any property tax bills it receives covering the Other Land. Tenant's failure to fully comply with this Section shall constitute an Event of Default under Section 10.01 of this Lease, subject to section 1.03, unavoidable delays and Force Majeure.

ARTICLE 5

Improvements

5.01 Required Improvements. Tenant hereby covenants and agrees to commence the construction of the Tenant Property by the Construction Commencement Deadline and diligently pursue the construction of the Tenant Property on the Real Estate by the Construction Completion Deadline subject to Unavoidable Delays and Section 1.03 above. Tenant is responsible, at Tenant's sole cost and expense, for the procurement of any and all necessary permits, licenses or other authorizations required for such Tenant Property. Landlord agrees to reasonably cooperate with Tenant to execute documents that may be required for Tenant to obtain zoning, permits and other governmental approvals needed to construct Tenant's Property and Improvements, at no expense or liability to Landlord.

5.02 Demolition. Except in connection with a Restoration under Articles 8 or 12, Tenant shall not demolish the Improvements, including any improvements to such Improvements required

under Section 5.01 without the prior written consent of Landlord which shall not be unreasonably withheld or delayed.

ARTICLE 6

Use, Maintenance, Alterations, Repairs, Etc.

6.01 Condition of Real Estate and Property. Tenant has leased the Real Estate after a full and complete examination thereof, as well as the title thereto and its present uses and restrictions, and, Tenant accepts the same “as is” and without any representation or warranty, express or implied, in fact or by law, by Landlord and without recourse to Landlord as to the title thereto, the nature, condition or usability thereof or the use or uses to which the Property or any part thereof may be put; provided, however, that upon the commencement of this Lease, title to the Real Estate shall be subject only to the Permitted Exceptions. Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Property, throughout the Term unless the repairs or alterations are due to Landlord’s gross negligence, or willful misconduct. Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the entire Property.

6.02 Use of Property. The Property shall be used for school, educational, recreational, athletic, sports and youth programs, employment, career, and vocational training, before and after school programs, related health care and counseling services, Tenant’s administrative, service and support offices, and facilities. The Premises may also be used for community and neighborhood services, educational, health, social, nutritional, and recreational programs and for no other purpose, unless Landlord has consented in writing to such other use, which consent shall not be unreasonably withheld or delayed.

6.03 Prohibited Use. Tenant shall not use or occupy the Property or permit the same to be used or occupied, nor do or permit anything to be done in, on or to the Property, or any part thereof, in a manner that would in any way (a) make void or voidable any insurance then in force, or make it impossible to obtain fire or other insurance required to be furnished by Tenant hereunder, (c) cause or be apt to cause structural injury to the Property, or any part thereof, or (d) materially violate any material provision of this Lease.

6.04 Maintenance of Property. Tenant shall make all necessary repairs to and replacements of the Improvements, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Improvements in good and safe order, repair and condition. Tenant covenants and agrees that throughout the Term: (a) all building systems, facilities and equipment, including HVAC systems, common area lighting and the like, shall be maintained in good operating order and repair; and (b) the Real Estate and the Property shall, at all times, have adequate means of ingress and egress to and from the abutting public streets and alleys. Tenant shall indemnify, defend and hold Landlord’s Protected Persons harmless from and against any and all claims and demands arising from the failure of Tenant to perform the covenants contained herein or arising from any accident, injury or damage to any person or property that shall or may happen in or upon the Property or the Real Estate, or any part thereof, however caused, other than Landlord’s gross negligence or willful misconduct or due to Landlord’s use of the Property and shall keep the Real Estate and the Property free and clear of

any and all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Property or the Real Estate.

6.05 Waste. Tenant shall not do, permit or suffer any waste, damage, disfigurement or injury to or upon the Property, or any part thereof, without repairing the same within a reasonable period of time.

6.06 Compliance with Requirements. Tenant shall comply, at its own expense, with all Requirements during the Term and with the reasonable requests of any insurance company having a policy outstanding with respect to the Real Estate or the Property, or any part thereof, whether or not such Requirements or requests require the making of structural alterations or the use or application of portions of the Real Estate or the Property for compliance therewith, or interfere with the use and enjoyment of the Property, and shall indemnify, defend and hold harmless Landlord's Protected Persons from and against all fines, penalties, and claims for damages of every kind and nature arising out of Tenant's failure to comply with any such Requirement or request.

6.07 Exculpation of Landlord. Landlord shall not be responsible or liable for any destruction, damage or injury to any property or to any person or persons at any time on the Property resulting from any casualty, occurrence or condition occurring or existing during the Term of this Lease, including without limitation those from steam, gas or electricity, or from water, rain or snow, whether the same may leak into, issue or flow from or within any part of the Property or from the pipes or plumbing of the same, or from any other place or quarter; nor shall Landlord be in any way responsible or liable in case of any accident or injury (including death) to any of Tenant's employees, students, subtenants, or agents, or to any person or persons in or about the Property or the streets, driveways, sidewalks, parkways or alleys adjacent thereto; and Tenant agrees that it will not hold Landlord in any way responsible or liable therefor (except for actions caused by Landlord's gross negligence or willful misconduct) and will further indemnify, defend and hold Landlord's Protected Persons harmless from and against any and all claims, liability, penalties, damages, expenses and judgments arising from injury to persons or property of any nature and also for any matter or thing arising out of or resulting as a direct or indirect consequence of Tenant's use or occupancy of the Property.

6.08 Landlord's Right of Entry. Landlord shall have the right, upon reasonable advance notice to Tenant and subtenants, when appropriate, on any business day, to enter upon the Property or the Real Estate, or any part thereof, for the purpose of ascertaining the condition thereof, or whether Tenant is observing and performing the obligations assumed by it under this Lease. Landlord shall use reasonable efforts to enter the Property or the Real Estate when school is closed and students are not present. Nothing contained herein, however, shall impose or imply any duty on the part of Landlord to assume any of Tenant's obligations.

6.09 No Liens. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanics or other lien for any such labor or material shall attach to or affect the estate or interest of Landlord in and to the Property or any part thereof. Landlord agrees that it will not knowingly create any liens or encumbrances on the Property or Leasehold Estate or other any Improvements or changes thereto without Tenant's written consent.

ARTICLE 7

Insurance

7.01 Maintenance of Insurance. During the Term, Tenant shall, at its sole expense, obtain and maintain, or cause to be obtained and maintained policies of insurance satisfying the requirements set forth on Exhibit E. Tenant may self-insure by providing Landlord with a Letter of Self-Insurance for those risks normally covered by a general liability insurance program and certifying that it will cover Landlord with a limit of not less than the limits set forth on Exhibit E.

7.02 Form of Policies. Except as provided in Section 7.01 and Section 8.02, any policies of insurance covering the Property during construction, shall expressly provide that any losses thereunder shall be adjusted with Tenant and Landlord. All such insurance shall be carried in the name of Tenant and loss thereunder shall be payable to Tenant and Landlord as their respective interests may appear. All such insurance may be in the form of a so-called "blanket policy" covering more than two properties, provided that the amount of coverage shall be not less than the aggregate of the Full Insurable Values of all covered properties and the policy shall include an "agreed amount" endorsement on a no-coinsurance basis.

7.03 Evidence of Insurance and Payment. Upon the execution and delivery of this Lease, and thereafter not later than fifteen (15) days prior to the expiration date of an expiring policy theretofore furnished pursuant to this Article, certificates of insurance evidencing the required coverages, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord. Upon request from Landlord, Tenant shall deliver to Landlord duplicate originals or certified copies of the policies required by this Article 7.

7.04 Separate Insurance. Subject to Sections 7.01 and 7.06, Tenant shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required in this Article to be furnished by or that may reasonably be required to be furnished by Tenant unless Landlord is included therein as an additional insured, with loss payable as required in this Lease. Tenant shall immediately notify Landlord of the obtaining of any such separate insurance and shall deliver duplicate originals or certified copies of the policy or policies so obtained as provided in Section 7.03.

7.05 Cancellation. Each policy of insurance delivered hereunder shall contain an agreement by the insurer that such policy shall not be cancelled or materially altered without at least thirty (30) days' prior written notice given to Landlord.

7.06 Right to Self-Insure. Notwithstanding the foregoing provisions of this Article 7, so long as the Chicago Board of Education is the Tenant, it shall have the right to self-insure for all of the insurance coverages the Tenant is required to provide under Article 7 and in Exhibit E.

ARTICLE 8

Damage and Restoration

8.01 Damage or Destruction. In the event of any damage to or destruction of the Improvements during the Term, Tenant shall give Landlord immediate notice thereof and, unless the Insurance Proceeds are applied by a Leasehold Mortgagee, if any, to reduce its debt in accordance with Section 9.03, Tenant shall promptly and diligently restore, replace, rebuild and repair (“Restore”) the same as Tenant deems appropriate. Landlord shall in no event be called upon to restore, replace, rebuild or repair the Property, or any portion thereof, or to pay any of the costs or expenses thereof. Landlord may terminate this Lease if Tenant elects not to Restore and Tenant vacates and abandons the Property pursuant to Section 17.01 below. If this Lease is terminated pursuant to this Section 8.01, Tenant shall vacate the Property and, at Tenant’s sole expense, demolish and/or remove such of the Improvements on the Real Estate.

8.02 Adjustment of Insurance Claims and Disbursements. Adjustment of any insurance claim shall be negotiated by Tenant and all insurance proceeds shall be paid to Tenant. All insurance proceeds received by Landlord or Tenant on account of such damage or destruction, less the actual costs, expenses and fees, if any, incurred in connection with the adjustment of the loss (the “Net Insurance Proceeds”), shall be paid to and used by Tenant for the purpose of restoring or removing the damaged or destroyed Improvements as Tenant deems appropriate and at Tenant’s cost and expense.

ARTICLE 9

Title and Ownership; Leasehold Mortgage

9.01 Restrictions on Transfer.

(a) Tenant shall not at any time without the prior written consent of Landlord: (A) sell, assign, transfer, or convey all or any part of its interest under this Lease, or (B) sell, assign, transfer or convey all or any part of any structure or other Improvement located on the Real Estate; or (C) sublet all or any part of the Tenant Property. Landlord’s consent to any of the foregoing shall not be unreasonably withheld or delayed if the transfer is for a use permitted in Section 6.02 of this Lease or another public purpose approved by Landlord and HUD.

(b) If Landlord consents to a permitted transfer consisting of a sale, assignment, transfer or other conveyance of the Leasehold Estate, the transferee or assignee shall enter into an assumption agreement with Landlord by which it assumes all of Tenant’s rights and obligations under this Lease. Upon the consummation of such permitted transfer and the delivery to Landlord of such assumption agreement executed by the transferee or assignee, the transferee or assignee shall succeed to all rights and obligations of Tenant under this Lease, and shall be deemed a permitted assignee of Tenant, and Tenant making such sale, assignment, transfer or other conveyance shall be and hereby is relieved of any continuing obligations hereunder arising thereafter and such permitted assignee, by accepting such assignment, shall be deemed to have assumed all obligations hereunder arising after such assignment.

(c) The parties acknowledge that it may become necessary to grant easements and/or licenses over, under, upon and across the Real Estate for the provision of gas, electricity, telephone service, cable television, Internet access, water, sewer, and other utilities to serve the Improvements. All such easements and licenses shall be subject to the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. If required, Landlord shall grant or join with Tenant in the grant of such easements and licenses, so as to subject Landlord's interest in the Real Estate to such easements and licenses. All costs in connection with such easements and licenses shall be borne by Tenant.

9.02 Liens. Other than the Permitted Exceptions, Tenant shall not create or permit to be created or to remain, and shall promptly discharge, any lien (including but not limited to any mechanic's, contractor's, subcontractor's or materialman's lien or any lien, encumbrance or charge arising out of any Imposition, conditional sale, title retention agreement, chattel mortgage, security agreement, financing statement or otherwise) upon the Real Estate or the Tenant Property, or any part thereof, or the income therefrom, and Tenant shall not suffer any matter or thing whereby the estate, rights and interests of Landlord in the Real Estate or the Tenant Property, or any part thereof, will be impaired. Notwithstanding the foregoing prohibitions, Tenant shall have the right to contest any such lien upon compliance with the same conditions as are applicable to the contest of any Imposition under Section 4.03 or to provide title insurance or bond over any such lien in a manner reasonably satisfactory to Landlord. If Tenant shall fail to cause any such matter to be discharged of record or contested in the foregoing manner, then Landlord may, but shall not be obligated to, in addition to any other right or remedy, discharge such lien at any time after sixty (60) days prior delivery of notice to Tenant, either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or bonding proceedings or otherwise, and in any such event Landlord shall be entitled, if it so elects, to compel the prosecution of an action for foreclosure of such lien by the lienholder and to pay the amount of judgment in favor of the lienholder with interest, costs and allowances. Any amount so paid by Landlord and all reasonable costs, expenses and fees incurred by Landlord in connection therewith shall be reimbursed by Tenant to Landlord. This Lease shall constitute notice that Landlord shall not be liable for any work performed or to be performed, or any materials furnished or to be furnished, at the Real Estate for Tenant or any subtenant upon credit, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Real Estate, unless such work or materials is specifically ordered by Landlord in writing.

9.03 Leasehold Mortgage.

(a) In order to enable Tenant to finance a portion of the cost of construction of the Tenant Property, Tenant shall have the right, at or prior to commencement of construction of the Improvements required under Section 5.01, to mortgage its Leasehold Estate, together with its ownership interest in the Improvements, and execute and record a Leasehold Mortgage or Mortgages with respect to both such estates, respectively (collectively, the "Leasehold Mortgages"), to secure the repayment of a loan or loans made to Tenant by a Lender or Lenders (collectively, the "Leasehold Mortgagees") in an aggregate amount not to exceed the estimated cost of the Improvements, or such other amount as is reasonably approved by Landlord. Landlord's interest in the Real Estate or this Lease shall at no time be encumbered by and shall at no time be subject or subordinate to any Leasehold Mortgage (i.e. the foreclosure of any such Leasehold Mortgage shall not divest Landlord of its fee simple title or reversionary

interest), except as to rights expressly granted to any Leasehold Mortgagee in this Lease. For purposes of this Article 9, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or the Leasehold Estate, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder. A Leasehold Mortgagee may become the holder of the Leasehold Estate and succeed to Tenant's interest under this Lease by foreclosure of its Leasehold Mortgage (either in its own name or in the name of its nominee) or as a result of the assignment of the Tenant's interest under this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any Leasehold Mortgage or the assignee or transferee of Tenant's interest under this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder and after the date of such assignment, subject in each case to the performance by the Landlord of all of the terms, covenants and conditions on the part of Landlord to be performed hereunder and thereunder, but only for so long as such purchaser, assignee or transferee is the owner of the Leasehold Estate. The security interests of Leasehold Mortgagees, as mortgagees, shall be transferable to holders of certificates or other successors or assigns in connection with the securitization, sale or assignment of a Leasehold Mortgagee's Leasehold Mortgage Loan.

(b) If there shall be an Event of Default by Tenant under this Lease, Landlord agrees that it will not enforce any rights it may have to terminate this Lease or invoke its right to take possession of the Tenant Property if: (i) any Leasehold Mortgagee shall cure the default within 90 days after expiration of the time for Tenant to cure said default, or if such default cannot reasonably be cured within said 90-day period, and any Leasehold Mortgagee in good faith commences within said 90-day period and thereafter diligently prosecutes all actions required to cure such default, such longer period as may be reasonably necessary; or (ii) within 90 days after notice of such default by Landlord to a Leasehold Mortgagee, such Leasehold Mortgagee commences legal proceedings (herein called "foreclosure proceedings") to foreclose the lien of its Leasehold Mortgage and if such Leasehold Mortgagee diligently proceeds with its foreclosure proceedings or obtains a deed in lieu of foreclosure (including seeking to be put in possession as mortgagee-in-possession or seeking to obtain the appointment of a receiver in such foreclosure proceedings).

(c) If no Leasehold Mortgagee commences and prosecutes either curative action or foreclosure proceedings as provided above, Landlord may invoke any or all of its remedies under this Lease, including the remedy of termination. In the event the purchaser at the foreclosure sale or the assignee of such purchaser or the recipient of any deed in lieu of foreclosure acquires the Leasehold Estate and Tenant's interest in the Improvements, such purchaser or assignee shall thereupon become Tenant under this Lease and hereby agrees to assume and perform each and all of Tenant's obligations and covenants hereunder from and after the date that such purchaser or assignee acquires the Leasehold Estate and Tenant's interest in the Improvements.

(f) Each Leasehold Mortgagee, by accepting its Leasehold Mortgage, agrees for the benefit of Landlord:

(i) that such Leasehold Mortgagee will use reasonable efforts to give to Landlord notice of all events of default declared by such Leasehold Mortgagee with respect to its Leasehold Mortgage Loan that give such Leasehold Mortgagee the right of acceleration, concurrently with or promptly after notice thereof is given to Tenant.

(ii) prior to commencing foreclosure proceedings or accepting a deed in lieu of foreclosure, such Leasehold Mortgagee shall give Landlord a written notice describing the action proposed to be taken by such Leasehold Mortgagee.

(g) So long as any Leasehold Mortgage is in existence, the fee title to the Real Estate and the Leasehold Estate shall not merge, but shall remain separate and distinct, notwithstanding the acquisition of said fee title and Leasehold Estate by any single owner, other than by termination of this Lease by Landlord in compliance with the provisions of this Article 9.

(h) If Landlord or Tenant shall terminate this Lease, or if this Lease shall be terminated by reason of the rejection of this Lease by a debtor in possession or a trustee or receiver appointed by a court of competent jurisdiction in bankruptcy or insolvency proceedings involving Tenant, then and in either such event, Landlord shall immediately seek to obtain possession of the Real Estate and title to the Improvements.

ARTICLE 10

Tenant Default: Rights and Remedies of Landlord

10.01 Tenant's Event of Default. Each of the following events shall be an "Event of Default" by Tenant under this Lease:

(a) Tenant's failure to pay, when due, any Impositions or any other amount to be paid by Tenant under this Lease, and such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying such failure;

(b) Tenant shall be in default under Section 9.01(a);

(c) if any insurance required to be maintained by Tenant shall lapse without replacement, so that any required coverage is not in effect for a period of thirty (30) days after written notice from Landlord specifying such failure;

(d) Tenant shall fail to perform or observe any other material obligation, term or provision under this Lease and such failure continues beyond sixty (60) days after written notice from Landlord to Tenant specifying such Event of Default; provided, however, that if Tenant in good faith commences within said 60-day period and thereafter diligently prosecutes

all actions required to cure such default, Tenant shall be allowed a reasonable additional period to effect such cure;

(e) a petition in bankruptcy is filed by or against Tenant, or if Tenant makes a general assignment for the benefit of creditors or is adjudged insolvent by any state or federal court, and in the case of any such involuntary petition, action or proceeding not initiated by Tenant such petition, action or proceeding is not dismissed or stayed within ninety (90) days after the commencement of such petition, action or proceeding;

(f) Subject to Section 1.03, Tenant shall fail to commence construction of the Tenant Property by the Construction Commencement Deadline and such failure continues for a period of sixty (60) days after written notice from Landlord specifying such failure; provided, however, that if Tenant in good faith commences within said 60-day period and thereafter diligently prosecutes all actions required to cure any such failure, Tenant shall be allowed a reasonable additional period to effect such cure including sufficient time to account and compensate for Unavoidable Delays: and

(g) Subject to Section 1.03, Tenant shall fail to commence and complete the construction of the Tenant Property prior to the Construction Completion Deadline and such failure continues for a period of sixty (60) days after written notice from Landlord specifying such failure; provided, however, that if Tenant in good faith is diligently pursuing all actions required to cure any such failure, Tenant shall be allowed a reasonable additional period to effect such cure including sufficient time to account and compensate for Unavoidable Delays.

10.02 Termination. If an Event of Default shall occur, Landlord, at its option, at any time thereafter during the continuance of such Event of Default, may give to Tenant a notice of termination of this Lease, and, upon the date specified in such notice, which date shall be after all cure periods, and subject to the Intergovernmental Agreement, this Lease and all of Tenant's rights under this Lease shall expire and terminate as if that date were the date herein originally fixed for the expiration of the Term of this Lease, and on the date so specified, Tenant shall vacate and surrender the Property to Landlord.

10.03 Transfer of Deposits, etc. In the event of any termination of this Lease under Section 10.02, all unearned insurance premiums, all deposits theretofore made by Tenant with utility companies, any claims for refund of any Imposition, any pending claims for insurance proceeds or condemnation awards, and all fuel and supplies on the Property owned by Tenant shall be deemed to be and are hereby assigned to and transferred to Landlord to be applied in payment of Tenant's liability under this Lease.

10.04 Re-entry. In the event of termination of this Lease under Section 10.02 or by operation of law or otherwise, and subject to the Intergovernmental Agreement, Landlord may, after a written 30-day notice, re-enter and repossess the Property.

10.05 Injunctive Relief. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled, after expiration of any applicable notice and cure period, to injunctive relief against such breach or threatened breach, and shall have the right to invoke any right or remedy available at

law or in equity or by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease.

10.06 Receipt of Monies: No Waiver. No receipt of money by Landlord from Tenant after termination of this Lease shall reinstate, continue or extend the term of this Lease or of any notice of termination theretofore given to Tenant, or operate as a waiver of Landlord's right to enforce any payments or charges herein reserved or agreed to be paid by Tenant, then or thereafter falling due, or operate as a waiver of Landlord's right to recover possession of the Property by proper remedy, and in accordance with the terms of this Lease, it being agreed that after service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after final order for the possession of the Property, Landlord may demand and collect any monies due or thereafter falling due in any manner without affecting such notice, proceeding, order, suit or judgment, and all such monies collected shall be deemed paid on account of the use and occupancy of the Tenant Property or, at Landlord's election, on account of Tenant's liability hereunder.

10.07 No Implied Waivers. Landlord's granting of a consent under this Lease, or Landlord's failure to object to an action taken by Tenant without Landlord's consent under this Lease, shall not be deemed a waiver by Landlord of its right to require such consent for any further similar act of Tenant. No waiver by Landlord of any breach of any of the conditions, covenants or agreements of this Lease shall be construed, taken or held to be a waiver of any other breach or be a waiver, acquiescence in or consent to any further or succeeding breach of the same term, condition, covenant or agreement. None of Tenant's covenants, agreements, obligations or undertakings under this Lease, and no breach thereof, may be waived, altered or modified except by a written instrument executed by Landlord.

10.08 Remedies Not Exclusive. Subject to provisions of Section 1.03 and Article 18 and other provisions of this Lease restricting Landlord's right to terminate this Lease, no right, power or remedy conferred upon or reserved to Landlord under this Lease or under law shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute or otherwise, and every right, power and remedy of Landlord may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, without precluding Landlord's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Landlord in exercising any right, power or remedy arising from any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

10.09 Waiver of Notice. Subject to the other provisions of the Lease, Tenant expressly agrees that any notice of intention to re-enter provided in any statute or to initiate legal proceedings to that end shall run concurrently with any applicable notice period provided hereby so that any required notice period shall not be longer than the longer of such statutory notice or notice required under this Lease. Tenant does not waive, for and on behalf of itself and all persons and parties claiming through or under it, any and all right of redemption provided by any law or now in force or hereafter enacted or otherwise, for re-entry or repossession, or to restore the operation of this Lease, in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge, or in case of re-entry or repossession by Landlord, or in case of any expiration or termination of this Lease.

10.10 Suits for Damages. Suits for damages or deficiencies, or for a sum equal to any installments of Rent, Impositions and other charges and payments hereunder shall be subject to the provisions of Article 19.

10.11 Bankruptcy. Nothing in this Article contained shall limit or prejudice the right of Landlord to prove and obtain as damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by any statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount be greater, equal to or less than the amount of the damages referred to in any of the preceding Sections.

ARTICLE 11

Additional Rights and Remedies of Landlord

11.01 Performance by Landlord. If Tenant shall at any time fail to make any payment or perform any act to be made or performed by Tenant under this Lease and such failure continues beyond the cure period, if any, applicable thereto under this Lease, Landlord may, at its option (but shall not be required to), make any such payment or perform any such act, and for such purpose Landlord may enter upon the Property and take all actions thereon as may be deemed by Landlord necessary or desirable with thirty (30) days prior notice to Tenant. Any amount paid or incurred by Landlord in effecting or attempting to cure such failure with thirty (30) days prior notice to Tenant shall be payable by Tenant upon demand.

11.02 Tenant to Provide Indemnification.

(a) Unless arising from Landlord's gross negligence or intentional misconduct or a breach of Landlord's obligations under this Lease or until Landlord shall have re-entered the Property upon expiration or termination of this Lease, Tenant agrees to indemnify, defend and save Landlord's Protected Persons harmless against and from all liabilities, claims, suits, fines, penalties, damages, losses, charges, costs, expenses and fees (including reasonable attorney's fees) which may be imposed upon, incurred by or asserted against Landlord's Protected Persons by reason of any of the following occurring during the portion of the Term during which such indemnitor was Tenant hereunder and due to:

(i) Tenant's or Tenant's students, teachers, or any subtenant, licensee or invitee, or any of its or their agents, contractors, servants, employees, licensees or invitees relating to the Property or this Lease use, non-use, possession, occupation, condition, operation, repair, maintenance or management of the Property, or any part thereof, or any occurrence of any of the same;

(ii) any act or omission on the part of Tenant, students, teachers, or any subtenant, licensee or invitee, or any of its or their agents, contractors, servants, employees, licensees or invitees relating to the Property or this Lease;

(iii) any accident, injury (including death) or damage, regardless of the cause thereof (excepting Landlord's gross negligence, willful misconduct or if an accident, injury or damage is due to Landlord's entry upon or use of the Property), to any person or property occurring in, on or about the Property or any part thereof;

(iv) any contest permitted pursuant to the provisions of Section 4.03;

(v) any litigation or proceeding related to the Property or this Lease to which Landlord becomes or is made a party without fault on Landlord's part, whether commenced by or against Tenant; and

(vi) any costs which may be incurred by Landlord in enforcing any of the covenants, agreements, terms and conditions of this Lease (provided Landlord prevails in the enforcement proceeding).

Tenant's obligations under this Section 11.02 shall survive the expiration or termination of this Lease.

ARTICLE 12

Eminent Domain

12.01 Total Taking. If during the Term of this Lease, the entire Property or Tenant Property, or such substantial portion of the Property or Tenant Property as shall in the reasonable good faith judgment of Tenant, make it economically unfeasible to continue to operate the remaining portion for the purposes herein stated, shall be taken by the exercise of the power of eminent domain, this Lease shall terminate on the date of vesting of title in the condemnor under such eminent domain proceedings, and thereafter Tenant shall be relieved of all obligations to pay Impositions and to otherwise perform its agreements, obligations and undertakings under this Lease except those that expressly survive the termination of this Lease. The award granted with respect to such eminent domain proceedings shall be divided between Landlord and Tenant in the following order:

(a) to Tenant, an amount equal to the sum of the fair market value of the Improvements and Tenant's Leasehold Estate based upon the remaining unexpired term of the Lease;

(b) to Tenant for the cost of demolishing and any damaged Improvements on the Property that will be removed as a result of the taking; and

(c) the balance, if any, shall be paid to Landlord.

If this Lease is terminated under this Section, then Tenant shall, if so directed by Landlord, demolish and/or remove any damaged Improvements on any remaining Property at the sole cost and expense of Tenant provided that all condemnation proceeds allocable to the Tenant Property remaining after satisfaction of the indebtedness secured by any Leasehold Mortgages shall be available and paid to Tenant.

12.02 Partial Taking. If, during the Term, less than the entire Property or Tenant Property shall be taken by the exercise of the power of eminent domain and condemnation proceeds attributable to Tenant's interest in the Property are sufficient to restore that portion of the Property remaining after the taking so as to be not materially different from the value, condition and character of the Property prior to such taking, this Lease shall not terminate but shall continue in full force and effect for the remainder of the Term, subject to the provisions of this Section 12.02. The amount of damages resulting to Landlord and Tenant, respectively, and to their respective interests in the Property and in, to and under this Lease, by reason of such exercise and partial taking under such eminent domain proceedings shall be separately determined and computed by the court having jurisdiction of such proceedings, and separate awards and judgments with respect to such damages to Landlord and Tenant shall be made and entered, and said awards shall, subject to Section 12.01, be paid to Landlord and Tenant, respectively, in accordance therewith; provided, however, that Tenant shall receive that portion of the award made as consequential damages to the Improvements located on the remaining portion of the Property and Tenant, at its expense, shall forthwith restore the remaining portion of the Improvements to substantially the same value, condition and character as existed prior to such taking (to the extent such restoration is possible, and deemed appropriate by Tenant taking into account the extent to which a portion and function of the Improvements have been removed as a result of the taking), using such part of the award received by Tenant in said eminent domain proceeds as may be necessary and, if the amount of such award is not sufficient, Landlord shall make its portion of the award available for such restoration. If Tenant is obligated to restore the Property, the proceeds of the award shall be disbursed to Tenant to pay the costs of such restoration. If the sum of such awards is not sufficient, Tenant shall have the right, but not the obligation, to provide the additional funds required as it deems appropriate.

12.03 Temporary Taking. In the event of a taking for a temporary use, this Lease and the Term shall continue and Tenant shall continue to perform and observe all of the other covenants, agreements, terms and conditions of this Lease. The entire amount of any proceeds with respect to such temporary taking shall be paid to Tenant.

12.04 Other Governmental Action. In the case of any governmental action not resulting in the taking of any portion of the Property or Tenant Property but creating a right to compensation, this Lease shall continue in full force and effect without reduction or abatement of any considerations thereafter due and payable. If such governmental action results in any damage to the Improvements, Tenant shall be entitled to receive such portion of the proceeds (or all of the proceeds, if required for such purpose) estimated to be necessary to remedy any such damage and Tenant shall proceed with reasonable diligence to make all repairs, replacements, restorations and improvements necessary so to remedy such damage to the extent economically feasible, and, if the amount of such proceeds is not sufficient, Tenant shall have the right, but not the obligation, to provide the additional funds required. Any balance remaining from such proceeds, or if no damage is involved then all of such proceeds, shall be divided between Landlord and Tenant as their respective interests may appear.

ARTICLE 13

Estoppel Certificates

Upon written request by either party, the party to whom the request was made will promptly certify to the requesting Person, or to any proposed assignee or grantee or mortgagee or trustee under deed of trust or trust deed or the proposed assignee of such mortgagee, deed of trust or trust deed, whether or not this Lease is valid and subsisting, whether or not it has been modified (and if there are modifications, stating them) and whether or not the party executing the certificate has knowledge of any default or breach by the other party under any of the terms of this Lease (and if any exists, stating them). If the party to whom a written request is directed under the preceding sentence shall fail to furnish the requested certificate within twenty (20) days after the receipt of such request, then by such failure such party shall be deemed to have certified to the requesting Person and to any proposed assignee or grantee or mortgagee or trustee under a deed of trust or trust deed, that this Lease is valid and subsisting, that there have been no modifications to this Lease, and that there are no known defaults or breaches by the other party under the terms of this Lease.

ARTICLE 14

Surrender at End of Term; Title to Improvements

14.01 Surrender at End of Term. Upon the expiration of the Term, or earlier termination of the Lease, all Improvements then on the Real Estate shall, together with all fixtures, equipment and other personal property owned by Tenant and used in connection with the operation of the Tenant Property, shall become the property of Landlord without any payment or allowance whatever by Landlord on account of or for such Improvements, fixtures, equipment and personal property, whether or not the same or any part thereof shall have been constructed by, paid for, or purchased by Tenant. Tenant shall vacate and surrender possession of the Tenant Property to Landlord without delay, free and clear of all lettings, occupancies, and licenses, and free and clear of all liens, claims, encumbrances and security interests other than the Permitted Exceptions. Tenant agrees to execute and deliver to Landlord such quit claim deeds, bills of sale, assignments or other instruments of conveyance as Landlord may reasonably deem necessary to evidence such transfer of title to Landlord. Tenant does not hereby waive any notice now or hereafter required by law with respect to vacating the Property at any such termination date.

14.02 Title to Improvements. Landlord acknowledges and agrees that throughout the Term and until expiration or earlier termination of this Lease, title to all Improvements shall be in Tenant's name and that Tenant has, and shall be entitled to, all rights and privileges of ownership of such Improvements, including without limitation: (a) the right to claim depreciation or cost recovery deductions; (b) the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Tenant Property; and (c) the right to transfer and use such Improvements in accordance with the terms of this Lease.

ARTICLE 15

Landlord Defaults

15.01 Landlord's Default. Each of the following events shall be an event of default by Landlord under this Lease:

(a) Landlord's failure to lease by this Lease the Real Estate; or

(b) Landlord's failure to perform any other term or provision to be performed by Landlord under this Lease, not otherwise described in subsection (a) hereof, and such failure shall continue beyond sixty (60) days after written notice received by Landlord from Tenant specifying such event of default; provided, however, that if Landlord in good faith commences within said 60-day period and thereafter diligently prosecutes all actions required to cure such default, Landlord shall be allowed a reasonable period to effect such cure.

Upon an event of default by Landlord hereunder, Tenant shall have all of the rights and remedies afforded at law or in equity, subject to Section 18.01.

15.02 Injunctive Relief. Upon any event of default by Landlord, Tenant shall, in addition to any other remedies available to Tenant at law or in equity, be entitled to enjoin such breach or threatened breach, and shall have the right of specific performance, it being the agreement of the parties hereto that in certain circumstances of Landlord's event of default, Tenant's remedies at law may be inadequate to afford it the practical realization of the agreements herein made by the parties.

15.03 Remedies Not Exclusive. No right, power or remedy conferred upon or reserved to Tenant under this Lease, or under law, shall be considered exclusive of any other right, power or remedy, but such rights, powers and remedies shall be cumulative and shall be in addition to every other right, power and remedy given hereunder, or now or hereafter existing at law or in equity, or by statute. Every right, power and remedy given by this Lease may be exercised from time to time and as often as occasion may arise or may be deemed expedient, without precluding Tenant's simultaneous or later exercise of any or all other rights, powers or remedies. No delay or omission of Tenant to exercise any right, power or remedy arising from Landlord's event of default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein.

15.04 Waivers in Writing. None of Landlord's covenants, agreements, obligations or undertakings, and no events of default of Landlord may be waived, altered, or modified except by a written instrument executed by Tenant.

ARTICLE 16

Notices

All notices or demands under this Lease shall be in writing and shall be served and given by personal delivery or by certified mail, return receipt requested, or by nationally-recognized overnight courier, addressed (i) if to Landlord, to such person and at such address as Landlord may by notice in writing designate to Tenant, and in the absence of such designation to:

Landlord: Chicago Housing Authority
60 East Van Buren Street

Chicago, Illinois 60605
Attention: Chief Executive Officer

with a copy to: Chicago Housing Authority
Office of the General Counsel
60 East Van Buren Street
Chicago, Illinois 60605
Attention: Chief Legal Officer

If to Tenant: Board of Education of the City of Chicago
Board Office
1 North Dearborn Street, 9th Floor
Chicago, Illinois 60602
Attention: Board Secretary

with a copy to: Board of Education of the City of Chicago
Law Department
1 North Dearborn Street, 9th Floor
Chicago, Illinois 60602
Attention: General Counsel

with a copy to: Board of Education of the City of Chicago
42 West Madison Avenue, 2nd Floor
Chicago, Illinois 60602
Attention: Chief Operating Officer

with a copy to: Neal & Leroy, LLC
20 South Clark Street, Suite 2050
Chicago, Illinois 60603

By written notice served in the foregoing manner, any party entitled to receive notices shall have the right to designate another person and another address to which notices and demands shall thereafter be sent. Each such notice or demand shall be deemed served, given and received when received or, when given by mail, shall be deemed served, given and received on the third business day after the mailing thereof.

ARTICLE 17

Abandonment

17.01 Abandonment of Tenant Property. Upon the effective date of this Lease and after construction completion, if Tenant abandons the Tenant Property for five (5) consecutive years for any or no reason, Landlord may give to Tenant a notice of termination of this Lease, and, upon the date specified in such notice this Lease and all of Tenant's rights under this Lease shall expire and terminate as if that date were the date herein originally fixed for the expiration of the

Term of this Lease, and on the date so specified, Tenant shall vacate and surrender the Property to Landlord.

17.02 Temporary Closures. Subject to Section 8.01, Section 17.01(a) shall not apply if the School on the Real Estate is temporarily closed for renovation, rehabilitation, remodeling, reconstruction, reprogramming or for public, health and safety reasons, such as a pandemic or for any other Force Majeure provided that such period shall not exceed seven (7) consecutive years.

ARTICLE 18

Miscellaneous

18.01 Covenants. All terms, provisions, conditions, covenants, agreements, obligations and undertakings contained in this Lease shall, except as herein specifically limited or otherwise provided, extend and inure to be binding upon Landlord's successors and assigns and Tenant's successors and permitted assigns, as if such successors and assigns were in each case specifically named. Wherever reference is made in this Lease to either party, it shall be held to include and apply to such successors and assigns.

18.02 Amendments in Writing. In no event shall this Lease or any terms, provisions or conditions hereof be deemed to be amended, modified or changed in any manner whatsoever, except and unless set forth and provided for in writing executed by Landlord and Tenant.

18.03 Quiet Possession. Landlord represents and warrants that it has full right and power to execute and perform this Lease and to convey the rights and interest demised hereby. Landlord agrees that during the Term and so long as no Event of Default exists and is continuing hereunder, Tenant shall and may peaceably and quietly have, hold and enjoy the Real Estate demised hereby, subject to the Permitted Exceptions, without molestation or disturbance by or from Landlord or any party claiming by, through or under Landlord, and free of any encumbrance created or suffered by Landlord except those expressly described herein to which this Lease is made subject and subordinate.

18.04 Time of Essence. Time is of essence of this Lease and of the performance of the respective obligations, covenants and agreements of Landlord and Tenant hereunder. If the day for the performance of any obligation hereunder occurs on a calendar day other than a business day, the time for such performance shall be extended to the next business day.

18.05 Approvals. All approvals or consents required under the provisions hereof shall be in writing. Unless herein expressly otherwise provided, any approval or consent of Landlord shall be sufficiently given if signed by Landlord's Chief Executive Officer.

18.06 Condition of Property. Landlord has made no warranties or representations whatever with respect to the Real Estate provided, however, that the foregoing shall not affect the obligations, if any, of Landlord under this Lease with respect to matters of title to the Real Estate and liens arising out of labor and/or materials furnished to the Real Estate, or any portion thereof, by or on behalf of Landlord.

18.07 Captions. The table of contents and captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

18.08 Partial Invalidity. If any term, provision or condition of this Lease or its application to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease and the application of such term, provision or condition to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, provision and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

18.09 Applicable Law. This Lease shall be construed and enforced in accordance with the law of the State of Illinois.

18.10 Recording of Lease. This Lease shall be recorded in its entirety with the Cook County Clerk.

18.11 Lease Not to be Construed Against Either Party. The parties have each been represented by counsel in connection with the negotiation and drafting of this Lease. Accordingly, this Lease shall not be construed against or for either party.

18.12 Force Majeure. Whenever a period of time is prescribed for action to be taken by either Party, such party will not be liable or responsible for, and there will be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, embargos or blockades, shortage of power or transportation facilities, war, governmental laws, regulations, or restrictions, public health emergencies such as a pandemic or any other causes of any kind whatsoever or any unforeseen circumstance which are beyond the reasonable control of such party and prevents or delays said party from complying with its obligations under this Lease within the time periods provided herein.

18.13 Disputes. Any disputes shall be handled as set forth in the Intergovernmental Agreement.

18.14 Counterparts. This Lease may be executed in counterparts and shall constitute one instrument, binding and enforceable against each signatory to any counterpart instrument.

ARTICLE 19

Exculpatory Provisions

19.01 Exculpatory Provision – Landlord. It is expressly understood and agreed by Tenant, and any Person claiming by, through or under Tenant that none of Landlord's covenants, undertakings or agreements herein set forth are made or intended as personal covenants, undertakings or agreements of Landlord, but are for the purpose of binding the premises demised hereby, and liability or damage for breach for nonperformance by Landlord shall be collectible only out of the Real Estate demised hereby or available insurance proceeds and no personal liability is assumed by nor at any time may be asserted or enforced against Landlord or any other

Landlord's Protected Persons or any of its or their heirs, legal representatives, successors or assigns, all such personal liability, if any, being expressly waived and released by Tenant and each Person claiming by, through or under Tenant. This Section 19.01 shall not apply to HUD at any time HUD is the Tenant under this Lease.

19.02 Exculpatory Provision – Tenant. Tenant, but not any board member, partner, officer, director, shareholder, member or manager of Tenant, nor any employee or agent of any of the foregoing, shall be personally liable for payment or performance under this Lease, it being acknowledged that Landlord's exclusive rights and remedies hereunder shall be limited to Tenant's interest in this Lease and the Improvements and any other asset of Tenant located thereon. No deficiency judgment shall be sought or obtained against Tenant or any board member, partner, officer, director, shareholder, member or manager of Tenant, nor any employee or agent of any of the foregoing (collectively, "Exculpated Parties") for any amount due under this Lease; provided, however, that, except as hereinafter provided in this Section 19.02, nothing contained herein shall limit Landlord's other rights and remedies against the Tenant hereunder, either at law or in equity: (i) for fraudulent acts; and (ii) for waste committed by Tenant with respect to the Property.

ARTICLE 20

Hazardous Materials

20.01 Prohibition Against Hazardous Materials. Tenant shall not cause any Hazardous Material to be generated, released, stored, buried or deposited over, beneath, in or on (or used in the construction of) the Real Estate or the Tenant Property, or any part thereof, from any source whatsoever, other than in accordance with this Lease, the applicable NFR Letters and applicable Environmental Laws. Tenant shall not permit any Hazardous Material to be generated, released, stored, buried or deposited over, beneath, in or on (or used in the construction of) the Real Estate or the Tenant Property, or any part thereof, from any source whatsoever, other than in accordance with this Lease, the applicable NFR Letters and applicable Environmental Laws. Tenant shall (i) comply at its own cost and expense with all Environmental Laws; (ii) not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Property by Tenant, its subtenants, agents, employees, contractors, guests or invitees unless all of the following requirements are satisfied at all times with respect thereto: (A) such Hazardous Materials are reasonably required in the ordinary course of Tenant's business which it is authorized to conduct on the Property under the terms of this Lease, (B) such Hazardous Materials are maintained only in such quantities as are reasonably necessary for the operations which Tenant is authorized to conduct on the Property under this Lease, (C) such Hazardous Materials are used strictly in accordance with the manufacturers' instructions therefor and in compliance with all applicable Environmental Laws, (D) such Hazardous Materials are not disposed of in or about the Property in a manner that would constitute a release or discharge thereof, and (E) all such Hazardous Materials are removed from the Property by Tenant upon the expiration or earlier termination of this Lease or upon termination of Tenant's right of possession of the Property; (iii) not install any underground storage tank or aboveground storage tank on the Property without Landlord's prior written approval, which approval may be withheld in Landlord's sole discretion; (iv) not take any action that would subject the Property to permit requirements under any Environmental Law for storage, treatment or disposal of Hazardous Materials; (v) not dispose of Hazardous Materials in dumpsters at the Property; (vi) not discharge Hazardous Materials into building drains or sewers;

(vii) not cause or allow the release of any Hazardous Materials on, to, or from the Property; and (viii) arrange at its sole cost and expense for the lawful transportation and off-site disposal in accordance with all applicable Environmental Laws, of all Hazardous Materials that it generates.

20.02 Remediation.

- a. Tenant shall perform the Environmental Work and all other Remediation in a manner consistent with the prevailing standards of professionalism, level of care, skill, practice and judgment exercised by environmental remediation contractors in the performance of work of a similar nature to the Environmental Work and Remediation under similar circumstances and in accordance and compliance with all Environmental Laws and all other applicable federal, state and local laws, regulations and guidelines including but not limited to the requirements of Illinois Environmental Protection Agency in order to obtain the Final NFR Letter.
- b. Tenant and/or its contractor shall be deemed the generator of all Hazardous Materials removed from the Real Estate as part of the Environmental Work and Remediation agrees to execute such documents, including waste manifests, as may be reasonably requested to evidence same. Tenant and/or its contractor shall not dispose of any such Hazardous Materials at any landfill or disposal facility that is not properly licensed to receive such Hazardous Materials under applicable Environmental Law.
- c. Landlord shall have no obligation to pay the cost of any Environmental Work, Remediation or any other environmental work.
- d. Landlord shall reasonably cooperate with Tenant in its efforts to obtain a Final NFR Letter.

20.03 Indemnity. Tenant shall indemnify, defend and hold harmless Landlord's Protected Persons, and any current or former officer, director, employee or agent of Landlord (collectively, the "Indemnitees") from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to: (i) Tenant's violation of Section 20.01; (ii) any violation of an NFR Letter caused by Tenant or any of their respective employees, agents, contractors, subtenants, guests or invitees; or (iii) any exacerbation of a Pre-Existing Environmental Condition caused by Tenant or any employee, agent or contractor of Tenant.

20.04 Survival. Tenant's obligations under this Article 20 shall survive the expiration or termination of this Lease.

[Signatures appear on the following pages.]

IN WITNESS WHEREOF, this Lease is executed as of the date first written above by the duly authorized officers or representatives of the parties hereto.

LANDLORD:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

By: 
Tracey Scott
Chief Executive Officer

TENANT:

BOARD OF EDUCATION OF THE CITY OF CHICAGO
A body politic and corporate

By: _____
Miguel del Valle
Title: President

Attest:

By: _____
Susan Narrajos
Title: Secretary

Date: _____

By: _____
Pedro Martinez
Chief Executive Officer

Approval for Form and Legality

General Counsel for Tenant

By: _____
Ruchi Verma

Authorization:

Board Report: 22-0928-OP7
Extended 23-0125-AR 1 #18

IN WITNESS WHEREOF, this Lease is executed as of the date first written above by the duly authorized officers or representatives of the parties hereto.

LANDLORD:

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation

By: _____
Tracey Scott
Chief Executive Officer

TENANT:

BOARD OF EDUCATION OF THE CITY OF CHICAGO ^{QMM}
A body politic and corporate

By: Miguel del Valle ^(A6)
Miguel del Valle
Title: President

Attest:

By: Susan Narrajos
Susan Narrajos

Title: Secretary

Date: 3/29/23

By: Pedro Martinez ^(CR)
Pedro Martinez
Chief Executive Officer

Approval for Form and Legality

General Counsel for Tenant ^{QMM}

By: Ruchi Verma
Ruchi Verma

Authorization:

Board Report: 22-0928-OP7-2
Extended 23-0125-AR 1 #18
23-0322-AR1-I-16

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Rose M. Allen, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Tracey Scott, the Chief Executive Officer of the **Chicago Housing Authority**, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chief Executive Officer, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 3rd day of April, 2023.

Rose M. Allen
Notary Public



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that _____, is known to me to be the President of the Board of Trustees of the Board of Education of City of Chicago (“Board”), and _____ the Secretary of the Board of Education and personally known to me to be the same persons whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as the President and Secretary of the Board of Trustees they signed and delivered the said instrument pursuant to authority given by the Board of Trustees, and as his free and voluntary act, and as their free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notary’s Seal this ____ day of _____, 20 ____.

Notary Public

STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Tracey Scott, the Chief Executive Officer of the **Chicago Housing Authority**, an Illinois municipal corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chief Executive Officer, appeared before me this day in person and acknowledged that he or she signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, 20__.

Notary Public

STATE OF ILLINOIS)
)
) ss
COUNTY OF COOK)

I, Barbara White, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that Miguel del Val is known to me to be the President of the Board of Trustees of the Board of Education of City of Chicago ("Board"), and Susan Narrajos the Secretary of the Board of Education and personally known to me to be the same persons whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as the President and Secretary of the Board of Trustees they signed and delivered the said instrument pursuant to authority given by the Board of Trustees, and as his free and voluntary act, and as their free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notary's Seal this 29th day of March, 2023.

Barbara White
Notary Public



EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

LOTS 13 TO 36 INCLUSIVE AND ALSO THE NORTH – SOUTH 15.00 FOOT WIDE VACATED ALLEY LYING BETWEEN SAID LOTS 13 TO 36 INCLUSIVE, ALL IN BLOCK 11 OF UHLICH AND MUHLKE’S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 17-28-227-004-0000,
17-28-227-008-0000
17-28-227-003-0000 (Part of)
17-28-227-009-0000 (Part of)

Totaling approximately 73,805 SF (1.7 Acres).

COMMON ADDRESS:

2430-2458 S. State Street and 2431-2459 S. Dearborn Street, Chicago Illinois (Address Range)

Also commonly known as 2450 S. State Street, Chicago, Illinois

EXHIBIT B

LEGAL DESCRIPTION OF THE LEASEHOLD ESTATE

The Estate or Interest in the Land described below and covered herein is:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE GROUND LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LANDLORD, AND BOARD OF EDUCATION OF THE CITY OF CHICAGO, A BODY POLITIC AND CORPORATE, AS TENANT DATED AS OF APRIL 3, 2023 WHICH GROUND LEASE DEMISES THE FOLLOWING DESCRIBED PROPERTY FOR A TERM OF 55 YEARS ENDING APRIL 2, 2078 AND INCLUDES TWO (2) ADDITIONAL PERIODS OF TWENTY (20) YEARS EACH (THE "FIRST RENEWAL TERM", THE "SECOND RENEWAL TERM" OR COLLECTIVELY THE "RENEWAL TERMS") TO COMMENCE IMMEDIATELY UPON THE EXPIRATION OF THE TERM OR THE FIRST RENEWAL TERM, AS APPLICABLE:

LOTS 13 TO 36 INCLUSIVE AND ALSO THE NORTH – SOUTH 15.00 FOOT WIDE VACATED ALLEY LYING BETWEEN SAID LOTS 13 TO 36 INCLUSIVE, ALL IN BLOCK 11 OF UHLICH AND MUHLKE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 17-28-227-004-0000,
17-28-227-008-0000
17-28-227-003-0000 (Part of)
17-28-227-009-0000 (Part of)

Totaling approximately 73,805 SF (1.7 Acres).

COMMON ADDRESS:

2430-2458 S. State Street and 2431-2459 S. Dearborn Street, Chicago Illinois (Address Range)

Also commonly known as 2450 S. State Street, Chicago, Illinois

EXHIBIT C

LEGAL DESCRIPTION OF THE REPLACEMENT SITE

PARCEL 1:

LOT 1 AND PRIVATE ALLEY WEST AND ADJOINING IN SALLY M. FOLLANSBEE'S SUBDIVISION OF THE EAST 180.71 FEET OF BLOCK 20 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 12 AND 13 IN CHARLES FOLLANSBEE'S SUBDIVISION OF BLOCK 21 IN CANAL TRUSTEE SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 14 AND 15 IN CHARLES FOLLANSBEE'S SUBDIVISION OF BLOCK 21 IN CANAL TRUSTEE SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 16 AND 17 IN CHARLES FOLLANSBEE'S SUBDIVISION OF BLOCK 21 IN CANAL TRUSTEE SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 18 AND 19 IN CHARLES FOLLANSBEE'S SUBDIVISION OF BLOCK 21 IN CANAL TRUSTEE SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 1 AND 2 IN FOSTER'S SUBDIVISION OF BLOCK 32 IN CANAL TRUSTEES' SUBDIVISION OF THE WEST 1/2 OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PINS NOS. 17-27-100-012-0000
17-27-108-006-0000
17-27-108-007-0000
17-27-108-008-0000

17-27-108-009-0000
17-27-108-010-0000
17-27-108-011-0000
17-27-108-012-0000
17-27-108-016-0000
17-27-108-017-0000

COMMON ADDRESSES:

2240 S. Wabash and 2300-2332 S. Wabash, Chicago Illinois 60616

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

EXHIBIT D

PERMITTED EXCEPTIONS

1. General Real Estate Taxes not yet due and payable.
2. Rights of Public and Quasi-Public utilities for maintenance of utility facilities.
3. Exceptions listed on ALTA Policy of Title Insurance Policy Number CCHI2204911LD issued by Chicago Title Insurance Company to the Board of Education.

4. Deed Restrictions in the No Further Remediation Letter issued by the Illinois Environmental Protection Agency to the Board of Education of the City of Chicago and the Chicago Housing Authority.

EXHIBIT E

INSURANCE REQUIREMENTS

The Tenant must procure and maintain at all times during the term of this Lease the types of insurance specified below in order to protect the Landlord from the acts, omissions and negligence of the Tenant, its officers, officials, subcontractors, joint venture partners, agents or employees. The insurance carriers used by the Tenant must be authorized to conduct business in the State of Illinois and shall have A.M. Best rating of not less than A:VII.

In the event the Tenant utilizes a General Contractor, Contractor or subcontractors to perform any services under this Agreement on its behalf, Tenant shall require and verify that such contractors maintain the minimum insurance required herein or as appropriate for the work performed and Tenant shall ensure that Tenant and Landlord are included as an additional insured for such liability insurance.

Landlord in no way warrants that the minimum limits contained herein are sufficient to protect the Authority from liabilities that might arise out of the performance of the work under this Lease by the PBC, General Contractor, Contractors or subcontractors. The PBC and/or the Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The PBC, General Contractor and/or Contractor is not relieved of any liability or other obligations assumed by reason of its failure to obtain or maintain sufficient insurance.

If the General Contractor or Contractor maintains broader coverage and/or higher limits than the minimum requirements, Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the General Contractor or Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Landlord.

I. CONSTRUCTION INSURANCE REQUIREMENTS

A. Required Insurance Coverages for Tenant:

1. **Builder's Risk.** During the construction period, Tenant, the Public Building Commission of Chicago ("PBC") or the Contractor and subcontractors shall provide directly, on behalf of the Contractor and Subcontractors, an All Risk Builder's Risk Insurance policy covering new construction, improvements, betterments, and/or repairs, at replacement cost, for all materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent project. In addition to Tenant, Landlord shall be named as loss payee.
2. **General Liability Insurance.** General Liability Insurance provided shall have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with an aggregate of not less than Two Million Dollars (\$2,000,000). In addition to the

stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. The Landlord shall be included as an additional insured on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Landlord.

3. **Excess Liability.** The Tenant and/or its General Contractor shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars (\$10,000,000). This coverage will be excess of the General Liability, Auto Liability and Employer's Liability coverage. The Tenant's coverage will follow-form for all primary, liability and employer's liability coverages.
4. **Automobile Liability Insurance.** When any motor vehicle (owned, non-owned and/or hired) is used in connection with the construction to be performed for the Tenant Property, Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) each accident, combined single limit for bodily injury and property damage shall be provided. The Landlord shall be included as an additional insured on the policy.
5. **Workers Compensation and Employer's Liability Insurance.** Workers Compensation and Employer's Liability Insurance shall be in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.
6. **Professional Liability (Errors & Omissions).** The Tenant shall require any architects and engineers of record, construction manager, property manager, security companies and/or other professional consultants who perform work in connection with the Redevelopment to provide Professional Liability Insurance. Such insurance covering acts, errors or omissions shall be maintained with limits of not less than Five Million Dollars (\$5,000,000) per occurrence. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services under this Lease. A Claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

B. Required Insurance Coverages for the General Contractor:

1. **General Liability Insurance.** Liability Insurance provided shall have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars (\$2,000,000). Included without limitation, the following coverages: Property/Operations, including deletion of explosion, collapse and underground (XCU) exclusions; Independent Contractors' Protective Liability; Broad Form Contractual Liability, specifically referring to the indemnity obligations under and pursuant to this Lease, subject to the standard industry terms, conditions and exclusions of the policy; Broad Form Property Damage, including Products/Completed Operations; Personal Injury Liability, with

employee and contractual exclusions deleted. In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. The Landlord and Tenant (“Additional Insureds”), shall be included as additional insureds on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Additional Insureds.

Products-Completed Operations. General Contractor and subcontractors shall procure and maintain (and require subcontractor’s subcontractors of any tier to procure and maintain) until expiration of the Project’s warranty period and, with regard to Products/Completed Operations coverage for two (2) years after final completion of the Work.

It is further agreed that the coverage afforded to the Additional Insureds shall exclude indemnification of the architect for claims arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the architects, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

2. **Excess Liability.** The General Contractor shall secure Excess Liability insurance in the amount of not less than Ten Million Dollars (\$10,000,000) Per Occurrence. This coverage will be excess of the General Liability, Auto Liability and Employers Liability coverages. The General Contractor’s insurance coverage will be excess of all subcontractors with which it contracts to provide services for this project. The Landlord and the Tenant shall be included as additional insureds on the General Contractor’s Excess Liability policy. Subcontractor’s excess limits will be determined by the General Contractor as they deem appropriate. Coverage will follow form for all primary liability coverages.
3. **Automobile Liability Insurance.** When any motor vehicles (owned, non-owned and/or hired) are used in connection with the construction to be performed for the Tenant Property, Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) each accident, combined single limit for bodily injury and property damage shall be provided. The Landlord and Tenant shall be included as additional insureds on the policy.
4. **Workers Compensation and Employer’s Liability Insurance.** Workers Compensation and Employer’s Liability Insurance shall be in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer’s Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.
5. **Contractor’s Pollution Liability.** The General Contractor shall require a separate Contractor’s Pollution Liability insurance policy, covering any bodily injury, property damage and environmental clean-up, arising out of pollutants including hazardous materials such as radon, asbestos, lead, etc. or contaminated soil,

including while in transit to a permanent disposal facility which may arise from activities under or incidental to the contract, whether such activities be by the General Contractor or by any of his subcontractors or by anyone directly or indirectly employed or otherwise contracted by any of them. This policy shall be maintained with limits of not less than Five Million Dollars (\$5,000,000) per occurrence. The Landlord shall be included as an additional insured on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Landlord.

6. **Railroad Protective Liability Insurance.** When, in connection with the project, any work is to be done adjacent to or on property owned by a railroad or public transit entity, the General Contractor shall procure and maintain, or cause to be procured and maintained, with respect to the operations that contractor or any subcontractor shall perform, railroad protective liability insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than Two Million Dollars (\$2,000,000) per occurrence, combined single limits, and Four Million Dollars (\$4,000,000) in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

- C. **Evidence of Insurance.** Within five days of initial construction closing disbursement on a Phase and prior to the commencement of construction activities, the Tenant directly or through the PBC or General Contractor shall furnish the Landlord, for record keeping purposes only, with satisfactory evidence that the Tenant, PBC, General Contractor and subcontractors have the insurance coverages set forth above. The Tenant, PBC and/or General Contractor shall be required to ensure that all subcontractors comply with the Landlord's minimum coverage requirements. It is the responsibility of the Tenant PBC, and/or General Contractor to secure and maintain proof of coverage for all entities that it contracts with that provide services for the project. At closing, final draft certificates of insurance records previously approved by the Landlord must be delivered. Post-closing, certificates must be made available for review by the Landlord within twenty-four (24) hours of being requested. Said coverages shall not be modified, canceled, non-renewed, or permitted to lapse until final completion and approval of the performance of the General Contractor's contract and the policies shall contain a provision that the coverages will not be modified, canceled, non-renewed or permitted to lapse until not less than 30 days after the Landlord has received written notice, by certified or registered mail, that the modification, cancellation, non-renewal or lapse of such coverages is contemplated.

ALL REQUIRED DOCUMENTATION MUST BE RECEIVED FOR APPROVAL PRIOR TO TENANT COMMENCING WORK UNDER THIS LEASE.

- D.** Tenant or the PBC shall advise, and cause each General Contractor to advise, all insurers of the contract provisions regarding insurance. The failure of the Tenant, PBC or any General Contractor to notify insurers of the contract provisions shall not relieve Tenant from its insurance obligations under this contract or any Landlord Closing Document and such insurance obligations shall survive the term of this Lease. Nonfulfillment of the insurance provisions stated herein shall constitute a breach of the General Contractor's contract and of this Lease. The Landlord retains the right to stop work until proper evidence of insurance is provided.
- E.** Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Landlord's Risk Management Department, with a copy to the Landlord's designated representative, prior to expiration of insurance coverage. At the Landlord's option, non-compliance may result in one or more of the following actions: (1) The Landlord will purchase insurance on behalf of Tenant and will charge back all costs to Tenant; (2) Tenant or the PBC shall cause the General Contractor and any subcontractors to be immediately removed from the property; (3) subject to and after expiration of all cure periods, this Lease will be terminated; or (4) all payments due Tenant and General Contractor will be held until Tenant has complied with the contract. The receipt of any certificate by the Landlord does not constitute agreement by the Landlord that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Lease. Tenant and/or General Contractor shall be required to ensure that all subcontractors comply with the Landlord's minimum coverage requirements. It is the responsibility of the Tenant and/or General Contractor to secure and maintain proof of coverage for all entities that it contracts with, that provides services for the project. Proof of insurance records must be available for review by the Landlord within twenty-four (24) hours of being requested.
- F.** If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of the General Contractor's contract, and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. A Claims-Made policy which is not renewed or replaced must have an extended reporting period (tail coverage) of two (2) years. Any extended reporting period premium (tail coverage) shall be paid by Tenant, directly or through the General Contractor. It is further agreed that all insurance policies required hereunder shall provide the Landlord with not less than a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the Retroactive Date, cancellation and/or non-renewal.
- G.** Tenant or the PBC shall provide to the Landlord, prior to commencement of construction and upon each renewal or replacement of a builder risk policy required hereunder, and in any event not less than annually, during the period of

construction, a certified copy of the insurance policies required hereunder and all endorsements.

- H. Tenant shall require, directly or through the General Contractor, that all subcontractors performing work carry insurance required herein or the Tenant, or General Contractor may provide the coverages for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "B" above. Evidence of such coverage must be submitted to the Landlord for record keeping purposes only.

II. OPERATIONS PERIOD INSURANCE REQUIREMENTS

The Tenant must procure and maintain at all times during the operation of the School the types of insurance specified below in order to protect the Landlord from the acts, omissions and negligence of the selected respondent, its officers, officials, contractors, subcontractors, joint venture, partners, agents or employees. The insurance carriers used by the Tenant must be authorized to conduct business in the State of Illinois and shall have a BEST Rating of not less than an "A". The insurance provided shall cover all operations under the Lease, whether performed by the Tenant or by its subcontractors.

A. Required Insurance Coverages:

1. **General Liability Insurance.** General Liability Insurance provided shall have a limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Per Project aggregate of not less than Two Million Dollars (\$2,000,000). In addition to the stipulations outlined above, the insurance policy is to include coverage for Contractual Liability, Products-Completed Operations, Personal & Advertising Injury. The Landlord is to be endorsed as an additional insured on the policy and such insurance will be endorsed as primary and non-contributory with any other insurance available to the Landlord.
2. **Automobile Liability Insurance.** When any motor vehicles (owned, non-owned and hired) are used in connection with the Services to be performed, the Tenant shall provide Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence CSL, for bodily injury and property damage. The Landlord shall be included as an additional insured on the Tenant's policy.
3. **Workers Compensation and Employer's Liability Insurance.** Workers Compensation and Employer's Liability Insurance shall be in accordance with the laws of the State of Illinois (Statutory) Coverage A, and Employer's Liability, Coverage B, in an amount of not less than \$500,000/\$500,000/\$500,000.

4. **Professional Liability.** When any architects (of record), engineers (of record), construction managers, property managers or other professional consultants perform work in connection with this contract, Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than Two Million Dollars (\$2,000,000) per occurrence for architects and engineers or record, and construction managers and of not less than Five Million Dollars (\$5,000,000) per occurrence property managers and other professional consultants. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services under this Lease. A Claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

B. Related Requirements

1. The Tenant shall advise all insurers of the contract provisions regarding insurance. The failure of the Tenant to notify insurers of the contract provisions shall not relieve the Tenant from its insurance obligations herein. The Landlord retains the right to stop work until proper evidence of insurance is provided.
2. The Tenant shall furnish the Chicago Housing Authority, Risk Management Department, 60 E. Van Buren St., 10th Floor, Chicago, Illinois 60605 original Certificates of Insurance evidencing the required coverages to be in force on the Effective Date of this Agreement. In addition, copies of the endorsement(s) adding the Landlord to the policies as additional insured are required upon request.
3. Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Risk Management Department, with a copy to the Landlord's Designated Representative prior to expiration of insurance coverage. At the Landlord's option, non-compliance may result in one or more of the following actions: (1) The Landlord will purchase insurance on behalf of the Tenant and will charge back all costs to the Tenant; (2) the Tenant will be immediately removed from the Landlord's property until the proper insurance has been provided; (3) all payments due the Tenant will be held until the Tenant has complied with the contract; or (4) the Tenant will be assessed Five Hundred Dollars (\$500) for every day of non-compliance. The receipt of any certificate does not constitute agreement by the Landlord that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for thirty (30) days written notice to be given to the Landlord in the event coverage is substantially changed, canceled or non-renewed.
4. If any of the required insurance is underwritten on a claims made basis, the retroactive date shall be prior to or coincident with the date of this Agreement and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. The Tenant shall maintain coverage for the duration of this Agreement. A Claims-Made policy which is not renewed or replaced must have an extended reporting period (tail coverage) of two (2) years. Any extended reporting

period premium (tail coverage) shall be paid by the Tenant. The Tenant shall provide to the Landlord, annually, a certified copy of the insurance policies obtained pursuant hereto. It is further agreed that the Tenant shall provide the Landlord a thirty (30) days notice in the event of the occurrence of any of the following conditions: aggregate erosion in advance of the Retroactive Date, cancellation and/or non-renewal.

5. The Tenant shall require all subcontractors to carry the insurance required herein or the Tenant may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in Section "A" above.