

**BUILDING LEASE**

4600 South Kedzie Avenue  
Chicago, Illinois 60632

Between

**4600 S. KEDZIE LLC**

as Landlord

and

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

as Tenant

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**BUILDING LEASE**

THIS LEASE is made as of the 5<sup>th</sup> day of June, 2008, by and between **4600 S. KEDZIE LLC**, an Illinois limited liability company, ("Landlord") and the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate, ("Tenant").

Landlord hereby leases to Tenant and Tenant hereby accepts the premises designated on the plan attached hereto as Exhibit "A", comprised of approximately 11,800 rentable square feet known as the interior of 4600 South Kedzie Avenue, Chicago, Illinois 60632 (the "Premises"), including the parking lot, for the term of fifteen (15) years commencing on the 1<sup>st</sup> day of August, 2008 (the "Commencement Date") and terminating on the 31<sup>st</sup> day of July, 2023 (the "Expiration Date"), both dates inclusive (the "Term"), unless sooner terminated as provided herein. The exterior and interior of the building of which the Premises are a part is referred to herein as the "Building" and the land on which the Building is located is referred to herein as the "Land".

In consideration thereof, Landlord and Tenant covenant and agree as follows:

1. **BASE RENT.** Except as set forth in Paragraph 5 below, Tenant shall pay to Landlord at the office of Landlord or at such other place as Landlord may designate the monthly Base Rent as follows:

<u>PERIOD</u>	<u>MONTHLY BASE RENT</u>
August 1, 2008 through July 31, 2009	\$20,895.83
August 1, 2009 through July 31, 2010	\$20,895.83
August 1, 2010 through July 31, 2011	\$22,370.83
August 1, 2011 through July 31, 2012	\$22,370.83
August 1, 2012 through July 31, 2013	\$22,862.50
August 1, 2013 through July 31, 2014	\$23,434.06
August 1, 2014 through July 31, 2015	\$24,019.91
August 1, 2015 through July 31, 2016	\$24,620.41
August 1, 2016 through July 31, 2017	\$25,235.92
August 1, 2017 through July 31, 2018	\$25,866.82
August 1, 2018 through July 31, 2019	\$26,642.82
August 1, 2019 through July 31, 2020	\$27,442.11
August 1, 2020 through July 31, 2021	\$28,265.37
August 1, 2021 through July 31, 2022	\$29,113.33
August 1, 2022 through July 31, 2023	\$29,986.73

Notwithstanding the foregoing, if the Premises are not Substantially Completed (as defined by the Work Letter attached to and made part of this Lease) on or before August 1, 2008, Rent shall abate for each day that the Premises are not so Substantially Completed as set forth in Paragraph 5 below.

Each monthly Base Rent payment shall be made in advance on the first day of each and every month during the Term, without any set-off or deduction whatsoever. If the Term commences other than on the first day of a month or ends other than on the last day of the month, the Base Rent for such month shall be prorated, and the prorated Base Rent for the portion of the month in which the Term commences shall be paid at the time of execution of this Lease. The term "Rent" as used in this Lease shall include Base Rent and Additional Rent as set forth in Section 2 below.

2. **ADDITIONAL RENT.** All amounts required or provided to be paid by Tenant under this Lease in addition to Base Rent shall be deemed Rent, and the failure to pay the same shall be treated in all events as the failure to pay Rent. Tenant hereby agrees to pay the following amounts as Additional Rent to Landlord:

(a) **TAXES.** Landlord shall pay all real estate taxes and assessments, both general and special, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including income or franchise taxes, capital stock, inheritance, estate, gift or any other taxes imposed upon or measured by the Landlord's income or profits, unless the same shall be imposed in lieu of real estate or other ad valorem taxes) which may now or hereafter be levied, assessed or imposed against the Building or the Land or both during the Term of this Lease (collectively, the "Taxes"). Taxes shall also include the amount of (i) any gross receipts tax, sales tax or similar tax (but excluding therefrom any income tax) payable, or which will be payable by Landlord, by reason of the receipt of Rent and adjustments thereto; (ii) any other tax, assessment, levy, imposition or charge or any part thereof imposed upon Landlord in place of or partly in place of any of the foregoing Taxes and measured by or based in whole or in part upon the Land or the Building or the rents or other income therefrom to the extent that such items would be payable if the Land or the Building were the only property of Landlord subject thereto and the income received by Landlord from the Land or Buildings were the only income of Landlord; and (iii) any personal property taxes (attributable to the calendar year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Land or the Building or the operation thereof. Tenant shall pay to Landlord as Additional Rent for Taxes an amount equal to Tenant's

Proportionate Share (as defined below) of the Taxes which are in excess of the Taxes paid in the Base Year of 2008. If the calendar year is only partially within the Term, the payment to be made by Tenant shall be proportionately reduced. The obligation of Tenant to make this payment shall survive the expiration or other termination of this Lease.

The tax and assessment bills used in calculating Tenant's obligation for Additional Rent for Taxes in each calendar year shall be those which become due for payment during such calendar year, without regard to the period for which the tax assessment is levied or assessed and without regard to whether or not this Lease was in existence during such period. If, however, there is a change in the time payment of Taxes during the term of this Lease which would result in Tenant paying Taxes allocable to a period longer or shorter than the term of this Lease, the tax payments for the last calendar year shall be equitably adjusted so that the period for which the Tenant pays Taxes is of the same duration as the term of this Lease (although it may not be the same period of time).

If special assessments or other special taxes payable in installments are levied against the Premises, Landlord shall pay assessments or taxes in installments, and all such payments shall be considered part of the assessment for the purposes of this provision.

If the Landlord contests the amount of any taxes or assessments, the attorneys' fees and expenses incurred in successfully conducting such a contest shall be considered a part of the tax payment for the purposes of this provision.

Tenant shall have the right to examine the tax and assessment bills on written request.

If, during the term of this Lease, the Building is sold and reassessed and, if as a result thereof, the Taxes for the year of such reassessment increase in an amount in excess of one hundred and ten per cent (110%) of the Taxes for the prior year, then Tenant's Proportion of Taxes for such year shall be limited to an amount equal to one hundred and ten per cent (110%) of Tenant's Proportion of Taxes for the preceding year (said amount is hereinafter referred to as the "Non-Sale Taxes"). Thereafter, in all succeeding years, Tenant's Proportion of Taxes shall be equal to the Tenant's Proportion of the Non-Sale Taxes as same are increased or decreased by the percentage of increase or decrease in Taxes from the year of reassessment due to the sale of the Building

(b) **OPERATING EXPENSES.** Tenant will, at its sole cost and expense, be responsible for the routine maintenance and repair (or cause to be maintained and repaired) the Premises. Such routine maintenance and repair shall include, but not be limited to, the cost of electricity, steam, water, gas, fuel, heating, lighting, air-conditioning, window cleaning, painting, supplies, sundries, sales or use taxes on supplies or services, metal and door maintenance for the Building, or any other expense or charge, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting and management principles respecting similar office buildings in the Chicago metropolitan area would be considered as routine expenses of managing, operating, maintaining or repairing the Building, and also all costs and expenses, if any, of maintaining, protecting and/or securing the Building as a whole, including, but not limited to, sprinkler system maintenance, snow plowing and landscape maintenance, asphalt, driveway, sidewalk, parking lot maintenance and/or striping. Notwithstanding the above, Landlord shall be responsible for the maintenance and repair of any interior or exterior Building structure (including plumbing and electrical systems), HVAC replacement and any capital improvements relating thereto.

(c) **PAYMENT OF ADDITIONAL RENT.** Landlord shall from time to time deliver to Tenant a written notice or notices ("Projection Notice") setting forth Landlord's reasonable estimates, forecasts or projections (collectively, the "Projections") of Taxes with respect to the current calendar year. On or before the first day of the next calendar month following Landlord's service of a Projection Notice, and on or before the first day of each month thereafter, Tenant shall pay to Landlord, on account, one-twelfth of the amount of Tenant's Proportionate Share of the Projections as shown in the Projection Notice. Following the end of each calendar year and after Landlord shall have determined the actual amount of Taxes for such calendar year, Landlord shall notify Tenant in writing of Tenant's Proportionate Share of such Taxes ("Actual Notice"). If Tenant's Proportionate Share of such Taxes exceeds the respective amounts paid for such calendar year by Tenant, Tenant shall, within thirty (30) days after the date of Landlord's Actual Notice pay to Landlord an amount equal to such excess. If the said amounts paid for such calendar year by Tenant exceed Tenant's Proportionate Share of such Taxes, then Landlord shall credit such excess to Rent payable after the date of Landlord's Actual Notice until such excess has been exhausted. If this Lease shall expire prior to full application of such excess, Landlord shall pay to Tenant the balance not theretofore applied against rent and not reasonably required for payment of Additional Rent for the calendar year in which the Lease expires. No interest or penalties shall accrue on any amounts which Landlord is obligated to credit or to pay to Tenant by reason of this Section.

(d) **GROSS RENTABLE AREA.** The parties agree that the present gross rentable area of the Building is 11,800 square feet and of the Premises is 11,800 rentable square feet and that Tenant's Proportionate Share for purposes of Additional Rent is 100%.

3. **OCCUPANCY.** Tenant shall use and occupy the Premises for school purposes (including, but not limited to the use of additional classroom space for Columbia Explorers School) and for no other purpose.

4. **CONDITION OF PREMISES.** The Tenant's taking possession shall be conclusive evidence that the Premises and the Building were in good order and satisfactory condition when the Tenant took possession, and Tenant, having examined the Premises, accepts same in "AS-IS" condition. No promise of the Landlord to alter, remodel or improve the Premises or the Building and no representation respecting the condition of the Premises or the Building have been made by the Landlord to the Tenant other than as are contained in the Work Letter attached hereto.

5. **POSSESSION.** In the event the Premises shall not be Substantially Completed (as required by the Work Letter attached hereto) and ready for occupancy on the date estimated for the commencement of the Term or in the event Landlord is unable to deliver possession on such date for any reason whatsoever, this Lease shall nevertheless continue in force and effect but the Rent shall abate until the Premises are ready for occupancy or until the Landlord is able to deliver possession, as the case may be, and Landlord shall have no other liability whatsoever on account thereof; provided, however, there shall be no abatement of Rent if the Premises are not ready for occupancy because of the failure to complete the installation of special equipment, fixtures or materials ordered by Tenant, or because of any delays resulting from Tenant's failure to approve or submit plans and specifications timely in accordance with the Work Letter attached hereto or other written agreement or resulting from changes or additions to Tenant's plans and specifications after the initial submission hereof. Except as otherwise agreed upon in writing, the determination of Landlord's architect shall be final and conclusive on both Landlord and Tenant as to whether the Premises are Substantially Completed and ready for occupancy. If Tenant shall take possession of any part of the Premises prior to the date fixed above as the first day of the Term (which Tenant may not do without Landlord's prior written consent), all of the covenants and conditions of this Lease shall be binding upon the parties hereto with respect to such part of the Premises as if the first day of the Term has been fixed as the date when Tenant entered such possession and Tenant shall pay to Landlord rent for the period of such occupancy prior to the first day of the Term of this Lease at the rate of the annual Base Rent set forth in Paragraph 1 hereof for the portion of the Premises so occupied.

6. A. **COVENANTS.** The following covenants shall be binding on the parties during the Term of this Lease and any extension or renewal thereof and shall be provided by the designated party, at such designated party's sole cost and expense:

(a) **Heating and Air Conditioning:** Landlord shall provide a heating and air cooling system sufficient to provide a temperature condition within the Premises for comfortable occupancy daily during the Term. The heating system shall be capable of maintaining inside space conditions of not less than 68° F when the outside air temperature is not less than minus 10° F dry bulb. The air cooling system shall be capable of maintaining inside space conditions of not more than 78° F dry bulb and 80% relative humidity when outside conditions are not more than 90° F dry bulb and 78° F wet bulb. Tenant's use of the heating and air cooling systems furnished by Landlord shall not exceed, either in voltage, rated capacity, use, or overall load, that which Landlord reasonably deems to be standard for the Building. Tenant shall bear the cost of routine maintenance of the HVAC system. Landlord shall bear the cost of capital improvements and replacement (if necessary) of the HVAC system.

(b) **Utilities:** Landlord shall provide electricity, water and gas for all standard receptacles and lighting fixtures, for drinking, lavatory and toilet purposes, and also for Tenant's heating, cooling, and for all air conditioning units, and incidental uses, which electricity, water and gas shall be separately metered and billed directly to, and be the sole responsibility of, Tenant by the utility company furnishing the service. Tenant shall bear the cost of maintenance of lighting fixtures and replacement of ballasts and lamps, and routine plumbing maintenance. Landlord shall bear the cost of capital improvements and replacement (if necessary) of the plumbing and electrical systems. If Tenant requires electricity for equipment and accessories not normal to office usage, Tenant shall procure electricity for such equipment and accessories, at Tenant's expense, from the local public utility company servicing the Building. Tenant shall pay for the cost of installing any additional required meters.

(c) **Replacements and Repairs by Landlord:** Unless caused by the negligence of Tenant, the Landlord shall maintain, repair, and replace, as necessary, and keep in good order, safe and clean condition (a) the exterior and interior structure of the Building including the roof, structure, exterior walls, bearing walls, support beams, foundation, columns, electrical and plumbing systems and lateral support to the Building and parking facilities.

If Landlord fails to complete any repair, replacement, or maintenance for which Landlord is obligated herein within thirty (30) days of written notice from Tenant of a condition requiring repair, replacement, or maintenance (or, if such repair, replacement, or maintenance cannot by its nature reasonably be completed within thirty (30) days, Landlord has not commenced within thirty (30) days of said notice the repair, replacement, or maintenance and continuously and diligently prosecuted its completion), Tenant may, but shall not be obligated to, commence or complete such repair, replacement, or maintenance. All sums expended and all costs and expenses incurred by Tenant in

connection with any such repair, replacement, or maintenance shall be paid by Landlord to Tenant and shall bear interest from the respective dates when expended or incurred by Tenant at the rate of the lesser of twelve percent (12%) per annum or the maximum rate then permitted to be charged by law until repaid by Landlord to Tenant, and all such sums together with interest shall be deducted from Rent under this Lease that is due to Landlord from Tenant, or payable by Landlord to Tenant on demand.

(d) Tenant's Covenants: Tenant shall be responsible for the following:

- (i) Window washing of all exterior windows in the Premises.
- (ii) Snow removal service for walks and drives.
- (iii) Janitorial Services.
- (iv) Except damage by fire or other casualty and from condemnation and ordinary wear and tear, routine maintenance of the non-structural portions of the Premises which the Landlord does not have responsibility under Sections 6 (a), (b), and (c) above. If the Tenant does not maintain the non-structural portions of the Premises, after notice and opportunity to cure as provided in Section 22 below, Landlord may, but need not, do so, and Tenant shall pay Landlord the reasonable cost thereof forthwith upon being billed for same.

(e) Access: Tenant shall have access to the Premises at all times.

(f) Force Majeure, etc.: Landlord does not covenant that any of the services or utilities to be provided by Landlord pursuant to this Lease will be free from failures or delays caused by repairs, renewals, improvements, changes of service, alterations, work stoppages, labor controversies, accidents, inability to obtain fuel, electricity, water supplies or other causes beyond the reasonable control of Landlord. Except as set forth in Section 6C below, Tenant agrees that Landlord shall not be liable in damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service when such failure or delay is occasioned, in whole or in part, by repairs, renewals or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort so to do, by any accident or casualty whatsoever, by the act or default of Tenant or other parties, or by any cause beyond the reasonable control of Landlord; and such failures or delays shall never be deemed to constitute an eviction or disturbance of the Tenant's use and possession of the Premises or relieve the Tenant from paying rent or performing any of its obligations under this Lease, and Tenant hereby waives and releases all claims which it may at any time hereafter have against Landlord related to any such failure or delay.

(h) Compliance with Law and Environmental: At all times, both parties shall comply with all applicable municipal, county, state and federal ordinances, laws, rules and regulations pertaining to the repair, maintenance and operation of the Building, Land, and Premises (including, but not limited to environmental laws). Landlord also agrees that the Tenant has the right to inspect, sample and analyze the materials, systems and structures in the Premises as required by the United States Environmental Protection Agency, the Illinois Environmental Protection Agency, the Chicago Department of Health, or any other municipal or Chicago Board of Education entity charged with establishing and policing occupational or educational health and safety standards, or as necessary to determine compliance of the Premises with standards or guidelines established by any of the foregoing.

## **B. UTILITY DEREGULATION:**

(a) Landlord Controls Selection. Commonwealth Edison ("Electric Service Provider") is the utility company currently providing electricity service for the Building. Chilled water for the Building's and the Premises' air conditioning system ("Chilled Water") may currently be provided via the Building's own chiller system and chilling tower. Notwithstanding the foregoing, if permitted by law, Landlord shall have the right, at Landlord's sole option, at any time and from time to time during the Term to either contract for electric service and/or Chilled Water from a new or different company or companies providing electric service and/or Chilled Water (each such company shall hereinafter be referred to as an "Alternate Service Provider") or continue to either contract for service from the Electric Service Provider or maintain the Building's own chiller system and chilling tower to provide Chilled Water to the Building.

(b) Tenant Shall Give Landlord Access. Tenant shall cooperate with Landlord, the Electric Service Provider, and any Alternate Service Provider at all times and, as reasonably necessary, shall allow Landlord, Electric Service Provider, and any Alternate Service Provider reasonable access to the Building's water lines, electric lines, feeders, risers, wiring, and any other machinery or service apparatus within the Premises. Landlord shall not unreasonably interfere with Tenant's use and occupancy of the Premises.

C. **RENT ABATEMENT.** Notwithstanding anything to the contrary contained herein, if, as a result of the act or neglect of Landlord, its agents or employees, there is an interruption or discontinuance in the furnishing by Landlord of any of the aforementioned services to the Premises which results in Tenant being unable to operate at the Premises, and Tenant is closed at the Premises, for a period in excess of five (5) consecutive days after notice to Landlord by Tenant, all Rent required under this Lease shall abate from the end of such period until the earlier of the date Tenant reopens at the Premises or such time as the service is restored such that Tenant is again reasonably able to operate at the Premises. In the event that such interruption or discontinuance results in Tenant being unable to operate at the Premises, and Tenant is closed at the Premises, for a period in excess of sixty (60) consecutive days after notice to Landlord by Tenant, then Tenant shall have the right to terminate this Lease by written notice to Landlord.

7. **REPAIRS.** Landlord may, but shall not be required to, enter the Premises at all reasonable times after reasonable notice (except in cases of emergency) to make such repairs, alterations, improvements and additions, including, without limitation, conduits, ducts, internal pipes, lines, wires, drains and flues and all other facilities for plumbing, electricity, heating and air conditioning, as Landlord shall desire or deem necessary to the Premises or to the Building or to any equipment located in the Building or as Landlord may be required to do by government authority or court order or decree. Landlord shall not unreasonably interfere with Tenant's use and occupancy of the Premises.

8. **ADDITIONS AND ALTERATIONS.** Tenant shall not, without the prior written consent of Landlord which consent shall not be unreasonably withheld or delayed, make any alterations, improvements or additions to the Premises. As a condition to Landlord's consent, Landlord may impose such reasonable conditions with respect thereto as Landlord deems appropriate, including, without limitations, requiring Tenant to furnish Landlord with evidence that Tenant either self-insures or carries insurance against liabilities which may arise out of such work, as reasonably determined by Landlord. Landlord's consent to alterations shall not be required if such improvements (a) are nonstructural in nature, (b) would not affect the building systems outside of the Premises, and (c) would not require Tenant to obtain a building permit, provided that Tenant removes and repairs all resultant damage of such work prior to the expiration or earlier termination of this Lease. The work necessary to make any alterations, improvements or additions to the Premises shall be done by Tenant's contractors. Tenant shall promptly pay to Landlord or to Tenant's contractors, as the case may be, when due, the cost of all such work and of all decorating required by reason thereof, and upon completion deliver to Landlord, if payment is made directly to contractors, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials, and Tenant shall defend and hold Landlord and the Land and Building harmless from all costs, damages, liens and expenses related thereto.

All work done by Tenant or its contractors pursuant to this Paragraph 8 or pursuant to Paragraph 7 hereof shall be done in first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies. All required permits shall be obtained by Tenant at Tenant's expense.

Except for those items which are to be furnished and installed by Landlord as part of the Work under the Work Letter, if Tenant desires signal communications, alarm or other utility or service connection installed or changed, the same shall be made at the expense of Tenant, with prior written consent and under direction of Landlord and subject to the terms and conditions of the first paragraph of this Paragraph 8 hereof.

All alterations, improvements, additions and wiring or cabling to the Premises, whether temporary or permanent in character, made or paid for by Landlord or Tenant, shall without compensation to Tenant become Landlord's property at the termination of this Lease by lapse of time or otherwise and shall, unless Landlord requests their removal at the time of giving its consent in accordance with this Section 8 (in which case Tenant shall remove the same as provided in Paragraph 16), be relinquished to Landlord in good condition, ordinary wear and tear and loss from casualty excepted.

Tenant may affix or install any wall treatments or wall coverings, of any type or nature within the Premises, provided that Tenant removes and repairs all resultant damage of such work prior to the expiration or earlier termination of this Lease.

9. **COVENANT AGAINST LIENS.** Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Land, Building or Premises, or to Tenant's interests in the Premises or under this Lease. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Land, Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and in case of any such lien attaching, Tenant covenants and agrees immediately to cause it to be released and removed of record or bonded in manner reasonably satisfactory to Landlord.

10. **INSURANCE.** Landlord and Tenant each agrees to use its best efforts to have all fire and extended coverage and other property damage insurance which it carries with respect to the Land, Building or Premises or to the property located in the Premises endorsed with a clause which reads substantially as

follows: "This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any party for loss occurring to the property described herein." Landlord and Tenant each hereby waives all claims for recovery from the other for any loss or damage to the Land, Building or Premises or to the contents thereof which is either self-insured or insured under valid and collectible insurance policies, subject to the condition that this waiver shall be effective only when the waiver is either permitted by such insurance policy or when, by the use of good faith efforts, such waiver could have been included in the applicable insurance policy at no additional expense.

Tenant shall self-insure or carry the following insurance in companies reasonably satisfactory to Landlord:

(a) Comprehensive general liability insurance during the entire Term hereof covering both Tenant and Landlord as insureds with terms and in companies satisfactory to Landlord with limits of not less than One Million (\$1,000,000) Dollars combined single limit per occurrence for Personal Injury, Death and Property Damage or in such other amounts as Landlord shall reasonably require.

(b) Insurance against all risks (including sprinkler leakage, if applicable), for the full replacement cost of all additions, improvements and alterations to the Premises (except to the extent the same are included within the definition of "building standard"), and of all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises.

(c) Landlord acknowledges that Tenant is self-insured against the above stated risks, and Tenant acknowledges that its self-insurance is in a sufficient amount to cover the above stated risks.

Tenant shall, prior to the commencement of the Term (or within ten (10) days after written notice from Landlord to Tenant in the case of additional coverage or increased amounts of coverage), furnish to Landlord certificates evidencing such coverage, which certificates shall state that such insurance coverage may not be changed or cancelled without at least thirty (30) days' prior written notice to Landlord and Tenant.

Tenant shall not directly or indirectly make any use of the Premises, or use, store or dispose of within the Land, Premises or the Building materials, which may thereby be prohibited or not be approved by any appropriate governmental agency or be dangerous to person or property or which may jeopardize any insurance coverage, or may increase the cost of insurance or require additional insurance coverage.

If Tenant does not self-insure or take out the insurance required pursuant to this Paragraph 10 or keep the same in full force and effect, Landlord may, but shall not be obligated to take out the necessary insurance and pay the premium therefore, and Tenant shall repay to Landlord, as Additional Rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all reasonable expenses (including reasonable attorneys' fees) and damages which Landlord may sustain by reason of the failure to Tenant to obtain and maintain such insurance, it being expressly declared that the expenses and damages of Landlord shall not be limited to the amount of the premiums thereon.

In no event shall Tenant permit in the Premises flammables such as gasoline, turpentine, kerosene, naphtha and benzene, or explosives or any other article of intrinsically dangerous nature, and in no event shall Tenant, its agents, employees or invitees bring any such flammables or other articles into the Building. If by reason of the failure of Tenant to comply with the provisions of this paragraph, any insurance coverage is jeopardized or insurance premiums are increased, Landlord shall, after notice and opportunity to cure, have the option either to terminate this Lease or to require Tenant to make immediate payment of the increased insurance premium.

Tenant shall not bring, keep discharge or release or permit to be brought, kept discharged or released, in or from the Premises of the Building any toxic or hazardous substance, material or waste or any other contaminant or pollutant other than non-reportable quantities of such substances when found in commonly used household cleansers, office supplies and general office equipment (collectively, "Hazardous Materials"), and any Hazardous Materials shall be used, kept, stored and disposed of in strict accordance with all applicable federal, state and local laws. Tenant shall comply with all applicable federal, state and local laws. Tenant shall comply with all applicable federal, state and local reporting and disclosure requirements, with respect to Hazardous Materials, applicable to its business operations in the Premises. Upon the written request of Landlord, Tenant shall provide periodic written reports of the type and quantities of any and all types of substances, materials, waste and contaminants (whether or not believed by Tenant to be Hazardous Materials) used, stored or being disposed of by Tenant in or from the Premises. If Landlord, in good faith, determines that any of such substances create a risk to the health and safety of Tenant's employees and invitees or to any other tenant or invitee of the Land, Tenant shall, upon demand by Landlord, take such remedial action, at the sole cost and expense of Tenant (including, without limitation, removal in a safe and lawful manner of any Hazardous Materials from the Premises), as Landlord deems necessary or advisable or as is required by applicable law.

Landlord shall carry during the Term: (1) full replacement cost property insurance covering the Land and Building and (2) general liability insurance covering the Land and Building, both in such amounts



deemed appropriate by Landlord. Tenant shall not make any use of the Premises which shall cause Landlord's cost of insurance to increase or require additional insurance coverage.

11. **FIRE OR CASUALTY.** If the Land, Premises or the Building (including machinery or equipment used in its operation) shall be damaged by fire or other casualty and if such damage does not render all or a substantial portion of the Premises untenable, then Landlord shall repair and restore the same with reasonable promptness. If any such damage renders all or a substantial portion of the Premises or of the Building, untenable, Landlord shall with reasonable promptness after the occurrence of such damage estimate the length of time that will be required to substantially complete the repair and restoration of such damage and shall by notice advise Tenant of such estimate. If such estimate is that the amount of time required to substantially complete such repair and restoration will exceed one hundred eighty (180) days from the date such damage occurred, then either Landlord or Tenant (but as to Tenant, only if all or a substantial portion of the Premises are rendered untenable) shall have the right to terminate this Lease as of the date of such damage upon giving notice to the other at any time within twenty (20) days after Landlord gives Tenant the notice containing said estimate (it being understood that Landlord may, if it elects to do so, also give such notice of termination together with the notice containing such estimate). Unless this Lease is terminated as provided in the preceding sentence, Landlord shall proceed with reasonable promptness to repair and restore the Premises and the Building, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Landlord's reasonable control, and also subject to zoning laws and building codes then in effect. Notwithstanding anything to the contrary herein set forth, Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease, in the event such repairs and restoration are not in fact completed within the time period estimated by Landlord, as aforesaid, or within said one hundred eighty (180) days.

Notwithstanding anything to the contrary herein set forth, Landlord shall have no duty pursuant to this Paragraph 11 to repair or restore any portion of the alterations, additions or improvements in the Premises or the decoration thereto except to the extent that such alterations, additions, improvements and decoration are included within the definition of "building standard", or are part of the Work set forth in the Work Letter, or otherwise agreed upon in writing by the parties. If Tenant wants any other or additional repairs or restoration and if Landlord consents thereto, the same shall be done at Tenant's expense subject to all the provisions of Paragraph 7 and 8 hereof.

In the event any such damage not caused by the willful misconduct of Tenant, its agents or servants, renders the Premises or the Building untenable and if this Lease shall not be cancelled and terminated by reason of such damage, then the Rent (including Base Rent and Additional Rent) shall abate during the period beginning with the date of such damage and ending with the date when the Premises are again rendered tenable. Such abatement shall be in an amount bearing the same ratio of the total amount of rent for such period as the untenable portion of the Premises from time to time bears to the entire Premises.

12. **WAIVERS OF CLAIMS - INDEMNIFICATION.** Tenant agrees that, to the extent not prohibited by law, and to the extent not caused by the gross negligence or willful misconduct of Landlord, Landlord and its officers, agents, servants and employees shall not be liable for any damage either to person or property or resulting from the loss or use thereof sustained by Tenant or by other persons due to the Land or any part thereof or any appurtenances thereof becoming out or repair, or due to the happening of any accident or event in or about the Land, or due to any act or neglect of any tenant or occupant of the Land or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by gas, electricity, snow, frost, steam, sewage, sewer gas or odors, fire, water or by the bursting or leaking of pipes, faucets, sprinklers and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all personal property upon the Premises, or upon loading docks, receiving and holding areas, or any freight elevators of the Building, shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof.

Without limitation of any other provisions hereof, Tenant agrees to defend, protect, indemnify and save harmless Landlord of and from all liability to third parties arising out of the acts of Tenant and its servants, agents, employees, contractors, suppliers and workmen or invitees.

Without limitation of any other provisions hereof, Landlord agrees to defend, protect, indemnify and save harmless Tenant of and from all liability to third parties arising out of the acts of Landlord and its servants, agents, employees, contractors, suppliers and workmen or invitees.

The indemnities set forth above in this Section 12 shall fully apply to the parties as of the date of complete execution hereof.

13. **NONWAIVER.** No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy on account of the violation of such provision even if such violation be continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Subject to the rights of Landlord in Paragraph 16, no receipt of moneys by Landlord from Tenant after the termination of this Lease

will in any way alter the length of the Term or of Tenant's right to possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

14. **CONDEMNATION.** If the whole or any part of the Land shall be taken or condemned for any public or quasi-public use or purpose, the Term (with respect to the part taken or condemned), at the option of either Landlord or Tenant (but as to Tenant, only if all or a portion of the Premises are taken or condemned), shall end upon the date when the possession of the part so taken shall be required for such use or purpose and Landlord shall be entitled to receive the entire award without any payment to Tenant. Rent shall be apportioned as of the date of such termination.

Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee or the improvements thereupon, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, only such compensation as may be separately awarded (and as part of a separate action) or recoverable by Tenant in Tenant's own right on account of any and all damage to any portion of any subsequent alterations, improvements or additions or modifications to the Premises, Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's furniture, fixtures, leasehold improvements and equipment. Landlord shall cooperate with Tenant's efforts to obtain a separate award

15. **ASSIGNMENT AND SUBLETTING.** Tenant shall not, without the prior written consent of Landlord; (i) assign this Lease or any interest hereunder; (ii) permit any assignment of this Lease by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the use of the Premises by any parties other than Tenant, its agents and employees. In no event shall this Lease be assigned or assignable by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings. Tenant shall give Landlord written notice of any proposed assignment or subleasing, which notice shall contain the proposed principal terms thereof, and upon receipt of such notice, Landlord shall have the option to cancel the Lease in the case of a proposed assignment or a proposed subleasing of all of the Premises, or if Tenant proposes to sublease less than all of the Premises, to cancel the Lease with respect to the portion to be subleased, in which latter event the Base Rent and Additional Rent shall be adjusted on a pro rata square foot of rentable area basis. The foregoing option to cancel shall not apply in the case of a proposed sublease of all or a portion of the Premises to an affiliate corporation under the same control (as hereinafter defined) as Tenant. If Landlord wishes to exercise such option to cancel, Landlord shall, within fifteen (15) days after Landlord's receipt of such notice from Tenant, send to Tenant a notice so stating and in such notice Landlord shall specify the date as of which such cancellation is effective, which date shall be not less than thirty (30) and not more than ninety (90) days after the date on which Landlord sends such notice. If Landlord does not elect to cancel, as aforesaid, or if Landlord does not have an option to cancel, Landlord agrees not to unreasonably withhold or delay its consent to any proposed assignment or subletting if the proposed assignee or sublessee (in Landlord's reasonable judgment) has a financial condition comparable to or better than that of Tenant, has a good reputation in the business community and agrees to use the Premises for purposes satisfactory to Landlord. Further, in the event of a proposed subletting, Tenant and the proposed sublessee shall use Landlord's form sublease agreement unless otherwise agreed by Landlord. No assignment of this Lease shall be effective unless the assignee shall execute an appropriate instrument assuming all of the obligations of Tenant hereunder and unless Tenant acknowledges therein its continued liability under this Lease. In addition, Tenant shall pay to Landlord any reasonable attorneys fees and expenses incurred by Landlord in connection with any proposed assignment or subleasing, whether or not Landlord consents to such assignment or subleasing.

16. **SURRENDER OF POSSESSION.** Upon the expiration of the Term or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of Landlord as herein provided, Tenant shall at once surrender the Premises to Landlord in good order, repair and condition, ordinary wear and tear and loss from casualty excepted, and remove all of its property therefrom, and, if such possession is not immediately surrendered, Landlord may forthwith re-enter the Premises and repossess itself thereof and remove all persons and effects therefrom, using such force as may be necessary, without being deemed guilty of any manner of trespass, eviction or forcible entry or detainer and without thereby relinquishing any right given to Landlord hereunder or by the operation of law. Without limiting the generality of the foregoing, Tenant agrees to remove at the termination of the Term or of its right of possession the following items of property: office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises, and such (but only such) alterations, improvements, additions and wiring or cabling as may be requested by Landlord at the time of approval of Tenant's plans therefor in accordance with Section 8 hereinabove (but excluding any Work under the Work Letter), and Tenant shall pay to Landlord upon demand the reasonable cost of repairing any damage caused by any such removal. If Tenant shall fail or refuse to remove any such property from the Premises, Tenant shall be conclusively presumed to have abandoned same, and title thereof shall thereupon pass to Landlord without any cost either by set-off, credit, allowance or otherwise, and Landlord may, at its option, accept the title to such property or at Tenant's expense may (i) remove the same or any part in any manner that Landlord shall

choose and (ii) store, destroy or otherwise dispose of the same without incurring liability to Tenant or any other person.

17. **HOLDING OVER.** Tenant shall pay to Landlord one hundred fifty percent (150%) of the Base Rent set forth in Paragraph 1 hereof and any appropriate Additional Rent then applicable (the "Holdover Rate") for each month or portion thereof for which Tenant shall retain possession of the Premises or any part thereof after the termination of the Term or Tenant's right of possession, whether by lapse of time or otherwise, and also, if such holdover exceeds thirty (30) days, Tenant shall pay all damages sustained by Landlord on account thereof. The provisions of this paragraph shall not be deemed to limit any rights of Landlord. At the option of Landlord, expressed in a written notice to Tenant and not otherwise, such holding over shall constitute either (i) a month-to-month tenancy upon the then applicable terms and conditions set forth herein, or (ii) a tenancy at sufferance. If no such notice is served, then a tenancy at sufferance shall be deemed created at the Holdover Rate.

18. **ESTOPPEL CERTIFICATE.** The Tenant agrees, from time to time, upon not less than ten (10) business days prior request by Landlord, that the Tenant or Tenant's duly authorized representative having knowledge of the following facts, will deliver to Landlord a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications that the Lease as modified is in full force and effect); (ii) the dates to which the Rent and other charges have been paid; (iii) that the Landlord is not in default under any provision of this Lease, or, if any default, the nature thereof in detail; and (iv) to such other matters pertaining to this Lease as Landlord reasonably requires. If Tenant fails to deliver such statement within the ten (10) business day period referred to above, Landlord shall notify Tenant in writing of such failure, and if Tenant fails to deliver such statement within ten (10) business days thereafter, Tenant shall be in default under this Lease.

19. **SUBORDINATION AND ATTORNMENT.** On the condition that any mortgagee or trustee or ground lessor shall agree, in writing, that the quiet possession of the Tenant shall not be disturbed if Tenant is not in default under this Lease, Tenant hereby agrees that this Lease shall automatically be subject and subordinate to (i) any indenture of mortgage or deed of trust that may hereafter be placed upon the Land or the Building and to all renewals, replacements and extensions thereof, and to all amounts secured thereby, except to the extent that any such indenture of mortgage or deed of trust provides otherwise, and (ii) any ground or underlying lease. Tenant shall at Landlord's or any Lender's or any prospective Lender's request execute such further instruments or assurances as Landlord or any Lender or any prospective Lender may reasonably deem necessary to evidence the subordination of this Lease to the lien of any such indenture or mortgage or deed of trust or to any such ground or underlying lease or to acknowledge that this Lease is superior to such lien, as the case may be. It is hereby acknowledged and agreed that such further instruments or assurances shall not contain any provisions which will cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of the Tenant hereunder.

Should any prospective mortgage or ground lessor require any modification of this Lease, which modification(s) will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to promptly execute and deliver whatever documents are reasonably required therefor.

Tenant shall, in the event of a sale or assignment of Landlord's interest in the Land, the Building, or this Lease, or if the Land or the Building comes into the hands of a Lender, ground lessor or any other person whether because of a mortgage foreclosure, exercise of a power of sale under a mortgage, deed-in-lieu of foreclosure, termination of the ground lease, or otherwise, attorn to the purchaser or such Lender or other person and recognize the same as Landlord hereunder. Tenant shall execute, at the request of Landlord, such purchaser, Lender, or such other person entitled to the attornment by Tenant under this paragraph, any attornment agreement required by such person to be executed, and containing such provisions as such mortgagee, ground lessor or other person reasonably requires.

20. **CERTAIN RIGHTS RESERVED BY LANDLORD.** Landlord shall have the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim:

(a) To change the street address. In such event, Landlord shall pay Tenant the cost to replace Tenant's address imprinted office supplies and stationery, not to exceed \$5,000.00.

(b) To install, affix and maintain any and all signs on the exterior of the Building.

(c) To decorate or to make repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Land, or any part thereof, and for such purposes to enter upon the Premises, and during the continuance of any of said work, to temporarily close doors, entryways, public space and corridors of the Building and to interrupt or temporarily suspend services and facilities, all without affecting

any of Tenant's obligations hereunder. Landlord shall not unreasonably interfere with Tenant's use and occupancy of the Premises.

(d) To furnish door keys for doors in the Premises at the commencement of the Lease. To retain, at all times, and to use, in appropriate instances, keys to all doors within and into the Premises. Tenant agrees to purchase only from Landlord additional duplicate keys as required, to change no locks, and not to affix additional locks on doors without the prior written consent of Landlord. Notwithstanding the provisions for Landlord's access to Premises, Tenant relieves the Landlord of all responsibility arising out of theft, robbery, and pilferage, unless caused by the gross negligence or willful misconduct of Landlord. Upon the expiration of the Term or Lessee's right to possession, Tenant shall return all keys to Landlord and shall disclose to Landlord the combination of any safes, cabinets or vaults left in the Premises.

(e) To approve the weight, size and location of safes, vaults and other heavy equipment and articles in and about the Premises and the Building (so as not to exceed the legal live load), and to require all such items and furniture and similar items to be moved into or out of the Building and Premises only at such time and in such manner as Landlord shall direct in writing. Tenant shall not install, operate or store any machinery, equipment, mechanical devices, goods, articles or merchandise which may be dangerous to persons or property or which may damage or injure the Premises. Tenant shall not install, operate or store any machinery, equipment, mechanical devices, goods, articles or merchandise which are of a nature not directly related to Tenant's ordinary use of the Premises without the prior written consent of Landlord. Movements of Tenant's property into or out of the Building or within the Building are entirely at the risk and responsibility of Tenant and Landlord reserves the right to require permits before allowing any property to be moved into or out of the Building.

(f) Intentionally deleted.

(g) Intentionally deleted.

(h) Intentionally deleted.

(i) To show the Premises to prospective tenants at reasonable hours during the last six (6) months of the Term and if vacated or abandoned, to show the Premises at any time and to prepare the Premises for re-occupancy.

(j) To erect, use and maintain ducts, conduits, pipes, lines, wiring, drains and flues, and appurtenances thereto, in and through the Premises at reasonable locations, with as little disruption to the Tenant's use of the Premises as is commercially reasonable.

21. **RULES AND REGULATIONS.** Tenant agrees for itself, its employees, agents, clients, customers, invitees, visitors, and guests, to comply with the current Rules and Regulations (a copy of which is attached hereto) for the Building and Land as the same may from time to time be reasonably modified or supplemented by Landlord. Tenant agrees that Landlord shall not have any duty to Tenant to require other tenants to comply with such Rules and Regulations and Tenant's obligations under this Lease shall not be altered or reduced by reason of Landlord's failure so to do. Landlord agrees to enforce the Rules and Regulations in a non-discriminatory manner among all tenants and further agrees that all Rules and Regulations will be reasonable.

22. **LANDLORD'S REMEDIES.** If default shall be made in the payment of the Rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease or under the terms of any other agreement between Landlord and Tenant and such default shall continue for twenty (20) days after written notice to Tenant, or if default shall be made in the observance or performance of any of the other covenants or conditions in this Lease which Tenant is required to observe and perform and such shall continue for thirty (30) days after written notice to Tenant, unless said default cannot be cured within said thirty (30) days with Tenant using commercially reasonable efforts to so cure and with Tenant having had timely commenced to cure and diligently prosecuting said cure to completion, then such longer period as may be required or if a default involves a hazardous condition or an insurance obligation and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied on under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed within sixty (60) days from the date of his appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature, or if Tenant shall abandon or vacate the Premises during the Term, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with notice to Tenant or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein.

(a) Landlord may terminate this Lease and the Term created hereby, in which event Landlord may forthwith repossess the Premises and be entitled to recover forthwith as damages a sum of money equal to

the present value of the Rent provided to be paid by Tenant for the balance of the original Term, less the fair rental value of the Premises for said period, and any other sum of money and damages owed by Tenant to Landlord. Should the fair rental value exceed the present value of the Rent provided to be paid by Tenant for the balance of the original Term of the Lease, Landlord shall have no obligation to pay to Tenant the excess or any part thereof.

(b) Landlord may terminate Tenant's right of possession and may repossess the Premises by forcible entry and detainer suit, by taking peaceful possession or otherwise, with notice to Tenant and without terminating this Lease, in which event Landlord may, but shall be under no obligation to, relet the same for the account of Tenant, for such Rent and upon such terms as shall be reasonably satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate or to make any repairs, changes, alterations, or additions in or to the Premises that may be necessary or convenient. If Landlord shall fail to relet the Premises, Tenant shall pay to Landlord as damages a sum equal to the amount of the Rent reserved in this Lease for the balance of its original Term. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all repairs, changes, alterations and additions and the leasing commissions and other expenses of such reletting and of the collection of the rent accruing therefrom to satisfy the Rent provided for in this Lease, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time. Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this paragraph from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

Anything in this Section to the contrary notwithstanding, in the event Landlord is entitled to relet the Premises under the provisions hereof, Landlord shall take commercially reasonable steps to attempt to do so.

23. **EXPENSES OF ENFORCEMENT.** The non-prevailing party shall pay upon demand all reasonable costs, charges and expenses including courts costs and the reasonable fees of counsel, agents, and others retained incurred in enforcing the obligations hereunder or incurred in any litigation, negotiation or transaction in which one party causes the other without the other's fault to become involved or concerned, excluding any negotiations to extend or renew this Lease.

24. **MISCELLANEOUS.**

(a) All rights and remedies of either party under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

(b) All payments becoming due under this Lease and remaining unpaid twenty (20) days after due will be subject to a Three Hundred and 00/100 Dollar (\$300.00) late charge and shall bear interest until paid at the annual rate of three (3%) percent in excess of the Corporate base rate then announced from time to time by Chase Bank, in Chicago, Illinois, unless a lesser rate shall then be the maximum rate permissible by law with respect thereto, in which event said lesser rate shall be charged.

(c) The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed.

(d) Each of the provisions of this Lease shall extend to and shall, as the case may require, bind and inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, legal representative, successors and assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Paragraph 15 hereof.

(e) Except as otherwise provided, all of the representations and obligations of either party are contained herein and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon either party unless in writing signed by such party or by a duly authorized agent of such party empowered by a written authority signed by such party.

(f) Submissions of this instrument for examination shall not bind Landlord in any manner, and no Lease or obligation of Landlord shall arise until this instrument is signed by Landlord and Tenant and delivery is made to each.

(g) No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

(h) Intentionally deleted.

(i) Tenant acknowledges that Landlord has the right to transfer its interest in the Land and Building and in this Lease, and Tenant agrees that in the event of any such transfer Landlord shall automatically be released from all future liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after such transfer.

(j) The captions of paragraphs are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such paragraphs.

(k) Tenant represents and warrants that it is currently in good standing and authorized to do business in the State of Illinois, and Tenant covenants that it shall remain so during the entire Term.

(l) Intentionally deleted.

(m) Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship, other than the relationship of Landlord and Tenant.

(n) Applicable Law and Construction. The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant 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, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(o) Limitation of Liability. Anything contained herein to the contrary notwithstanding, there shall be absolutely no personal liability on the agents, employees, or board members of Tenant with respect to any of the terms, covenants, conditions and provisions of this Lease.

(p) 105 ILCS 5/34 Provisions. (i) This Lease is not legally binding on the Tenant if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts employment of, or the letting of contracts to, former Board of Education members during the one-year period following expiration of other termination of their terms of office. (ii) Each party to this Lease hereby acknowledges that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

(q) Board of Education Ethics Code. The Board of Education Ethics Code (04-0623-PO4), adopted June 23, 2004, and as amended from time to time, is hereby incorporated into and made a part of this Lease as if fully set forth herein.

(r) Board of Education Indebtedness Policy. Landlord agrees to comply with the Board of Education Policy on Indebtedness (96-0626-PO3), adopted June 26, 1996, and as amended from time to time, which is hereby incorporated into and made a part of this Lease as if fully set forth herein.

(s) Contingent Liability. Any expenditure by Tenant beyond the then fiscal year of Tenant shall be deemed a contingent liability of Tenant, subject to appropriation in the subsequent fiscal year of Tenant.

25. **WAIVER OF NOTICE**. Intentionally deleted.

26. **NOTICES**. All notices to be given under this Lease shall be in writing and delivered personally or deposited in the United States mails, certified or registered mail with return receipt requested, postage prepaid, addressed as follows:

(a) If to Landlord: 4600 S. KEDZIE LLC  
c/o Marc Realty  
55 E. Jackson Blvd. Suite 500  
Chicago, IL 60604

or such other person at such other address designated by notice sent to Tenant and after occupancy of the Premises by Tenant to the address to which Rent is payable.

(b) If to Tenant: BOARD OF EDUCATION OF THE CITY OF CHICAGO  
125 South Clark Street, 20<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attention: Director of Real Estate

With copy to: General Counsel  
125 South Clark Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60603

or to such other address designated by Tenant in a notice to Landlord.

A copy of all notices under this Lease will be given to each Lender which has supplied Tenant with such Lender's address.

A notice by mail shall be deemed to have been given two (2) days after deposit in the United States mail as aforesaid.

27. **SECURITY DEPOSIT.** Intentionally deleted.

28. **REAL ESTATE BROKER.** The Tenant represents that the Tenant has dealt only with COURT VENTURES, as broker, in connection with this Lease, and that insofar as the Tenant knows, no other broker negotiated this Lease or is entitled to any commission in connection therewith.

29. **COVENANT OF QUIET ENJOYMENT.** The Landlord covenants that the Tenant, on paying the Base Rent, applicable Additional Rent, charges for services and other payments herein reserved, and, on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of the Tenant to be kept, observed, and performed, shall, during the Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof.

30. **PERSONAL GUARANTY.** Intentionally deleted.

31. **OPTION TO PURCHASE.** Landlord hereby grants to Tenant, or the City of Chicago, in Trust for the Use of Schools, or the Chicago Building Commission, and/or any successors to the foregoing, the exclusive right and option to purchase the Building and the Land (collectively referred to herein as the "Real Estate" for purposes of this Paragraph 31) upon the terms and conditions hereinafter set forth (hereinafter referred to as the "Option").

(a). **Expiration Date of Option.** The Option shall be exercisable no earlier than February 1, 2022 and no later than August 1, 2022 on the terms and conditions hereinafter set forth,

(b). **Notice of Exercise.** The Option shall be exercised by Tenant by written notice signed by Tenant and delivered to the Landlord. The date of Tenant's election shall be the date that Landlord receives the notice of election. Said notice of exercise shall set a closing date for the purchase and sale of the Real Estate, which date shall be not more than ninety (90) days nor less than thirty (30) days after the date of such notice.

(c). **Purchase Price.** The total purchase price for the Real Estate shall be Four Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$4,750,000.00) (hereinafter referred to as the "Purchase Price"), which shall be paid, plus or minus prorations, in good funds.

(d). **Conveyance.** Landlord agrees to convey, or cause to be conveyed, to Tenant, or Tenant's nominee, title to the Real Estate by a recordable, stamped Special Warranty Deed, subject only to: (a) general real estate taxes and special assessments not due and payable as of the date of the closing hereof; (b) acts of Tenant and those parties acting through or for Tenant; (c) building lines (including existing encroachment of record), zoning laws, statutes and ordinances; and (d) easements, covenants, rights of way, conditions and restrictions which do not unreasonably interfere with the use of the Real Estate by the Tenant.

(e). **Closing.** The consummation of the transaction herein described (hereinafter referred to as the "Closing") shall be at the time set forth in the notice of exercise of option described in Paragraph (b) hereof, unless subsequently mutually agreed otherwise, at Chicago Title Insurance Company in Chicago, Illinois or such other location as is acceptable to Tenant and Landlord, provided title is shown to be good or is acceptable to Tenant. At the Closing, Landlord shall deliver the Deed described in Paragraph (d) hereof and a Bill of Sale conveying to Tenant the personal property owned by Landlord and used or useful in the operation of the Building.

(f). **Delivery of Possession.** Landlord shall deliver and Tenant agrees to accept possession of the Real Estate on the day of the Closing.

(g). **Condition.** Tenant shall accept the Leased Premises and all personal property "AS IS" and "WHERE IS", without any representations or warranties whatsoever.

(h). **Evidence of Title.** Landlord shall deliver, or cause to be delivered, to Tenant or Tenant's nominee, within ten (10) days from the date of exercise of the Option by Tenant, a current title commitment ("Title Commitment") from Chicago Title Insurance Company ("Title Company") or such other title company chosen by Landlord and reasonably acceptable to Tenant for an ALTA (2007) Form B Owner's Title Insurance Policy ("Title Policy") in the amount of the Purchase Price. At the Closing Landlord shall cause to be issued to Tenant or Tenant's nominee the Title Policy in the amount of the Purchase Price hereof covering title to the Real Estate on the date thereof. The Title Commitment and Title Policy shall show title in the intended grantor, subject only to (i) the title exceptions set forth in Paragraph (d) hereof; (ii) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing and which the Landlord will so remove at that time by using the funds to be paid to Landlord hereunder; and (iii) the general exceptions contained on said form of policy, subject to the affirmative coverage over said general exceptions set forth below. The Title Policy shall be



conclusive evidence of good title as therein shown as to all matters insured by the policy subject only to the exceptions therein stated. The Title Policy shall contain an agreement by the Title Company, or shall be supplemented with an agreement by the Title Company delivered to Tenant no later than five (5) days prior to Closing, stating that the Title Policy will provide full extended coverage insurance which shall result in the deletion of the following general exceptions: (i) liens for labor or materials, whether or not of record; (ii) parties in possession (other than tenants under Leases, solely as such tenants); (iii) unrecorded easements; (iv) taxes or special assessments not shown by the public records; and (v) exceptions which a correct survey would disclose (other than existing encroachment of record). The Title Policy shall also contain the following additional affirmative endorsements and such other endorsements as are reasonably requested by Tenant:

i. an endorsement insuring Tenant that there are no violations of any restrictive covenants, conditions or restrictions affecting the Real Estate or the buildings located thereon, that there are no encroachments by the buildings on the Real Estate onto any easements or any building lines or setbacks affecting the Real Estate, or onto any adjacent property, or any encroachments onto the Real Estate of existing improvements located on adjoining land;

ii. an access endorsement insuring that all adjoining streets are public streets and that there is direct and unencumbered access to the same from the Real Estate and the buildings located thereon;

iii. a survey endorsement insuring that all the property insured is legally described on a specifically mentioned survey, including that the buildings on the Real Estate do encroach onto adjoining land, and that there are no encroachments of improvements from adjoining land onto the Real Estate;

iv. a zoning endorsement insuring that the Real Estate and the building located thereon are zoned for the present and contemplated building and business thereon and insuring against loss or damage arising due to a prohibition of said use or requiring removal of said buildings due to a violation of applicable laws or ordinances including but not limited to laws and ordinances relating to area of the Real Estate, floor area of said buildings, setbacks, height and parking;

iv. a contiguity endorsement insuring that all parcels comprising the Real Estate are contiguous;

vi. an endorsement insuring that no instrument, covenant or condition affecting the Real Estate provides for an easement over the Real Estate or for a private assessment or charge; and

vii. an endorsement insuring that all of the Real Estate and the buildings located thereon are covered by one (1) or more permanent index numbers which do not cover other property.

(i). Correction of Defects. If the Title Commitment or the Survey herein required discloses unpermitted exceptions (other than encroachment of record), Landlord shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the Title Commitment or to have the Title Company commit to insure against loss or damage that may be occasioned by such exceptions, and, in such event, the Closing shall be extended to a date fifteen (15) days after delivery of the corrected commitment or the time specified in Paragraph (h) hereof, whichever is later. If Landlord fails to have the exceptions removed, or in the alternative, to obtain the Title Commitment for title insurance specified above as to such exceptions within the specified time, Tenant may terminate its exercise of the Option or may elect, upon notice to Landlord within ten (10) days after the expiration of the thirty (30) day period, to take title as it then is with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount. If Tenant does not so elect, the exercise of the Option shall become null and void without further actions of the parties.

(j). Closing Adjustments. General real estate taxes and assessments, if any, shall be adjusted ratably (prorated) with respect to the subject transactions as of the day of the Closing based upon one hundred ten percent (105%) of the most recent ascertainable real estate tax bills. Utilities and other customary proratable items shall be prorated as of the date of Closing and all prorations shall be final. Landlord shall pay the amount of any stamp tax imposed by law by the State of Illinois and the County of Cook on the transfer of title, and shall furnish completed Real Estate Transfer Declarations signed by Landlord or Landlord's agent in the forms required pursuant to the Real Estate Transfer Tax Acts of the State of Illinois and the County of Cook and the City of Chicago. Tenant shall pay the amount of the transfer tax imposed by the local ordinances, if any.

(k). Damage. The provisions of the Uniform Vendor and Tenant Risk Act of the State of Illinois shall be applicable to the Option.

(l). Time. Time is of the essence of the provisions of the Option herein granted.

(m). Notice. All notices herein required shall be in writing and shall be served as set forth in Paragraph 26 of this Lease.



(n). Survey. Not later than ten (10) business days prior to the Closing, Landlord shall obtain and deliver to Tenant a plat of survey of the Real Estate prepared by a duly licensed surveyor authorized to do business in the State of Illinois and acceptable to Tenant, certified to Tenant and the Title Company, in manner satisfactory to Tenant, by such surveyor as being true, accurate and having been prepared in accordance with the minimum requirements for a Land Title Survey adopted by the American Land Title Association meeting the requirements of a Class A Survey, setting forth: (i) the legal description of the Real Estate; (ii) the location of all buildings; (iii) all boundaries, courses and dimensions of the Real Estate and buildings; (iv) all easements, building lines, curb cuts, parking, loading areas, sewage, water, electricity, gas and other utility facilities (together with the recording information concerning the documents creating any such easements and building lines); (v) roads and means of ingress and egress to and from the Real Estate to a public road; (vi) the square footage of the Real Estate; and (vii) any wetlands located within the Real Estate. The Survey shall reveal no encroachments onto the Real Estate from any adjacent property, no encroachments by or from the Real Estate or Building onto any adjacent property (other than encroachment of record), and no violation by any of any buildings on the Real Estate of any building line or easement affecting the Real Estate. Said survey shall certify that the Real Estate is not in an area identified by an agency or department of the federal government as having special flood or mudslide hazards which would require flood insurance under the Flood Insurance Act of 1968.

(o). Saturday, Sunday, and Holidays. If the date for Closing or performance of an obligation falls on a Saturday, Sunday or holiday, the date shall be deferred until the first business day following.

(p). Binding Effect. No amendments, modifications or changes shall be binding upon a party unless set forth in a duly executed document.

(q). Escrow. At the option of either party, the transaction herein contemplated shall be closed through an escrow with the Title Company, in accordance with the general provisions of the usual form of Deed and Money Escrow Agreement then in use by said company, with such special provisions inserted in the escrow agreement as may be required to conform with the Option herein granted. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of consideration and delivery of deed shall be made through the escrow and the cost of said escrow shall be equally divided between Landlord and Tenant.

(r). Broker. Tenant and Landlord hereby represent to each other that neither of them have had any dealings with respect to the Real Estate with any broker or real estate dealer. Landlord and Tenant agree to indemnify and hold each other harmless against any other brokerage claim asserted contrary to the foregoing representation with respect to the subject transaction.

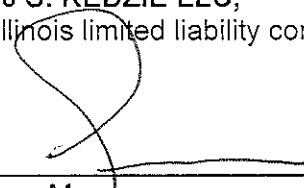
(s). Memorandum of Lease. The parties agree that, simultaneously with the execution of this Lease, a Memorandum of this Lease, in the form of Exhibit "B" attached hereto and incorporated herein by reference, shall be recorded with the Recorder of Deeds of Cook County, Illinois.

32. WAIVER OF JURY TRIAL AND COUNTERCLAIM. Each party hereby waives trial by jury in any action, proceeding or counterclaim brought by the other on any matters whatsoever arising out of or in any way connected with this Lease.

**IN WITNESS WHEREOF,** Landlord and Tenant have caused this Lease to be duly executed as of the day and year first above written.

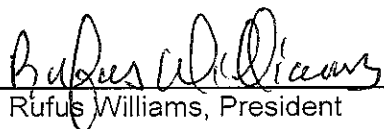
LANDLORD:

4600 S. KEDZIE LLC,  
an Illinois limited liability company

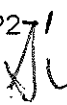
By:   
\_\_\_\_\_  
Manager

TENANT:

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

By:   
\_\_\_\_\_  
Rufus Williams, President

Attest:  7/25/08  
\_\_\_\_\_  
Estela G. Beltran, Secretary

Board Report No: 07-1024-OP271  
08-0625-ARI-9  
Approved as to Legal Form: 

  
\_\_\_\_\_  
Patrick J. Rocks, General Counsel

## RULES AND REGULATIONS

1. The sidewalks shall not be obstructed or used by Tenant or the employees, agents, servants, visitors or business of Tenant for any purpose other than ingress and egress to and from the Premises and for delivery of merchandise and equipment in a prompt and efficient manner.

2. No awnings, air-conditioning units, fans or other projections shall be attached to the Building without the consent of Landlord, which shall not be unreasonably withheld or delayed. No curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises or Building, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. All curtains, blinds, shades, screens or other fixtures must be of a quality type, design and color, and attached in the manner approved by Landlord, which shall not be unreasonably withheld or delayed. All electrical fixtures hung in offices or spaces along the perimeter of the Premises must be fluorescent, of a quality, type, design and bulb color approved by Landlord unless the prior consent of Landlord has been obtained for other lamping, which shall not be unreasonably withheld or delayed.

3. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted, or affixed by any Tenant on any part of the outside of the Premises or Building or on the inside of the Premises if the same can be seen from the outside of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. In the event of the violation of the foregoing by Tenant, after notice to Tenant and opportunity to cure, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the Tenant or Tenants violating this rule. Interior signs on doors and the directory shall be inscribed, painted or affixed for each Tenant by Landlord at the expense of such Tenant, and shall be of a standard size, color and style acceptable to Landlord, which shall not be unreasonably withheld or delayed.

4. The exterior windows and doors that reflect or admit light and air into the Premises or halls, passageways or other public places in the Building, shall not be covered or obstructed by any Tenant, nor shall any articles be placed on the windowsills. No showcases or other articles shall be put in front or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules, nor shall any article obstruct any HVAC supply or exhaust equipment without the prior written consent of Landlord.

5. The electrical and mechanical closets, water and wash closets, drinking fountains and other plumbing and electrical and mechanical fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, coffee grounds, acids or other substances shall be deposited therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same. No person shall waste water by interfering or tampering with the faucets or otherwise.

6. No portion of the Premises or the Building shall be used or occupied at any time for manufacturing, for the storage of merchandise, for the sale of merchandise, goods or property of any kind at auction or otherwise or as a sleeping or lodging quarters.

7. Tenant, any Tenant's servants, employees, agents, visitors or licensees, shall not at any time bring or keep upon the Premises any inflammable, combustible, caustic, poisonous or explosive fluid, chemical or substance.

8. Tenant, any Tenant's servants, employees, agents, visitors or licensees, shall not at any time bring or keep upon the Premises any weapons including but not limited to handguns, rifles and knives.

9. No bicycles, vehicles or animals of any kind (other than a seeing eye dog for a blind person), shall be brought into or kept by any Tenant in or about the Premises or the Land.

10. Tenant shall not use or occupy or permit any portion of the Premises to be used or occupied as an office for a public stenographer or typist, offset printing, or for the possession, storage, manufacture or sale of liquor, drugs, tobacco in any form or as a barber or manicure shop, an employment bureau, a labor office, a doctor or dentist's office, a dance or music studio, or for any use other than those specifically granted in the lease.

11. Landlord shall have the right to prohibit any advertising by any Tenant which, in Landlord's opinion, tends to impair the reputation of the Land or its desirability as a building for offices or schools, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising. In no event shall Tenant, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed, use the name of the Land or Building or use pictures or illustrations of the Land or Building.

12. Any person in the Land will be subject to identification by employees and agents of Landlord. All persons in or entering the Land shall be required to comply with the security policies of the Land. Tenant shall keep doors to unattended areas locked and shall otherwise exercise reasonable precautions to protect property from theft, loss, or damage. Landlord shall not be responsible for the theft, loss, or damage of any property.

13. No additional locks or bolts of any kind shall be placed on any door in the Building or the Premises and no lock on any other door therein shall be changed or altered in any respect without the written consent of Landlord, which shall not be unreasonably withheld or delayed. Landlord shall furnish two keys for each lock on exterior doors to the Premises and shall, on Tenant's request and at Tenant's expense, provide additional duplicate keys. All keys, including keys to storerooms and bathrooms, shall be returned to Landlord upon

termination of this Lease. Landlord may, at all times, keep a pass key to the Premises. All entrance doors to the Premises shall be left closed at all times, and left locked when the Premises are not in use.

14. Tenant shall give immediate notice to Landlord in case of theft, unauthorized solicitation, or accident in the Premises or in the Building or of known defects therein or in any fixtures or equipment, or of any known emergency in the Land or Building.

15. Tenant shall not use the Premises or permit the Premises to be used for photographic, multilith or multigraph reproductions except in connection with its own business and not as a service for others, without Landlord's prior permission.

16. Any hand trucks, carryalls, or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as Landlord shall require.

17. Tenants, or the employees, agents, servants, visitors or licensees of Tenant shall not at any time or place, leave or discard any rubbish, paper, articles or objects of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Buildings.

18. Tenant shall not make excessive noises, cause disturbances or vibrations or use or operate any electrical or mechanical devices that emit excessive sound or other waves or disturbances or create obnoxious odors, any of which may be offensive to the other tenants and occupants of the Land, or that would interfere with the operation of any device, equipment, radio, television broadcasting or reception from or within the Land or elsewhere and shall not place or install any projections, antennas, aerials or similar devices inside or outside of the Premises or on the Building without Landlord's prior written approval, which shall not be unreasonably withheld or delayed.

19. Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations, insurance requirements and reasonable building rules and regulations and shall not directly or indirectly make any use of the Premises which may be prohibited by any of the foregoing or which may be dangerous to persons or property or may increase the cost of insurance or require additional insurance coverage. Landlord agrees and acknowledges that the Occupancy as set forth in Section 3 of the Lease shall not cause any such increase.

20. Tenant shall not serve, nor permit the serving of alcoholic beverages in the Premises unless Tenant shall have procured Host Liquor Liability insurance, issued by companies and in amounts reasonably satisfactory to Landlord, naming Landlord as an additional insured.

21. The requirements of Tenant will be attended to only upon written application at the Office of the Building. Employees shall not perform any work or do anything outside of the regular duties unless under special instructions from the Office of the Building.

22. Canvassing, soliciting and peddling in the Land is prohibited and Tenant shall cooperate to prevent the same.

23. Except as otherwise explicitly permitted in its Lease, Tenant shall not do any cooking, conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others, install or permit the installation or use of any food, beverage, cigarette, cigar or stamp dispensing machine or permit the delivery of any food or beverage to the Premises, except by such persons delivering the same shall be approved by Landlord, which shall not be unreasonably withheld or delayed.

24. Tenant shall at all times keep the Premises neat and orderly.

25. Tenant, its servants, employees, customers, invitees and guests shall, when using the parking facilities in and around the Building, observe and obey all signs regarding fire lanes, handicapped and no parking, or otherwise regulated parking zones, and when parking always park between the designated lines. Landlord reserves the right to tow away, at the expense of the owner, any vehicle which is improperly parked or parked in violation of a posted regulation. All vehicles shall be parked at the sole risk of the owner, and Landlord assumes no responsibilities for any damage to or loss of vehicles.

26. Intentionally deleted.

27. Intentionally deleted.

28. In accordance with the Illinois Indoor Clean Air Act, no smoking is permitted in the common areas, bathrooms, elevators, stairwells, corridors and vestibules or within twenty (20) feet of any of the Land's entrances or exits.

## 4600 SOUTH KEDZIE BUILDING

### WORK LETTER

Gentlemen:

This is the Work Letter referred to in the foregoing Lease (the "Lease") wherein you ("Tenant") lease certain space from 4600 S. KEDZIE LLC ("Landlord") in the Office Building at 4600 South Kedzie Avenue, Chicago, IL 60632. The words "Premises," "Building," and "Term" as used herein shall have the respective meanings assigned to them in the Lease. All terms and nomenclature defined in the Lease shall, when used herein, have the meanings set forth in the Lease, provided that if there is a conflict or inconsistency between the terms and conditions of the Lease and this Work Letter, the terms and conditions set forth in this Work Letter shall control. The purpose of this Work Letter is to provide for the planning and construction of improvements to the Premises to meet the needs of Tenant. Landlord agrees that the Tenant Improvement Costs set forth below shall be no greater than Sixty-Five and 00/100 Dollars (\$65.00) per square foot for a total of Seven Hundred Sixty-Seven Thousand and 00/100 Dollars (\$767,000.00), the "Landlord's Contribution", which such sum is exclusive of all costs of the "Base Building Improvements" (hereinafter defined), which such Base Building Improvements shall be at Landlord's sole cost and expense.

Landlord and Tenant agree as follows:

#### 1. WORK

Landlord, at Landlord's sole cost and expense, using Building standard materials and workmanship, shall construct the Premises (hereinafter called the "Total Work") which are provided for in Exhibit A ("Construction Documents") issued by Landlord and approved by Tenant, and attached hereto and made a part hereof. See Construction Documents Revisions No. 1 dated 04/25/08. The Total Work shall consist of the "Tenant Improvements" for an amount up to and including the Landlord's Contribution, and the Base Building Improvements. Tenant shall be responsible for the cost of any Tenant Improvements in excess of the Landlord's Contribution. Subject to the provisions of the Lease and to the provisions of this Work Letter, Landlord shall proceed diligently to cause the Total Work to be substantially completed at or before the Commencement Date. The Total Work shall be defined to include all design fees (including but not limited to space planning fees, design fees, engineering fees), construction labor and materials, initial voice data cabling, and the industry standards for construction contractor's overhead and fees. The Total Work shall not include furniture or equipment of any kind (except for those items specified on the Plans, which shall be installed by Landlord as part of the Total Work). Tenant shall reimburse Landlord for any monies expended by Landlord pursuant to this Paragraph 1 for the cost of any Tenant Improvements outside of the Landlord's Contribution and such amounts must be paid by the Tenant to Landlord within thirty (30) days after Landlord sends Tenant written demand for same.

The Base Building Improvements portion of the Total Work shall consist of (1) new 800 amp electric service; (2) new water service; (3) exterior masonry / tuckpointing; (4) roof; (5) existing window and lintel replacement; (6) infill and level loading dock floor; and (7) 25 ton HVAC. The Tenant Improvements portion of the Total Work shall consist of all other alterations, improvements or additions that are not part of the Base Building Improvements, including new cut-in windows and HVAC in excess of 25 tons.

Landlord hereby guarantees that the Total Work will be free of defects for a period of one (1) year from the date Tenant puts the improvements into use, which guaranty period shall be in addition to the period of any applicable guaranty required by any applicable construction document relating to the Total Work. Landlord's guaranty shall be extended as available with respect, and only with respect, to any item repaired, replaced or corrected under said guaranty (hereinafter referred to as "Guaranty Work") to a date one (1) year from the date of such Guaranty Work. Should Landlord not perform any Guaranty Work or commence to perform and diligently pursue such performance after fifteen (15) business days' notice by Tenant to Landlord, Tenant may perform any such Guaranty Work and the reasonable cost thereof shall be an acceptable set-off against any Rent or other payment next due under the Lease. Notwithstanding the foregoing, if Landlord, in good faith, notifies Tenant, within fifteen (15) business days after receipt of Tenant's above-described notice, that either (i) Landlord contests Tenant's assertion that Landlord has failed to perform or commence to perform any Guaranty Work, or (ii) Landlord has commenced to perform such Guaranty Work and is diligently pursuing the same (which notice under clause (ii) shall describe, in reasonable detail, the nature of such actions pertaining to the performance of Guaranty Work), then, in any such case, Tenant shall not have the right to perform such Guaranty Work or to otherwise claim any amounts due from Landlord (or to otherwise offset any amounts from Rent hereunder), unless Tenant secures a court order, adjudicating such claim of a disputed performance of Guaranty Work in favor of Tenant. Landlord's guaranty set forth above shall not deprive Tenant of any action, right or remedy otherwise available to it for breach of any of the provisions of this Work Letter and the periods referred to above shall not be construed as a limitation on the time in which Tenant may pursue such other action, right or remedy.

Landlord shall give Tenant written notice (hereinafter referred to as the "Completion Notice") that Landlord will complete the construction of the Total Work except for minor touch up and finishing items

(such completion is herein referred to as the "Substantial Completion") on the date stated in the Completion Notice (hereinafter referred to as the "Completion Date") and that possession of the Premises may be taken by Tenant on the next business day after the Completion Date (said date of possession is hereinafter referred to as the "Possession Date"). The Completion Notice shall be given by Landlord not later than December 31, 2008. If the Completion Notice is not timely given by Landlord, then the Possession Date shall be deemed to occur on the date when Tenant actually takes possession, but in no event later than ten (10) business days after the Completion Date. Within fourteen (14) business days after the Possession Date, Landlord and Tenant shall inspect the Premises and create an agreed list of those items which need to be completed, corrected, installed, repaired, replaced or adjusted (herein referred to as the "Punch List Items"). Landlord will immediately proceed to complete the Punch List Items. Should Landlord not diligently pursue completion of the Punch List Items within sixty (60) days of the Possession Date, Tenant may upon ten (10) business days' prior notice to Landlord, complete such work and Landlord shall pay Tenant the reasonable cost for such work when such work is completed. Should Landlord fail to make any such payment within five (5) days after presentation by Tenant of invoices therefor, Tenant may set-off such unpaid amount against Rent or other charges next payable by Tenant under the Lease. Notwithstanding the foregoing, if Landlord, in good faith, notifies Tenant, within ten (10) business days after receipt of Tenant's above-described notice, that either (i) Landlord contests Tenant's assertion that Landlord has failed to diligently pursue completion of the Punch List Items, or (ii) Landlord has commenced to perform such Punch List Items and is diligently pursuing the same (which notice under clause (ii) shall describe, in reasonable detail, the nature of such actions pertaining to the performance of Punch List Items), then, in any such case, Tenant shall not have the right to perform such Punch List Items or to otherwise claim any amounts due from Landlord (or to otherwise offset any amounts from rent hereunder), unless Tenant secures a court order, adjudicating such claim of a disputed performance of Punch List Items in favor of Tenant.

Notwithstanding anything contained herein to the contrary, in the event the Total Work is not Substantially Completed within one (1) year after Landlord obtains a Building Permit for Tenant to use the Building for the Use described in the Lease (unless such delay is caused by Tenant's request for Additional Work), the Tenant shall have the right to terminate the Lease by written notice to Landlord, and the Lease shall be null and void.

## 2. ADDITIONAL WORK

If Tenant wishes, Landlord, prior to the commencement of the Term to do any construction, decorating or similar things in the Premises in addition to the Total Work to be performed by Landlord pursuant to Paragraph 1 hereof (the "Additional Work") Tenant may, at its expense, submit drawings and specifications for the Additional Work (the "Additional Plans") to Landlord for its approval. Landlord shall have no duty to approve the same or to do or permit any Additional Work and shall not be deemed to have done so unless it approves the same in writing or agrees in writing to do or permit such Additional Work. If Landlord agrees to do so, it shall submit to Tenant estimates of the cost thereof. Within ten (10) business days after receipt of such estimate, Tenant shall either direct Landlord in writing to do the Additional Work at Tenant's cost or Tenant shall be deemed to have abandoned its request for such Additional Work. Tenant agrees to pay to Landlord within thirty (30) days after receipt of bills therefore (which bills may be rendered by Landlord from time to time during the course of such Additional Work or any time) the cost of all such Additional Work (without regard to whether such cost exceeds the estimates furnished).

It is understood that any additions or alterations to the Premises desired by Tenant after the Commencement Date shall be subject to the provisions of Paragraph 8 of the Lease.

## 3. SUBSTITUTIONS AND CREDITS

Tenant may select other available materials in place of Building Standard materials (which are defined as those materials designated by Landlord, at its option, for general use in the Building) provided that such selection is approved in writing by Landlord and that such other materials constitute a "substitution in kind" as hereinafter described. Landlord shall have no duty to approve any proposed substitution. Tenant agrees to pay to Landlord within thirty (30) days after receipt of bills therefore (which bills may be rendered by Landlord from time to time during the course of the Total Work or any time) an amount equal to the excess of the Landlord's cost for acquiring and installing such substituted materials over the cost which Landlord would have incurred in acquiring and installing the Building Standard materials that were replaced thereby. Credit shall be granted only to the extent of substitutions in kind. For example, a lighting fixture credit may be applied only against the cost of another lighting fixture and an electrical outlet credit may not be applied against the cost of bank screen partitions.

## 4. ACCESS BY TENANT PRIOR TO COMMENCEMENT OF TERM

Landlord, at Landlord's discretion, may permit Tenant and Tenant's agents, suppliers, contractors and workmen to enter the Premises prior to the commencement of the Term to enable Tenant to install furnishings or do such other things as may be required by Tenant to make the Premises ready for Tenant's occupancy. Tenant agrees that, if such permission is granted, Tenant and its agents, contractors, workmen, and suppliers and their activities in the Premises and Building will not interfere with or delay the completion of the Total Work or Additional Work to be done by Landlord and will not interfere with other activities of Landlord. Landlord shall have the right to withdraw such permission upon twenty-four (24) hours written

notice to Tenant if Landlord determines that any such interference or delay has been or may be caused. Tenant agrees that any such entry into the Premises shall be at Tenant's own risk and Landlord shall not be liable in any way for any death or injury to any person and for any injury, loss or damage which may occur to any of Tenant's property or installation made in the Premises and Tenant agrees to protect, defend, indemnify and save harmless Landlord from all liabilities, costs, damages, reasonable fees and expenses arising out of or connected with the activities of Tenant or its agents, contractors, suppliers or work men in or about the Premises or Building.

5. MISCELLANEOUS

A. Time is of the essence under this Work Letter.

B. Landlord agrees it will complete all core drillings and conduit runs for floor mounted electrical and telephone outlets prior to installation of carpeting. All floor mounted electrical and telephone outlets over the carpeting shall be installed within one (1) week of the carpeting being completed and all electrical and telephone outlets within millwork shall be installed within one (1) week of placement of millwork within the Premises.

C. All portions of the Premises must be completed as provided herein for there to be Substantial Completion.

D. It is understood that Tenant may partially occupy portions of the Premises prior to Substantial Completion provided Tenant does not unreasonably interfere with the Total Work. Such partial occupancy shall not be considered acceptance of the Premises so occupied nor shall Tenant be required to make any payment therefor, unless Tenant is actively conducting its business in the Premises so occupied, and Landlord and Tenant agree to cooperate with each other to enable Tenant to partially occupy a portion of the Premises. Landlord shall not be responsible to repair damage caused by Tenant during such occupancy.

E. In the event an approval or submission is required of any party hereto at a specified time and such approval or submission is conditioned upon the prior submission or approval of the other party hereto, then, if such other party has delayed its approval or submission, subsequent action shall be permitted to be delayed by the time lost due to the prior delay; provided, however, the foregoing provision shall not be deemed to excuse compliance with the time limitations set forth in this Work Letter except if caused by the other party.

F. Landlord acknowledges and agrees that:

(1) The Premises will comply with the Chicago Building Code (CBC) 2008.

(2) The Occupancy Classification will be Class C-3, Type I Schools for CPS use. [See CBC 3(13-56-100)].

(3) The Construction Type does not identify occupancy such as schools. The Construction Type for this building will be either Type IIIB or Type IIIC Exterior Protected since the trusses supporting the roof are wood. [See CBC 6(13-60-060)].

(4) The project will comply with CBC Accessibility Code 11(18-11) unless there are more stringent requirements in the Illinois Accessibility Code (IAC).

G. Landlord shall, or shall cause Landlord's Contractor to, secure, pay for, and maintain during the performance of the Total Work, insurance in the following minimum coverages and limits of liability:

(1) Workmen's Compensation and Employer's Liability Insurance with limits of not less than \$500,000 and as required by any Employee Benefit Acts or other statutes applicable where the Total Work is to be performed as will protect Landlord's Contractors from liability under the aforementioned acts.

(2) Comprehensive General Liability Insurance (including Owner's and Contractor's Protective Liability) in an amount not less than \$1,000,000 per occurrence, whether involving bodily injury liability (or death resulting therefrom) or property damage liability or a combination thereof with a minimum aggregate limit of \$5,000,000. Such insurance shall provide for explosion and collapse, completed operations coverage with a two-year extension after completion of the Total Work, and broad form blanket contractual liability coverage and shall insure Landlord's Contractor against any and all claims for bodily injury, including death resulting therefrom and damage to the property of others and arising from its operations under the contracts whether such operations are performed by Landlord's Contractor, or by anyone directly or indirectly employed by them.

(3) "All-risk" builder's risk insurance upon the entire Total Work to the full insurance value thereof. Such insurance shall include the interest of Landlord and Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in the Total Work and shall insure against the perils of fire and extended coverage and shall include "all-risk"

builder's risk insurance for physical loss or damage including, without duplication of coverage, theft, vandalism, and malicious mischief. If portions of the Total Work are stored off the site of the Building or in transit to such site are not covered under such "all-risk" builder's risk insurance, then Landlord shall effect and maintain similar property insurance on such portions of the Total Work. The waiver of subrogation provisions contained in the Lease shall apply to the "all-risk" builder's risk insurance policy to be obtained by Landlord pursuant to this paragraph.

All policies (except the workmen's compensation policy) shall be endorsed to include, as additional named insureds, Tenant and its members, officers, employees, and agents, Landlord's contractors, Landlord's architect, and such additional persons as Tenant may designate. Such endorsements shall also provide that all additional insured parties shall be given thirty (30) days' prior written notice of any reduction, cancellation, or non-renewal of coverage by certified mail, return receipt requested and shall provide that the insurance coverage afforded to the additional insured parties thereunder shall be primary to any insurance or self-insurance carried independently by such additional insured parties.

To the fullest extent permitted by law, Landlord shall indemnify and hold harmless the Tenant and its members, officers, employees and agents, from and against all claims, damages, liabilities, losses and expenses of whatever nature, including but not limited to reasonable attorneys' fees, necessitated by activities of the Landlord or the Landlord's Contractor, bodily injury to persons or damage to property of the Tenant, its employees, agents, invitees, licensees, or others, arising out of or resulting from the performance of the Total Work by the Landlord or the Landlord's Contractor. The foregoing indemnity shall be in addition to the insurance requirements set forth above and shall not be in discharge or substitution of the same, and shall not be limited in any way by any limitations on the amount or type of damages, compensation or benefits payable by or for Landlord's Contractor under Workers' or Workmen's compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

Upon completion of the Total Work, Landlord shall furnish Tenant with "as-built" plans identifying the Total Work as same has been constructed, a detailed breakdown of the costs of the Tenant Improvements, and an occupancy permit for the Premises.

LANDLORD:

**4600 S. KEDZIE LLC,**  
an Illinois limited liability company

By: \_\_\_\_\_

Manager

TENANT:

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

By: \_\_\_\_\_

Rufus Williams, President

Attest: \_\_\_\_\_

Estela G. Beltran, Secretary

Board Report No: 07-1024-OP2-1  
08-0625-ARI-9

Approved as to Legal Form: \_\_\_\_\_

Patrick J. Rocks, General Counsel

EXHIBIT A

SPACE PLAN / CONSTRUCTION DOCUMENTS

See Attached



EXHIBIT B

MEMORANDUM OF LEASE

See Attached

MEMORANDUM OF LEASE

Address: 4600 South Kedzie Ave.  
Chicago, IL 60632

P.I.N.: 19-02-430-021-0000  
19-02-430-022-0000

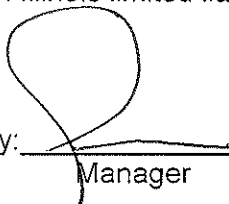
This Memorandum of Lease is made and entered into as of the 1<sup>st</sup> day of August 2008, between 4600 S. Kedzie LLC ("Landlord") and the Board of Education of the City of Chicago ("Tenant").

- 1. For valuable consideration, Landlord acknowledges that it has, pursuant to that certain Lease (the "Lease") of even date herewith among Landlord and Tenant, leased and demised to Tenant the interior of the real property situated in Cook County and legally described on Exhibit "A" attached hereto (the "Property").
- 2. The commencement date of the Lease is on the date hereof (the "Commencement Date") and the Lease terminates on July 31, 2023, unless earlier terminated pursuant to the terms and provisions of the Lease.
- 3. The Lease grants the Tenant an Option to Purchase the Property on the terms and conditions set forth in the Lease.
- 3. All other terms and conditions applicable to the Lease are set forth in the Lease.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date first written above.

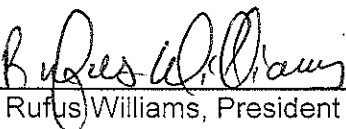
LANDLORD:

4600 S. KEDZIE LLC,  
an Illinois limited liability company


By:   
Manager

TENANT:

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

By:   
Rufus Williams, President

Attest:  7/25/08  
Estela G. Beltran, Secretary

Board Report No: 07-1024-OP2-1  
08-0625-ARI-9  
Approved as to Legal Form: 

  
Patrick J. Rocks, General Counsel

THIS MEMORANDUM OF LEASE  
PREPARED BY AND UPON  
RECORDING RETURN TO:

Stuart C. Unger, Assistant General Counsel  
Board of Education of the City of Chicago  
125 S. Clark Street  
Suite 700  
Chicago, Illinois 60603

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008 before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the Manager of 4600 S. Kedzie, LLC, an Illinois limited liability company, the limited liability company that executed the within and foregoing instrument and that said instrument was duly signed and sealed by said Manager on behalf of said limited liability company for the uses and purposes therein set forth.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008 before me appeared Rufus Williams and Estela Beltran, to me personally known, who being by me duly sworn, did say that they are the President and Secretary of the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate, the body politic and corporate that executed the within and foregoing instrument and that said instrument was signed and sealed on behalf of said body politic and corporate by authority of its Board of Directors.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

LOTS 5, 6 AND 7 IN KEDZIE GARDENS, A SUBDIVISION OF LOT 8 IN McCAFFERY AND MURPHY'S SUBDIVISION OF THE EAST ½ OF THE SOUTHEAST ¼ OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 19—02-430-021-0000 AND 19-02-430-022-0000.

COMMONLY KNOWN AS: 4600-4604 SOUTH KEDZIE AVENUE, CHICAGO, ILLINOIS.

**FIRST AMENDMENT TO BUILDING LEASE**

This First Amendment to Building Lease, dated this \_\_\_\_\_ day of January, 2009 ("**First Amendment**"), is by and between **4600 S. KEDZIE LLC**, an Illinois limited liability company, ("**Landlord**") and the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate ("**Tenant**").

**RECITALS**

A. WHEREAS, Tenant and Landlord entered into a Building Lease dated June 5, 2008 (the "**Lease**") pursuant to which Tenant leased the interior of 4600 South Kedzie Avenue, Chicago, Illinois 60632 (the "**Premises**"), including the parking lot; and

B. WHEREAS, Landlord and Tenant now desire to make certain amendments to the Lease as contained herein.

NOW THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **INCORPORATION OF FIRST AMENDMENT**: This First Amendment (including the Recitals) is hereby attached to and made part of the Lease and is specifically incorporated into the Lease. Except as otherwise expressly indicated herein, all capitalized terms shall have the meanings ascribed to them in the Lease. To the extent any terms and provisions of this First Amendment are inconsistent with the terms and provisions of the Lease, the terms and provisions of this First Amendment shall prevail. Except as amended herein, the Lease shall remain in full force and effect in accordance with its terms through the entire term of the Lease, as amended.

2. **NO MODIFICATION OR LANDLORD DEFAULT**: This First Amendment is not intended to modify or affect the Lease in any way whatsoever except as expressly provided for in this document. The parties hereby confirm that the Lease, as amended by this First Amendment, is in full force and effect, and, to the best of Tenant's knowledge, Landlord is not in default thereunder. Tenant has no defense, setoff, claim or counterclaim against Landlord arising out of any other transaction between Tenant and Landlord, and no event has occurred and no condition exists, which with the giving of notice or the passage of time, or both, will constitute a default of Landlord under the Lease.

3. **LEASE TERM**: The Commencement Date of the Lease shall be the date Landlord obtains a Certificate of Occupancy for the Premises and delivers such to Tenant. The Expiration Date of the Lease shall be December 31, 2023.

4. **BASE RENT**: Effective the Commencement Date, Tenant shall pay to Landlord at the office of Landlord or at such other place as Landlord may designate monthly Base Rent during the Lease Term in the amounts shown below. For purposes of this Section 4 "**Lease Year**" shall mean each twelve (12) month period beginning with the Commencement Date, or any anniversary of the Commencement date (as the case may be), and ending on the date which is one day prior to the next anniversary of the Commencement Date.

<b><u>PERIOD</u></b>	<b><u>MONTHLY BASE RENT</u></b>
First Lease Year	\$20,895.83
Second Lease Year	\$20,895.83
Third Lease Year	\$22,370.83
Fourth Lease Year	\$22,370.83
Fifth Lease Year	\$22,862.50
Sixth Lease Year	\$23,434.06
Seventh Lease Year	\$24,019.91
Eighth Lease Year	\$24,620.41
Ninth Lease Year	\$25,235.92
Tenth Lease Year	\$25,866.82
Eleventh Lease Year	\$26,642.82
Twelfth Lease Year	\$27,442.11
Thirteenth Lease Year	\$28,265.37

Fourteenth Lease Year  
Commencement of Fifteenth  
Lease Year – 12/31/2023

\$29,113.33

\$29,986.73

5. TAX BASE YEAR: Notwithstanding anything contained in Section 2(a) of the Lease to the contrary, the Base Year for taxes shall be 2009

6. OPTION TO PURCHASE: The Option shall be exercisable no earlier than eighteen (18) months prior to the Expiration Date and no later than twelve (12) months prior to the Expiration Date.

7. MISCELLANEOUS:

(a) All captions contained in this agreement are inserted only as a matter of convenience and in no way define, limit, or extend to scope or intent of this agreement or any provision hereof.

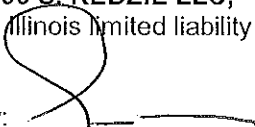
(b) This agreement shall be binding upon and inure to the benefit of the parties, their respective heirs, successors and assigns.

(c) This agreement sets forth the entire agreement between the parties and any prior writings or conversations are merged herein and extinguished. No amendment, alteration or other change of this agreement shall be enforceable unless set forth in a writing signed by the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this First Amendment as of the day and year first written above.

LANDLORD:

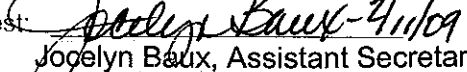
4600 S. KEDZIE LLC,  
an Illinois limited liability company

By:   
\_\_\_\_\_  
Manager

TENANT:

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

By:   
\_\_\_\_\_  
Rufus Williams, President

Attest:   
\_\_\_\_\_  
Jocelyn Baux, Assistant Secretary

Board Report No. 08-1217-OP1-1

Approved as to legal form:

  
\_\_\_\_\_  
Patrick J. Rocks, General Counsel

Approved as to Legal Form:

\_\_\_\_\_  
Patrick J. Rocks, General Counsel

**LEASE EXTENSION**

This Lease Extension ("Extension"), dated as of the last signature date set forth below, by and between **4600 S. KEDZIE LLC**, an Illinois limited liability company, ("Landlord") and the **BOARD OF EDUCATION OF THE CITY OF CHICAGO**, a body politic and corporate ("Tenant").

**RECITALS**

A. WHEREAS, Tenant and Landlord entered into an Office Building Lease dated June 5, 2008, First Amendment to Lease dated February 11, 2009 and Commencement Letter dated March 4, 2009 (collectively, the "Lease") pursuant to which Tenant leased the interior of 4600 South Kedzie Avenue, Chicago, Illinois 60632 (the "Premises"), including the parking lot; and

B. WHEREAS, Landlord and Tenant now desire to extend the Term of the Lease as contained herein.

NOW THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **INCORPORATION OF LEASE**: This Extension is hereby attached to and made part of the Lease and is specifically incorporated into the Lease. Except as otherwise expressly indicated herein, all capitalized terms shall have the meanings ascribed to them in the Lease. To the extent any terms and provisions of this Extension are inconsistent with the terms and provisions of the Lease, the terms and provisions of this Extension shall prevail. Except as amended herein, the Lease shall remain in full force and effect in accordance with its terms through the entire term of the Lease, as extended.

2. **NO MODIFICATION OR LANDLORD DEFAULT**: This Extension is not intended to modify or affect the Lease in any way whatsoever except as expressly provided for in this document. The parties hereby confirm that the Lease, as extended, is in full force and effect, and, to the best of Tenant's knowledge, Landlord is not in default thereunder. As of the date of execution of this Extension, Tenant has no defense, setoff, claim or counterclaim against Landlord arising out of or under the Lease, and no event has occurred and no condition exists, which with the giving of notice or the passage of time, or both, will constitute a default of Landlord under the Lease.

3. **LEASE TERM**: Effective upon the execution hereof, the Term of the Lease is extended to now terminate June 30, 2026. Said period from January 1, 2024 through June 30, 2026 shall be hereinafter referred to as the "Extended Term".

4. **BASE RENT**: Effective January 1, 2024, Tenant shall pay to Landlord at the office of Landlord or at such other place as Landlord may designate monthly Base Rent during the Extended Term in the amounts as follows:

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Total for Period</u>
January 1, 2024 through December 31, 2024	\$30,886.33	\$370,635.98
January 1, 2025 through December 31, 2025	\$31,812.92	\$381,755.06
January 1, 2026 through June 30, 2026	\$32,767.31	\$196,603.86

5. **ADDITIONAL RENT**: Tenant's obligation for Additional Rent for Real Estate Taxes shall remain unchanged (i.e., Tenant shall remain responsible for Real Estate Taxes in excess of Real Estate Taxes paid in the Base Year of 2009). Tenant shall also remain obligated for routine maintenance and repair of the Premises, security, and to reimburse Landlord for water and sewer charges.

6. MISCELLANEOUS:

(a) All captions contained in this agreement are inserted only as a matter of convenience and in no way define, limit, or extend to scope or intent of this agreement or any provision hereof.

(b) This agreement shall be binding upon and inure to the benefit of the parties, their respective heirs, successors and assigns.


(c) This agreement sets forth the entire agreement between the parties and any prior writings or conversations are merged herein and extinguished. No amendment, alteration or other change of this agreement shall be enforceable unless set forth in a writing signed by the parties hereto.

(d) This agreement may be executed in counterparts and with digital signatures, each of which shall be deemed an original, and all of which together shall constitute one document. A digital signature delivered by electronic means shall be considered binding on both parties.

IN WITNESS WHEREOF, the undersigned have executed this Extension as of the day and year written below.

LANDLORD:


**4600 S. KEDZIE LLC,**  
an Illinois limited liability company

By:   
\_\_\_\_\_  
Manager

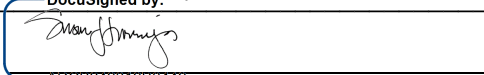
Dated: 10/04/2023

TENANT:

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

By:   
\_\_\_\_\_  
Jianan Shi, President


Dated: October 6, 2023 | 12:29:57 PM CDT

Attest:   
\_\_\_\_\_  
Susan J. Narrajos, Secretary

By:   
\_\_\_\_\_  
Pedro Martinez, Chief Executive Officer

Board Report No: [23-0824-OP2](#)

Approved as to Legal Form:

  
\_\_\_\_\_  
Ruchi Verma, General Counsel