LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made as of August 20, 2001 between NORTH LAWNALE COLLEGE PREPARATORY CHARTER HIGH SCHOOL ("NLCP"), a not-for-profit educational institution ("Tenant") and the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a body politic and corporate ("Landlord").

RECITALS:

A. Landlord is the owner of the Chicago Public School’s ("CPS") George Howland School of the Arts located at 1616 South Spaulding Avenue, Chicago, Illinois (the "Building").

B. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of the Building known as the 1893 Space as well as that portion known as the Annex Space and certain other space (collectively the "Premises"), together with certain common areas (the "Shared Areas") on the terms outlined in this Lease. The Premises are depicted on Exhibit A attached hereto. The Shared Areas are depicted on Exhibit B attached hereto. At the completion of construction (as such term is defined herein), Tenant shall also be entitled to exclusive use of storage space allocated to it within the Building.

C. Landlord shall occupy the remainder of the Building and operate the George Howland School of the Arts ("Howland") therein.

AGREEMENT:

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein as though set forth in full, and the mutual promises and covenants set forth herein, the parties agree as follows:

1. Term.

   (a) This Lease shall commence on August 20, 2001 and, unless otherwise terminated in accordance with its terms, shall terminate on July 31, 2003 (the "Term"). Notwithstanding the foregoing, if the Tenant's Charter is renewed by the Landlord, the Term of this Lease shall automatically be renewed on the same terms and conditions of this Lease for each period of time that the Tenant's Charter is renewed, except the termination date of this Lease shall be on the first to occur that: (a) Tenant's Charter expires by its terms or (b) Tenant's Charter is terminated by Landlord or (c) this Lease is otherwise terminated in accordance with its terms. Notwithstanding the foregoing, in no event shall this Lease extend beyond July 31, 2041.

   (b) Subject to all of the terms and conditions of this Lease, and upon Landlord's receipt of
evidence of insurance as required in this Lease, Tenant shall be granted a license ("License") from and after July 1, 2001 for early occupancy to the 1893 Space (and all other portions of the Premises in which Construction has been Substantially Completed by said date), for the purpose of: (i) conducting orientation meetings for its students; (ii) use of its staff; and (iii) installing furniture, equipment, and other fixtures therein. The License granted in this Section 1 (b) is subject to the following terms and conditions:

i) The License shall not be deemed to permit Tenant to operate its business until August 20, 2001.

ii) The License is conditioned upon Tenant's labor not interfering with Landlord's contractors or its labor. If at any time such entry shall cause disharmony, interference or union disputes of any nature whatsoever, or if Landlord shall, in Landlord's sole judgment, determine that such entry, such work or the continuance thereof shall interfere with, hamper or prevent Landlord from proceeding with Substantial Completion at the earliest possible date, the License may be withdrawn by Landlord immediately upon written notice to Tenant. Such entry shall be deemed to be under and subject to all of the terms, covenants and conditions of this Lease and Tenant shall comply with all of the provisions of this Lease which are the obligations or covenants of the Tenant. If Tenant's agents or labor incurs any charges from Landlord, including, but not limited to, charges for use of construction or hoisting equipment on the Building site, such charges shall be deemed an obligation of Tenant and shall be collectable in the same manner as any other monetary obligation under this Lease and upon default in payment thereof Landlord shall have the same remedies as for a default under this Lease.

iii) Landlord and its representatives, agents, officers, board members, employees and all other parties now or hereafter having any direct or indirect interest in the Premises or succeeding to the interest of any of the aforementioned parties shall not be liable in any way for any injury or death to any person or persons, loss or damage to the Premises, the Building, adjoining property or loss or damage to property placed therein prior to Substantial Completion, all of the same being at Tenant's sole risk.

2. Rent. Tenant shall pay Landlord the sum of One Dollar ("Rent") for the use and operation of the Premises and the Shared Areas for the entire Term of this Lease and any renewals thereof and which Rent includes cost of utilities, services and all other uses of the Building without additional charges.
3. **Construction.**

a. Landlord and Tenant agree that as part of the consideration for this Lease, substantial renovations shall be made to the Building, including the Premises, which improvements are detailed in the Construction Documents dated February 27, 2001 set forth on Exhibit F attached hereto and incorporated herein by reference (the “Construction”).

b. Tenant shall pay Landlord the sum of $1,036,000.00 toward the costs of the Construction (the “Charter Contribution”). The Charter Contribution shall be paid as follows:

i) upon “Substantial Completion” of the Construction, Tenant shall pay to Landlord $500,000.00 of the Charter Contribution. The Construction shall be deemed to be substantially completed (“Substantially Completed” or “Substantial Completion”) when Landlord’s Architect certifies that it has been completed in accordance with the Construction Documents referenced in the Work Letter and Construction Agreement, a copy of which are attached hereto as Exhibit G (except for “Punch List Items” as defined hereinafter), as evidenced by the issuance of a Certificate of Occupancy for the Premises. Upon Substantial Completion of the Construction, the Landlord and Tenant shall inspect the Premises and jointly prepare a punch list of agreed upon items of Construction remaining to be completed by Landlord (the “Punch List Items”).

ii) within thirty (30) days following completion of the Punch List Items, Tenant shall pay to Landlord $250,000.00 of the Charter Contribution. Tenant shall provide Landlord with notice memorializing the date that the Punch List Items have been completed in order for the parties to determine when the second payment of the Charter Contribution is due.

iii) commencing on September 1, 2002 and continuing on the anniversary of said date for four (4) additional and consecutive years, Tenant shall pay to Landlord an amount equal to one-fifth (1/5th) of the then remaining Charter Contribution (i.e. $57,200.00 per year totaling $286,000.00).

c. If, during the first two (2) years of the Term, Tenant’s Charter is terminated or this Lease is terminated for reasons other than the Tenant’s default, Tenant shall be entitled to a 100% return of the Charter Contribution that Tenant has paid to Landlord. After the first two (2) years of the term of this Lease, the Tenant’s right to a return of the Charter Contribution that Tenant has paid to Landlord shall be reduced by 10% for each year of the term of this Lease. If this Lease is terminated as a result of a default by the Tenant or a Sublease or Assignment without Landlord’s consent in accordance with Section 22 of this Lease,
Tenant’s obligation to pay the balance of the Charter Contribution shall be accelerated and Tenant shall promptly pay the Landlord said balance in one (1) lump sum payment.

d. The parties contemplate that the Construction within the Premises will be Substantially Complete by August 20, 2001. If Substantial Completion is not achieved by August 20, 2001, as evidenced by a valid certificate of occupancy, then a temporary space resolution committee made up of one (1) independent representative for each party will determine an alternative temporary location for Tenant until the Premises are available, which space will include without limitation the exclusive use of the auditorium for classroom purposes.

e. In addition to the Construction, Tenant shall have the right to construct or perform certain improvements and alterations to the Premises as set forth in Exhibit E attached hereto ("Tenant’s Work"). If Tenant desires to install or construct any additional improvements, Tenant’s right shall be subject to Section 8 of this Lease. Tenant’s Work shall be subject to the following terms and conditions:

i) Tenant is hereby granted the right to utilize contractors of Tenant's own choice (hereinafter referred to as "Tenant's Contractor") to construct Tenant’s Work in compliance with all applicable governmental laws, rules, statutes, ordinances and regulations, subject to Landlord's reasonable approval as to the qualifications of any such contractor. Prior to commencing any work on or to the Premises, Tenant shall submit all tenant plans ("Tenant Plans") and written contracts for such work, together with financial information regarding Tenant’s Contractor, to Landlord for approval. All installations, alterations and additions shall be in accordance with the Tenant's Plans and shall be constructed in a good and workmanlike manner and only new and good grades of material shall be used. Tenant shall permit CPS’s Department of Operations ("Landlord’s Supervisor") to observe all construction operations within the Premises performed by Tenant’s Contractor. The Tenant shall be required, at its sole cost and expense, to provide for its own supervision of the Tenant's Contractor. No silence or statement by the Landlord’s Supervisor shall be deemed or construed as an assumption by said Landlord's Supervisor or the Landlord of any responsibility for or in relation to the construction of Tenant’s Work or any guarantee that the Tenant’s Work completed within the Premises complies with laws, complies with Tenant's Plans, or is suitable or acceptable to the Tenant for Tenant's intended business purposes. Tenant shall, prior to commencement of any installations, alterations or additions and Tenant's Work, furnish to Landlord, contractor's affidavits identifying all labor and material to be expended and used in Tenant’s Work.

ii) The cost of all work necessary to construct the Tenant’s Work (including, but not
limited to, all labor, material, and permits) and to pay architectural fees, permit fees, and engineering fees shall be the responsibility of the Tenant.

iii) Tenant, at its sole cost and expense, shall file all necessary plans with the appropriate governmental authorities having jurisdiction over Tenant's Work. Tenant shall be responsible for obtaining all permits, authorizations and approvals necessary to perform and complete Tenant's Work. Tenant shall not commence Tenant's Work until the required permits authorizations and approvals for such work are obtained and delivered to Landlord. Tenant shall not seek the approval of the City of Chicago until it has obtained the Landlord's written approval. Landlord agrees to reasonably cooperate with Tenant in connection with Tenant's procurement of the necessary permits or governmental approval required to complete Tenant's Work.

iv) Tenant and Tenant's Contractor shall work in harmony and shall not interfere with the performance of other work in the Building by Landlord or Landlord's contractors. If, at any time, Tenant or Tenant's Contractor shall cause (or threaten to cause) such disharmony or interference, Landlord may terminate their access to the Premises upon 24 hours' written notice to Tenant, and thereupon, Tenant and Tenant's Contractor causing such disharmony or interference shall immediately withdraw from the Premises and the Building until Landlord determines such disturbance no longer exists.

v) At all times, the Landlord and Landlord's Supervisor shall have access to the Tenant's Work wherever it is in preparation or progress for the purpose of observing and reviewing the same; provided, however, Landlord shall not unreasonably interfere with the performance of Tenant's Work in connection with any such observations or review.

vi) The Tenant's Work shall be performed with a minimum of interference with Landlord's use of the Howland portion of the Building. Tenant shall take all reasonable and customary precautionary steps to protect its facilities and the facilities of others affected by Tenant's Work and to properly police same. Construction equipment and materials are to be located in confined areas and delivery and loading of equipment and materials shall be done at such reasonable locations and at such time as Landlord shall direct so as not to interfere with the use or operation of the Howland portion of the Building. Tenant shall, at all times, keep the Premises and adjacent areas free from accumulations of waste materials or rubbish caused by its suppliers, contractors or workmen. Landlord may require daily clean-up and reserves the right to do clean-up at the expense of Tenant if
Tenant fails to comply with Landlord's reasonable cleanup requirements. At the completion of Tenant's Work, Tenant's Contractor shall forthwith remove all rubbish and all tools, equipment and surplus materials from and about the Premises and Building. After written notice from Landlord, any damage caused by Tenant's Contractor to any portion of the Building or to any property of Landlord shall be repaired forthwith to its condition prior to such damage by Tenant at Tenant's sole cost and expense.

vii) Tenant and Tenant's Contractor shall assume responsibility for the prevention of accidents to its agents and employees and shall take all reasonable safety precautions with respect to the work to be performed and shall comply with all reasonable safety measures initiated by the Landlord and with all applicable laws, ordinances, rules, regulations and orders applicable to the Tenant's Work, including those of any public authority for the safety of persons or property. Tenant shall advise Tenant's Contractor to report to the Landlord any injury to any of its agents or employees and shall furnish Landlord a copy of the accident report filed with its insurance carrier within three (3) days of its occurrence.

vii) Tenant expressly agrees that none of its agents, contractors, workmen, mechanics, suppliers or invitees shall enter the Premises unless and until each of them shall furnish Landlord with satisfactory evidence of insurance coverage, financial responsibility and appropriate written releases of mechanics' lien claims (if available) and Tenant agrees that no liens shall attach to the Premises as a result thereof.

viii) Landlord may, but shall be under no obligation to, observe the construction of the Tenant's Work at any time, provided that no liability shall be imposed or asserted against Landlord by reason of such observation. Tenant and its contractors shall permit Landlord and its agents reasonable access to all aspects of construction of Tenant's Work and Landlord agrees not to interfere with the Tenant's Work as a result of the rights granted under this subsection 3 (e) (viii).

ix) Prior to the commencement of the Tenant's Work, Tenant shall provide Landlord with evidence, fully prepaid, of workers compensation, builders risk, and general liability insurance naming Landlord as an additional insured thereunder in amounts and written by companies reasonably satisfactory to Landlord.

x) Except for the gross negligence or willful misconduct of Landlord and to the fullest extent permitted by law, Tenant shall indemnify and hold harmless the Landlord, its agents and employees, from and against all claims, damages, liabilities, losses
and expenses of whatever nature (including but not limited to court costs and reasonable attorneys' fees), the cost of any repairs to the Premises or Building necessitated by activities of the Tenant or Tenant's Contractor, bodily injury to persons or damage to property of the Landlord, its employees, agents, invitees, licensees, or others, arising out of or resulting from the violation by Tenant of any of the terms and provisions of this Section 3 (e) and/or the performance of the Tenant's Work by the Tenant or Tenant's Contractor.

f. On or before August 20, 2001, in connection with the completion of Construction, NLCP and Howland, with the assistance of CPS's Department of Operations shall, separately from this Lease, prepare a mutually agreeable schedule for the moving and relocation of their respective facilities to conform to the final plans and layout of the Building, including the Premises.

g. Landlord agrees to reasonably cooperate with the Tenant in connection with Tenant's procurement of the necessary permits or governmental approval required to complete Tenant's Work.

4. **Operation and Maintenance.** Building related services, including maintenance, janitorial, water, heat, electric, timing, fire/warning systems, trash removal and standard level security will be provided and paid for by Landlord as part of this Lease at no additional cost to Tenant. The foregoing shall be provided to the Tenant according to the same standards that are provided to other public high schools of approximately the same size as the Building and number of students that are in the Building.

5. **Use of Premises.**

a. The Tenant shall have the right to use and occupy the Premises and the Shard Areas as a Charter School and all uses incidental thereto (the "Use"). Tenant shall have exclusive use and unrestricted access to the Premises (outlined in red on Exhibit A) including any allocated storage space and shall have non-exclusive use of the Shared Areas (outlined in green on Exhibit B), including the non-exclusive use of staff bathrooms, during the hours and pursuant to the terms outlined on Exhibit C.

b. By August 20, 2001 and by June 1st of each subsequent academic year, the principals of NLCP and Howland shall mutually create and agree on a basic schedule that will govern the use of the Shared Areas for the following academic year. This Lease is based on the principle of equal co-occupancy and equal right of access to the Shared Areas.

c. Some or all of certain technical, communication, and networking infrastructure and
equipment may be located in space designated as either “Howland's Space” or “NCLP’s Space”. Both Howland and NCLP shall have non-exclusive access to any and all facilities needed for the maintenance and operation of their respective Systems as defined in Section 8 below. Such facilities shall be treated as “Shared Areas” for the purposes herein.

6. Supervision of Custodial Staff. The principal appointed to serve at Howland will formally supervise the facilities' staff (the janitors and engineers) according to the specifications outlined in Exhibit D. The principal of NCLP will have authority to direct the staff activities as they pertain to or relate to activities located in or concerning the Premises. If any dispute arises between NCLP and the facilities staff, said matters will be brought to the Howland principal for redress. The Howland Principal will work in good faith to resolve these issues promptly. If said issues are not addressed promptly or fairly, Section 7 of this Lease shall apply.

7. Conflict Resolution. Should conflicts arise between Howland and NCLP pertaining to usage of the Building that cannot be resolved between the respective school principals who are required to work in good faith to resolve such disputes, Howland and NCLP may appeal to a mediation board (“Mediation Board”) established to make decisions in these matters. The Mediation Board shall consist of business representatives other than the Principals of either school (“Representative” or “Representatives”) chosen by each party. The Mediation Board shall be a "standing committee" in order that the Representatives are identified prior to any particular dispute resolution. Upon written notice, either party may change their Representative at any time. Decisions made by the Mediation Board shall be final and binding on the parties.

8. Alterations and Modifications. Except for Tenant’s Work (which is governed by Section 3 (e) above), Tenant shall not make any additions, alterations, or improvements to the Premises without obtaining the prior written consent of Landlord. Notwithstanding the foregoing, Tenant shall, without Landlord’s consent, have the right to make alterations or minor decoration within the Premises, up to the sum of $15,000.00, employing contractors selected by Tenant (in accordance with the provisions of Section 3 (e) above), provided such alterations and decorations at all times: (a) are in keeping with the standards of Tenant’s existing Premises and the Building; (b) do not interfere with the safety and operation of the Premises or the Building; (c) do not affect the structure of the Building or the Building’s systems such as mechanical, electrical, plumbing, HVAC or other Building systems serving, located in, or passing through the Premises (collectively the “Systems”); and (d) Tenant has given fifteen (15) days advance written notice to the Principal and Building Engineer of Howland.

9. Indemnification. Tenant and Landlord agree to indemnify, defend and hold harmless each other, and their respective officers, directors, board members, employees, agents, affiliates, and representatives, and all other parties claiming by, through or under any of the preceding, from and against any and all claims, demands, suits, liabilities, injuries (personal or bodily), property damage,
causes of action, losses, expenses, damages or penalties, including, without limitation, court costs and attorneys' fees, arising or resulting from, or occasioned by or in connection with any act or omission to act (whether negligent, willful, wrongful or otherwise) by the other party, its officers, directors, board members, students, employees, agents, affiliates or other representatives.

10. **Insurance/Mutual Waiver of Subrogation.** Tenant shall name the Board as an additional named insured under its Comprehensive General Liability Policy. Upon the execution of this Lease, Tenant shall provide the Landlord with a binding Certificate of Insurance providing that there will be no cancellation or termination thereof unless Landlord receives thirty (30) days prior written notice. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease or anyone claiming by, through or under them and (b) such party is then either covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof. By this Section 10, Landlord and Tenant intend, and hereby agree, that the risk of loss or damage to property shall be borne solely by the parties’ insurance carriers. It is hereby agreed that Landlord and Tenant shall look solely to, and seek recovery from, only their respective insurance carriers in the event a loss is sustained for which insurance is carried or is required to be carried under this Lease. Landlord and Tenant expressly waive any and all claims against each other with respect to claims, damages, or losses for which insurance is carried or required to be carried hereunder. For this purpose, applicable deductible amounts shall be treated as though they were recoverable under such policies. If Landlord or Tenant elects to self-insure any of the insurance required of Landlord or Tenant hereunder, the party electing to self-insure shall be considered an insurance carrier for purposes of this Section 10.

11. **Return of Premises.** Except for Tenant’s Work and alterations and additions approved by Landlord under Section 8 of this Lease, upon the termination of this Lease, Tenant shall immediately vacate and surrender the Premises, returning the same to Landlord in the condition it was in when Tenant took possession thereof, excepting ordinary wear and tear, fire and other casualty.

12. **Notice.** All notices required hereunder shall be in writing and shall be deemed properly served if delivered in person or if sent by registered or certified mail, with postage prepaid and return receipt requested, to the following addresses (or to such other addresses, as either party may subsequently designate in writing):

If to Landlord:  
Department of Real Estate  
Board of Education of the City of Chicago  
125 S. Clark Street, 16th Floor
Chicago, Illinois 60603

and a copy to: Law Department
Board of Education of the City of Chicago
125 S. Clark Street, 7th Floor
Chicago, Illinois 60603
Attn: General Counsel

If to Tenant: Steans Family Foundation
405 North Wabash Avenue
Suite P-2 South
Chicago, Illinois 60611
Attn: Greg Darnieder

and a copy to: North Lawndale College Preparatory Charter High School
1616 South Spaulding Avenue
Chicago, Illinois 60623
Attn: Principal

13. Rules and Regulations. Landlord may promulgate reasonable rules and regulations with respect to
the use of the Shared Areas and, upon notice thereof, Tenant agrees to comply with and observe
the same. Tenant’s failure to keep and observe said rules and regulations shall constitute a breach of this
Lease in the same manner as if they were contained herein as covenants. Landlord reserves the
right, from time to time, to amend or supplement said rules and regulations in a reasonable manner
and to adopt and promulgate additional rules and regulations applicable to the Premises and the
Building. Notice of such additional rules and regulations and amendments or supplements to the
existing rules and regulations shall be given to Tenant. Notwithstanding the above, no rules or
regulations shall significantly interfere with Tenant’s use and enjoyment of the Premises.


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

b. 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.
15. **Board of Education Ethics Code.** The Board of Education Ethics Code (95-0927-RU3), adopted September 27, 1995, and as amended from time to time, is hereby incorporated into and made a part of this Lease as if fully set forth herein.

16. **Board of Education Indebtedness Policy.** Tenant agrees to comply with the Board of Education Indebtedness Policy (95-0726-EX3), adopted July 26, 1995, and as amended June 26, 1996 (96-0626-PO3), which is hereby incorporated into and made a part of this Lease as if fully set forth herein. The Board shall be entitled to set off an amount due hereunder equal to such sum or sums as may be owed by the Tenant to the Board, the State of Illinois Student Assistance Commission, the City of Chicago or the County of Cook for which the period granted for payment has expired and the amount of fines for any parking ticket, notice of parking violation, or parking violation complaint on which no payment has been made or appearance filed in the Circuit Court of Cook County within the time specified in the complaint. Notwithstanding the above, the Board may decline to so set off such sums if the Tenant (i) has entered into an agreement with the Board, or any other entity mentioned, for payment of all amounts owed and is in compliance with such agreement, (ii) is contesting liability for or the amount owing in a pending administrative or judicial proceeding, or (iii) has filed a petition in bankruptcy and the amounts owed are dischargeable in bankruptcy.

17. **Government Law.** This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

18. **Non-Appropriation of Funds.** The School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made and, therefore, any expenditures beyond the current fiscal year are deemed to be contingent liabilities only, subject to appropriation in the subsequent fiscal year budget.

19. **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 Building or Premises, and any liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the 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, promptly upon notice of such lien attaching, to cause it to be released and removed of record.

20. **Default and Remedies.**

   A. **Tenant’s Default and Landlord’s Remedies.**
a. Each of the following shall constitute a breach of this Lease by Tenant and Tenant shall be in default hereunder if: (i) Tenant fails to make any payment required hereunder within five (5) days of written notice that the payment is due; (ii) Tenant fails to observe or perform any of the other covenants, conditions or provisions of this Lease or under the Work Letter to be observed or performed by Tenant and Tenant fails to cure such default within thirty (30) days after written notice thereof to Tenant; provided, however, Tenant shall have such additional time to cure a non-monetary breach as may be reasonably necessary, so long as Tenant commences such cure within such thirty (30) day period and thereafter proceeds with reasonable diligence to complete such cure (however, in no event, shall the time for completion of the cure exceed ninety (90) days); (iii) the interest of Tenant in this Lease is levied upon under execution or other legal process; (iv) a petition is filed by or against Tenant to declare Tenant bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Federal Bankruptcy Code, or any amendment, replacement or substitution thereof, or to delay payment of, reduce or modify Tenant's debts, or upon the dissolution of Tenant; (v) Tenant is declared insolvent by law or any assignment of Tenant's property is made for the benefit of creditors; (vi) a receiver is appointed for Tenant or Tenant's property; or (vii) Tenant abandons the Premises, it being understood that summer breaks and legal holidays shall not constitute abandonment.

b. In the event of any breach of this Lease by Tenant, Landlord at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, terminate this Lease and Tenant's right of possession of the Premises and recover all damages to which Landlord is entitled under law, specifically including, without limitation, all payments due under this Lease and all Landlord's expenses of reletting (including repairs, reasonable legal fees and brokerage commissions).

c. Tenant shall pay upon demand, all costs and expenses, including reasonable attorney's fees, incurred by Landlord in successfully enforcing the observance and performance by Tenant of all covenants, conditions and provisions of this Lease to be observed and performed by Tenant, or resulting from Tenant's default under this Lease.

B. Landlord's Default and Tenant's Remedies

a. The following shall constitute a breach of this Lease by Landlord and Landlord shall be in default hereunder if: Landlord fails to observe or perform any of the covenants, conditions or provisions of this Lease or under the Work Letter to be observed or performed by Landlord and Landlord fails to cure such default within thirty (30) days after written notice thereof to Landlord; provided, however, Landlord shall have such additional time to cure the breach as may be reasonably necessary, so long as Landlord commences such cure with such thirty (30) day period and thereafter proceeds with reasonable diligence to complete such cure.
b. In the event of any breach of this Lease by Landlord, Tenant at its option, without further notice or demand to Landlord, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, terminate this Lease and recover all damages to which Tenant is entitled under law.

c. Landlord shall pay upon demand, all costs and expenses, including reasonable attorney's fees, incurred by Tenant in successfully enforcing the observance and performance by Landlord of all covenants, conditions and provisions of this Lease to be observed and performed by Landlord, or resulting from Landlord's default under this Lease.

21. Maintenance By Tenant. Tenant shall, at its own cost and expense, maintain the Premises in a good and clean condition. Any maintenance that permanently affects the exterior of the Building or the Systems must be pre-approved in writing by Landlord.

22 Sublease or Assignment.

a. Tenant shall not, without Landlord's prior written consent, which in each instance, may be withheld at the sole discretion of Landlord: (i) assign, transfer, hypothecate, mortgage, encumber, or convey this Lease or subject to or permit to exist upon this Lease or cause this Lease to be subjected to any lien or charge; (ii) allow any transfer of, or any lien upon, Tenant's interest in this Lease by operation of law; (iii) sublet the Premises in whole or in part; or (iv) allow the use or occupancy of any portion of the Premises for a use other than the Use or by anyone other than Tenant or Tenant's employees.

b. If during the Term, the ownership or the control of Tenant changes or Tenant is no longer a not-for-profit entity, Tenant shall notify Landlord of such change within five (5) days thereof, and Landlord, at its option, may at any time thereafter terminate this Lease by giving Tenant written notice of said termination at least sixty (60) days prior to the date of termination stated in the notice and the provisions of Section 3 (c) shall be applicable to such termination. The term "control" as used herein means the power to directly or indirectly direct or cause the direction of the management or policies of Tenant.

c. Tenant shall, by notice in writing, advise Landlord of its intention from, on and after a stated date (which shall not be less than sixty (60) days after the date of the giving of Tenant's notice to Landlord) to assign this Lease or sublet any part or all of the Premises for the balance or any part of the Term, and, in such event, Landlord shall have the right, to be exercised by giving written notice to Tenant within thirty (30) days after receipt of Tenant's notice, to terminate this Lease with respect to the space described in Tenant's notice as of the date stated in Tenant's notice for the commencement of the proposed assignment or sublease and the provisions of Section 3 (c) shall not apply. Tenant's notice shall include the name and address of the proposed assignee or subtenant,
a true and complete copy of the proposed assignment or sublease and sufficient information as Landlord deems necessary to permit Landlord to determine the financial responsibility and character of the proposed assignee or subtenant. If Tenant's notice covers all of the Premises and, if Landlord exercises its right to terminate this Lease as to such space, then the Term of this Lease shall expire and end on the date stated in Tenant's notice for the commencement of the proposed assignment or sublease as fully and completely as if that date had been the expiration date of this Lease.

d. Landlord's consent to any assignment or subletting shall not release Tenant of liability under this Lease or permit any subsequent prohibited act, unless specifically provided in such written consent. Tenant agrees to pay to Landlord, on demand, all reasonable costs incurred by Landlord in connection with any request by Tenant of Landlord for Landlord's consent to any assignment or subletting by Tenant.

23. Destruction of Premises.

a. If the Premises are destroyed or injured by any cause and such destruction or injury can reasonably be repaired within one-hundred twenty (120) days after the happening of such destruction or injury, then Tenant shall not be entitled to surrender possession of the Premises, nor shall Tenant's liability to make any payment under this Lease cease, but in the event of such destruction or injury Landlord shall complete such repairs within one-hundred twenty (120) days after the occurrence of such destruction or injury.

b. If the destruction or injury of the Premises cannot reasonably be repaired within one-hundred twenty (120) days after the occurrence thereof, Landlord shall notify Tenant within thirty (30) days after the happening of such destruction or injury whether or not Landlord will repair or rebuild. If Landlord elects not to repair or rebuild, this Lease shall be terminated and the provisions of Section 3 (c) shall apply. If Landlord elects to repair or rebuild, Landlord shall specify the time within which repairs or construction will be completed, and Tenant shall have the option within thirty (30) days after the receipt of such notice to elect to terminate this Lease (and the provisions of Section 3 (c) shall apply) without further liability hereunder. If Landlord fails to complete restoration of the Premises within the specified time, then Tenant, at its election, may terminate this Lease and quit the Premises upon written notice to Landlord (and the provisions of Section 3 (c) shall apply). Unless this Lease is terminated by Landlord or Tenant hereunder, Tenant shall repair and refixture the interior of the Premises in a manner and to at least a condition existing prior to its destruction.

c. If twenty-five percent (25%) or more of the useable area of the Building or Shared Areas are damaged or destroyed by fire or other casualty, even if the Premises are undamaged, Landlord may terminate this Lease by giving Tenant thirty (30) days' prior written notice of Landlord's election to terminate (and the provisions of Section 3 (c) shall apply). Notice must be given within
sixty (60) days following the occurrence.

24. **Condemnation.** If the Premises are acquired or condemned by any governmental authority, in whole or in part, such that the Premises are unsuitable for the business of Tenant, in Tenant's reasonable business judgment, then the term of this Lease shall terminate as of the date of title vesting, and Tenant shall have no claim against Landlord, or the condemning authority for the value of any unexpired term of this Lease, and the provisions of Section 3 (c) shall apply. Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemner, but not from Landlord, compensation for loss of Tenant's trade fixtures and relocation expenses, if such claim can be made separate and apart from any award to Landlord and without prejudice to Landlord's award. In the event of partial condemnation not rendering the Premises unsuitable for the business of Tenant, Landlord shall promptly restore the Premises to a condition comparable to its condition at the time of the condemnation, less the portion lost by condemnation, and this Lease shall continue in full force. If twenty-five percent (25%) or more of the useable area of the Building is condemned, even if the Premises are not affected, Landlord may terminate this Lease by giving Tenant thirty (30) days prior written notice to Tenant of Landlord's election to terminate and the provisions of Section 3 (c) shall apply.

25. **Miscellaneous.**

a. **Waiver.** No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default and if such default be repeated, no express waiver shall affect any default other than the default specified in the express waiver then and only for the time and to the extent therein stated. Receipt of any payments by Landlord, with knowledge of any breach of this Lease by Tenant or of any default by Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No term or covenant of this Lease shall be deemed waived by Landlord unless such waiver is in writing.

b. **Force Majeure.** If either party hereto shall be delayed or hindered or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials or services, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, rebellion, hostilities, military or usurped power, sabotage, through an act of God or beyond the control of the party delayed in the performing of work or doing the acts required hereunder, then performance of such act shall be excused for the period of the delay and the period for the performance of any act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not operate to excuse Tenant from any payments required under this Lease.

c. **Captions and Paragraph Numbers.** The captions and paragraph numbers appearing in this
Lease are inserted only as a matter of convenience and they in no way define, limit or describe the scope or intent of such paragraph nor in any way affect this Lease.

d. **Partial Invalidity.** If any term or covenant of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease or the application of such term or covenant to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term and covenant of this Lease shall be valid and enforceable to the fullest extent permitted by law.

e. **No Option.** The submission of this Lease for examination does not constitute a reservation of or an option for the Premises and this Lease only becomes effective upon the execution and delivery thereof by the Landlord and the Tenant.

f. **Payment of Costs and Expenses.** The defaulting party, as determined by a court of competent jurisdiction, shall pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by the prevailing party in enforcing the covenants and terms of this Lease.

g. **Limitation of Liability.** There shall be no personal liability on any persons, firms or entities which constitute Landlord or Landlord's beneficiaries with respect to the terms of this Lease, and Tenant shall look solely to the interests of Landlord in the Building for the satisfaction of any remedy of Tenant in the event of Landlord's default hereunder. Landlord agrees that no board member, trustee, employee, agent, officer or official of Tenant shall be personally charged by Landlord with any liability or expense under this Lease or be held personally liable under this Lease to Landlord.

h. **Entire Agreement.** This Lease represents the entire agreement between Landlord and Tenant and supersedes all prior negotiations, representations or agreements, whether written or oral. This Lease may be amended or modified only by a written instrument executed by both Landlord and Tenant.

i. **Exhibits.** All exhibits attached hereto are hereby incorporated into this Lease by this reference and expressly made a part of this Lease.

j. **No Third Party Beneficiary.** This Lease is not intended and shall not be construed so as to grant, provide or confer any benefits, rights, privileges, claims, causes of action or remedies to any person or entity as a third party beneficiary under any statutes, laws, codes, ordinances or otherwise.
k. **Landlord’s Title/Tenant Recovery.** The Landlord’s title is and always shall be paramount to the title of the Tenant, and nothing herein contained shall empower the Tenant to do any act which can, shall or may encumber such title. If Landlord shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease and if Tenant shall, as a consequence thereof, recover a money judgment against Landlord, Tenant agrees that it shall look solely to Landlord’s right, title and interest in and to the Building for the collection of such judgment, that being the sole asset to which Tenant may look for payment of any such judgment; and Tenant further agrees that no other assets of Landlord, wherever situate, shall be subject to levy, execution or other process for the satisfaction of Tenant’s judgment and that Landlord shall not be liable for any deficiency.

l. **Estoppel Certificate.** Tenant shall, at any time and from time to time upon not less than ten (10) days prior written request from Landlord, execute, acknowledge and deliver to Landlord, in form reasonably satisfactory to Landlord a written statement certifying (if true) that Tenant has accepted the Premises; that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that the Landlord is not in default hereunder; the date to which Rent and other charges have been paid in advance, if any, and such other accurate certification as may reasonably be requested by Landlord. It is intended that any such statement delivered pursuant to this subsection may be relied upon by any prospective purchaser or mortgagee of the Premises and their respective successors and assigns.

m. **Successors and Assigns.** The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, and permitted successors and assigns. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by Landlord herein, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.

n. **Time of the Essence.** Time shall be of the essence hereof.

o. **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. Whenever herein the singular number is used, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.
p. Counterparts. This Lease may be executed in several counterparts and the counterparts shall constitute one and the same instrument.

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

LANDLORD:

BOARD OF EDUCATION OF THE CITY CHICAGO

Name: Michael N. Mayo
Its: Board Member

Attest: Sharon Revello
By: Sharon Revello, Secretary

TENANT:

NORTH LAWNDALE COLLEGE PREPARATORY CHARTER HIGH SCHOOL

By: Greg Darnieder, President

Attest: Eileen Sweeney
By: Eileen Sweeney, Secretary

Board Report Number: 01-0725-OP3-0

Approved as to legal form:

Marilyn F. Johnson, General Counsel