

HARVEY SCHOOL DISTRICT 152

HEAD START **LEASE AGREEMENT**

2015-2020

THIS LEASE is entered into by the Board of Education of Harvey School District 152, Cook County, Illinois ("Landlord") and Illinois Action for Children an Illinois nonprofit corporation ("IAC"). The parties agree as follows:

This Lease is intended to allow IAC to lease property necessary for operation of the local Head Start/Early Head Start program, with the understanding that the obligations of IAC with respect to this Lease and the Premises (defined below) will end when IAC is no longer funded for the local Head Start/Early Head Start program.

1. PREMISES AND COMMON AREAS

Landlord leases to IAC and IAC leases from Landlord, upon all of the terms and conditions hereof, the following premises (the "Premises"):

- a. Facility consist of five Head Start classrooms (40,425 total square feet), bathrooms and use of a common kitchen and use of the playground at rear of property located on the first floor of the building located and commonly known as 14700 Wallace Street, Harvey, IL. 60426-2449 such land and building being referred to as the "Building"
- b. the right for IAC and its invitees to use all parking spaces and outdoor play areas associated with the Building.
- c. IAC and its agents, employees and invitees have the right together with Landlord and others designated by Landlord, to the use of the common areas in the Building for the common areas' intended and normal purposes.

2. ALTERATIONS, ADDITIONS and IMPROVEMENTS

IAC may, at its sole option and expense, make changes, additions, deletions, improvements, and alterations (collectively, "alterations") to the Premises provided IAC shall not make any alterations other than decorative or cosmetic changes to the Premises without Landlord's prior written approval, which shall not be unreasonably withheld.

3. TERM.

The term of this Lease shall begin on August 1, 2015, and shall continue until July 31, 2016. Thereafter, it shall continue year to year, unless sooner terminated or extended as herein provided. Landlord shall have the right to terminate this Lease at the end of any contract year by providing IAC with written notice no less than ninety (90) days before

the end of such contract year. Notwithstanding anything to the contrary contained herein, IAC shall have the right to terminate this Lease by giving Landlord 30 days' written notice at any time during the term of this Lease but only if IAC is no longer funded as grantee for operations of the local Head Start/Early Head Start Program. Upon such termination of this Lease, IAC shall have no further obligations or responsibilities under this Lease or relating to the Premises, and Landlord shall be deemed to have released IAC from any such further obligations or responsibilities without the need for further action on the part of Landlord. IAC shall, however, continue to be obligated to make any payments or meet any other obligations accruing up to or upon such termination. In no event shall this Lease continue beyond July 31, 2020, without written mutual agreement of the parties.

4. RENT. IAC agrees to pay, and Landlord agrees to accept rents in the amount of Nine Thousand One Hundred Sixty-seven Dollars and No Cents (\$9,167.00) monthly during the first year of this Agreement, Nine Thousand Four Hundred Forty-two Dollars and No Cents (\$9,442.00) monthly during the second year of this Agreement, Nine Thousand Seven Hundred Twenty-five Dollars and No Cents (\$9,725.00) monthly during the third year of this Agreement, Ten Thousand Seventeen Dollars and No Cents (\$10,017.00) monthly during the fourth year of this Agreement, and Ten Thousand Three Hundred Eighteen Dollars and No Cents (\$10,318.00) monthly during the fifth year of this Agreement.
5. PROPERTY TAXES. IAC shall be responsible for and shall pay when due all real estate taxes and special assessments which at any time during the term hereof may be assessed, levied, imposed upon or become due and payable with respect to the Premises.
6. COSTS AND UTILITIES.
 - a. Paid by IAC: In addition to the monthly rent set out in Paragraph 4, IAC shall be responsible for all telephone services, general maintenance, pest control and garbage service.
 - b. Paid by Landlord: The Landlord shall be responsible for direct payment of the following costs, which are included in the monthly rent set out in Paragraph 4: heat, electricity, and water.
7. SECURITY DEPOSIT. As security for the performance of its obligations under this Lease, IAC shall pay a security deposit in an amount equal to one month's rent immediately upon execution of this Agreement. The security deposit may be applied to cure any default of IAC, and IAC shall replenish the security deposit in full by immediately paying to Landlord the amount so applied.
8. USE OF PROPERTY. IAC shall use and occupy the Premises only for the purpose of providing Head Start/Early Head Start services, and directly related activities, and for no other purpose. Landlord warrants as a term of this Lease that the Premises meets all federal, state and local standards applicable to the Head Start/Early Head Start activities taking place in the Premises. If IAC believes at any time that the premises are not in compliance with any

applicable standards, it will timely notify Landlord of the specific defect and allow a reasonable time to cure. Then, in the event that the Premises still fail to meet any federal, state or local standard applicable to program operations in the Premises, or the Premises cannot be licensed as a child care facility under applicable state law, the failure may constitute an event of default on the part of the Landlord.

9. INSURANCE.

- a. Landlord's Insurance. Landlord shall maintain and pay for insurance with respect to the Premises against loss or damage by fire, lightening, windstorm, tornado, hail, and such other risks as are customarily covered by extended coverage endorsement and for general liability on any common areas shared by IAC to the same extent and limits as Landlord maintains and pays for such insurance for its other buildings.
- b. IAC's Insurance. IAC shall, at its expense, at all times maintain:
 1. Insurance with respect to IAC's alterations, if any, equipment, machinery, and personal property against loss or damage by fire, lightning, windstorm, tornado, hail and other risks as are customarily covered by extended coverage; and
 2. Commercial general liability insurance against claims for death and bodily injury arising on or about the Premises, with a limit of not less than \$1,000,000 per occurrence, \$3,000,000 in the aggregate.
- c. General. Within ten (10) days after the execution of this Lease, and prior to the expiration of each policy, each party shall furnish to the other a certificate of insurance evidencing the coverage required hereunder and upon request shall furnish a copy of any policy required hereunder.

10. WAIVER OF SUBROGATION. Notwithstanding any other provision in this Lease to the contrary, Landlord and IAC hereby agree, for themselves and their respective insurers, successors and assigns, that neither of them will, either directly or by way of subrogation or otherwise, assert against the other any claim that the other is liable or responsible for any loss or damage that is covered by property or liability insurance maintained by a party or that would be covered if each party maintained all insurance required to be maintained hereunder, even if such loss or damage shall have been caused by the fault or negligence of the other party, or of anyone for whom such party may be responsible. Each party shall take all necessary action to confirm that such party's insurer(s) has agreed to the foregoing limitation on recoveries by subrogation or otherwise.

11. REPAIRS AND MAINTENANCE.

- a. Routine Repairs and Maintenance. Subject to the provisions of Section 11b and 11c below, IAC shall, at its expense, perform all routine repairs and maintenance to the Premises, including such preventative maintenance as is customarily performed by tenants under leases for comparable terms.

- b. Structural Repairs. Landlord shall promptly, at its expense, perform any necessary replacements or repairs to the structure, roof, heating, cooling, ventilating, electrical, mechanical or plumbing or other building systems or utility lines. Such repairs shall be made to keep the Premises in a condition comparable to or better than other comparable facilities in the area in which the Premises is located and in compliance with all applicable laws and regulations.
- c. Right of Entry. In the event that emergency repairs to the Premises are required, Landlord may enter the Premises immediately, and without notice to IAC. In all other circumstances, Landlord may enter the Premises for inspection, repair, alteration or improvement of the Premises in accordance with 11b above, but will provide IAC with 24 hours' notice of its intention to enter the Premises, and will not interfere with IAC's business operations during entry of the Premises.

12. DAMAGE OR DESTRUCTION OF PREMISES. In the event the Premises are damaged or destroyed by fire or other casualty to the extent that a substantial part of the Premises are rendered substantially untenable, IAC or Landlord may terminate this Lease by written notice to Landlord given within 30 days after such damage or destruction. If IAC does not give such notice to terminate, then Landlord shall restore the Premises to a condition at least as good as exists on the date hereof, and rent shall abate hereunder from the date the Premises are rendered untenable until the date the Premises are restored to tenantability.

13. DEFAULT:

a. By IAC: In the event that IAC defaults in the performance of any obligation under this Lease, including abandonment of the Premises, Landlord shall provide IAC with written notice of the default. If the default in performance by IAC is not cured within thirty (30) days after receipt of notice of default from Landlord, IAC shall vacate the Premises and return it to Landlord within the same thirty (30) day period. Subject to Paragraph 3(b) and the duty of Landlord to mitigate damages, Landlord shall retain the right to compensation for all amounts due and owed by IAC to Landlord under this Lease if Landlord re-takes possession of the Premises due to non-performance of this Lease by IAC.

b. By Landlord: In the event that Landlord defaults in the performance of any obligation under this Lease, IAC shall provide Landlord with written notice of the default. In the event that the default is not cured within thirty (30) days, this Lease shall terminate, and IAC may vacate the Premises and shall have no further obligations under the Lease or relating to the Premises. In the event that the default of Landlord results from failure of the Premises to meet any federal, state or local standard applicable to operation of a Head Start/Early Head Start program, this Lease may be terminated immediately upon written notice to the Landlord, if IAC determines that continued use of the Premises creates a danger to the health and safety of children or IAC staff or if the facility cannot be licensed as a child care facility under applicable state law.

14. ASSIGNMENT.

a. Except as set forth in subparagraph (b) of this section, IAC shall not assign the Lease or sublet all or any part of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed.

b. Landlord and IAC agree that, notwithstanding anything to the contrary contained in the Lease, IAC may assign all its rights, duties and obligations under the Lease at any time to a grantee selected to replace IAC as the Head Start/Early Head Start provider for the Program, without Landlord's further consent. Upon such assignment, IAC shall have no further obligations or responsibilities under the Lease or relating to the Premises and Landlord shall be deemed to have released IAC from any such further obligations or responsibilities without the need for further action on the part of Landlord.

15. NOTICE: Notice under this Lease shall be given in writing, U.S. Mail, postage pre-paid and addressed as noted below, and shall be effective three (3) days after the date upon which notice is given:

If to Landlord:

Dr. Kevin Nohelty, Assistant Superintendent
Harvey School District 152
16001 Lincoln Avenue
Harvey, IL 60426

If to IAC:

Ms. Julie Gray
Chief Operating Officer
Illinois Action for Children
4753 North Broadway
Suite 1200
Chicago, IL 60640

16. LANDLORD WARRANTIES. As of the date of execution of this Lease, Landlord represents and warrants to Tenant the following: 1) Landlord is the fee simple owner of and has access rights to the Premises; 2) Landlord has the right to make this Lease and perform the obligations herein; 3) Tenant's intended use and occupancy of the Premises complies with all zoning laws and ordinances affecting the Premises; 4) the Premises are currently in full compliance with all applicable laws; all existing mechanical systems servicing the Premises, including but not limited to HVAC, electrical, lighting, plumbing, and sewage are in good working condition; and 5) the Premises is structurally sound and there are no latent defects affecting the Premises. Landlord shall indemnify, defend, protect, and hold harmless the Tenant from any and all loss, cost, damage, expense and liability (including without limitation court

costs and reasonable attorneys' fees) incurred in connection with or arising from the breach of any one or more of the foregoing warranties.

17. MISCELLANEOUS.

a. Severability; Amendment; Binding Effect; Etc. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby. This Lease contains the entire agreement of the parties, and neither party is relying upon any representation not contained herein. This Lease may be amended only by an instrument in writing signed by the Landlord and IAC. This Lease shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto. The headings of this Lease are for purposes of reference only and shall not limit or define the meaning hereof.

b. Holding Over. If IAC holds over after the expiration of the term of this Lease, or any extended term, if applicable, without written agreement providing otherwise, then IAC shall be deemed to be a tenant from month to month, at a monthly rent equal to the last monthly rent payable under this Lease, and subject to all of the other provisions and conditions of this Lease.

c. Attorneys' Fees. In any action to enforce or contest any provision of this Lease, or to obtain a declaration of the rights or obligations of the parties hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees incurred by such party in connection with such action.

IN WITNESS WHEREOF, the undersigned have executed this Lease effective as of the date set forth above.

LANDLORD:

BOARD OF EDUCATION,
HARVEY SCHOOL DISTRICT 152,
COOK COUNTY, ILLINOIS

By: _____
Board President

Attest: _____
Board Secretary

IAC:

ILLINOIS ACTION FOR CHILDREN,
an Illinois nonprofit corporation

By: _____

Its: _____