

**AMEND BOARD REPORT 09-0722-OP2  
APPROVE ENTERING INTO AN AMENDMENT TO THE GROUND LEASE WITH  
CHRISTOPHER HOUSE FOR PROPERTY AT 2250 NORTH LATROBE**

**THE CHIEF EXECUTIVE OFFICE REPORTS THE FOLLOWING DECISION:**

Approve entering into an amendment to the ground lease ("Amendment") with Christopher House ("Tenant") for approximately 47,277 square feet of land immediately south of and adjacent to the Northwest Middle School located at 2250 North Latrobe, Chicago, Illinois ("Premises"). A written amendment to the Ground Lease is currently being negotiated. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of this Board Report. Information pertinent to this amendment is stated below.

This Amendment is necessary to: (a.) revise the term of the Ground Lease from 99 years to 50 years with four (4) ten year renewals and one (1) nine year renewal, all of which renewals may be exercised by Tenant, provided is not in default at the time of the exercise of each option to renew; (b.) acknowledge that Tenant has demolished the residential building, bridge and garage on the Premises and intends to construct a new 28,000 square foot Family Resource Center (as hereinafter defined); (c.) acknowledge that the Tenant has met the construction start date for the new Family Resource Center (d.) correct the Use provision and provide that Tenant's administrative offices shall be a permitted use in the Family Resource Center; (e.) correct the legal description for the Premises and (f.) consent to the sublease of the Premises to an affiliated single purpose entity solely for the purpose of obtaining New Market Tax Credit financing ("NMTC"). The sublease with the affiliated single purpose entity shall be referred to herein as the "NMTC sublease".

The Board acknowledges that to finance construction of the Family Resource Center, Tenant intends to pursue: (a.) a \$1.1 million construction grant for the Family Resource Center from the Department of Health and Human Services ("DHHS"); (b.) financing from Bank of America or such other source as Tenant determines; and (c.) New Market Tax Credits. All such financing may be secured by the Family Resource Center and a leasehold mortgage. The Board hereby consents to the use of the leasehold mortgage as partial security for the referenced financing and delegates authority to the Chief Operating Officer and the General Counsel to negotiate and execute all documents that are required to obtain said financing consistent with the terms of this Board Report and the terms of the amended Ground Lease.

**TENANT:** Christopher House, an Illinois not-for-profit corporation  
2507 North Greenview  
Chicago, Illinois 60614  
Contact: Lori Ann Bass, Executive Office  
Phone: 773-472-1083

**LANDLORD:** Board of Education of the City of Chicago  
125 South Clark-17<sup>th</sup> Floor  
Chicago, IL 60603  
Attn: Chief Operating Officer  
Phone: 773-553-2900

**ORIGINAL LEASE:** The original 99 year Ground Lease (authorized by Board Report 09-0722-OP2) is for the Premises. The Premises was leased to the Tenant for \$1.00 - "As Is." The Tenant is responsible for all improvements, maintenance, repairs, costs, insurance and other expenses relating to the Premises.

**PERMITTED USE:** The new building will house Tenant's administrative offices and will serve as a family resource center for children, teens and their families offering a wide range of educational support and social services with priority given to the students attending Northwest Middle School and their families and the surrounding community at large. The Premises will be used for no other purpose.

**PREMISES:** The corrected legal description for the 47,222 square foot parcel is legally described on Exhibit A attached hereto.

**IMPROVEMENTS:** As consideration for the Ground Lease, Tenant shall construct on the Premises and at its expense, a 28,000 square foot family resource center ("Family Resource Center"). The Family Resource Center shall be constructed substantially in accordance with the plans and specifications to be approved by the Board prior to the issuance of permits.

**REVISED TERM:** Fifty (50) years commencing from the date of the Ground Lease, May 6, 2010, and ending May 5, 2060. Tenant shall have the right to renew the Ground Lease for four (4) ten year periods followed by one (1) nine year period all of which shall be consecutive. Tenant shall not be allowed to renew the Ground Lease if it is in default at the time it exercises the option to renew. Tenant must exercise its option to renew no later than one year before the expiration of the then current term of the lease.

**TRIPLE NET LEASE:** This is a triple net lease; the Tenant will be responsible for all repairs and construction costs, maintenance, utilities, operating expenses, taxes and insurance for the Premises and the Family Resource Center.

**FUNDING:** Tenant shall pay for construction of the Family Resource Center at its expense and shall obtain its own funding and financing. Tenant intends to pay for construction of the Family Resource Center on the Premises as described above. The Board shall not be responsible for any construction costs or construction management. The Board shall not be responsible for nor guarantee any loan or financing for the Family Resource Center.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written Amendment and review and negotiate the NMTC sublease. Authorize the Chief Executive Officer and Secretary to execute the Amendment. Authorize the Chief Operating Officer to consent to the NMTC sublease and to approve the plans and specifications for the Family Resource Center to be constructed on the Premises. Authorize the General Counsel and the Chief Operating Officer to execute ancillary documents necessary to enable Tenant to finance the construction of the Family Resource Center.

**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Local School Council approval is not applicable to this report.

**FINANCIAL:** Charge to Real Estate: \$1; Budget Classification: Not applicable.

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge 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.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (05-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

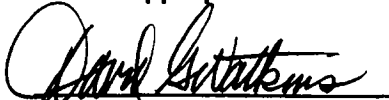
**Approved for Consideration:**

  
Patricia L. Taylor  
Chief Operating Officer

**Approved:**

  
Jean-Claude Brizard  
Chief Executive Officer

**Within Appropriation:**

  
David G. Watkins  
Chief Financial Officer

**Approved as to legal form:**

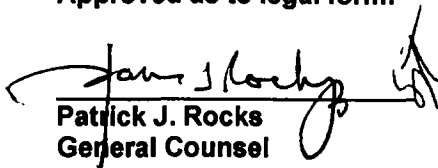
  
Patrick J. Rocks  
General Counsel

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES LEASED TO CHRISTOPHER HOUSE FOR  
NEW FAMILY RESOURCE CENTER AT 2250 N. LATROBE, CHICAGO, ILLINOIS

THAT PART OF BLOCK 7 IN FOSS & NOBLE'S SUBDIVISION OF PART OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF BLOCK 7 AND RUNNING THENCE EAST ALONG THE NORTH LINE OF SAID BLOCK 7, 269.55 FEET TO THE NORTHEAST CORNER THEREOF, THENCE SOUTH ALONG THE EAST LINE OF SAID BLOCK 7 A DISTANCE OF 188.00 FEET TO A POINT, THENCE WESTERLY, FORMING AN ANGLE OF 89 DEGREES, 58 MINUTES 47 SECONDS WITH THE LAST DESCRIBED LINE, 75.00 FEET TO A POINT, THENCE, 17.28 FEET, TO A POINT, THENCE WESTERLY, FORMING AN ANGLE OF 90 DEGREES, 34 MINUTES, 52 SECONDS WITH THE LAST DESCRIBED LINE, AND RUNNING ALONG THE CENTER OF AN EXISTING CHAIN LINK FENCE, 194.03 FEET TO A POINT ON THE WEST LINE OF SAID BLOCK 7, THENCE NORTHERLY ALONG THE WEST LINE OF SAID BLOCK 7, AND FORMING AN ANGLE OF 90 DEGREES, 33 MINUTES, 19 SECONDS WITH THE LAST DESCRIBED LINE, 170.40 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ALSO THE NORTHWEST CORNER OF SAID BLOCK 7, ALL IN COOK COUNTY, ILLINOIS.

PART OF PROPERTY INDEX NUMBER: #13-33-107-001-0000

ACREAGE: 47,277.9 SQUARE FEET OR 1.084 ACRES