

February 26, 2026

AMEND BOARD REPORT 24-1212-OP1
AUTHORIZE THE RENEWAL OF A LEASE AGREEMENT WITH THE CATHOLIC BISHOP OF CHICAGO FOR THE CONTINUED USE OF VARIOUS LEASED SCHOOL SITES

THE CHIEF EXECUTIVE OFFER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the Catholic Bishop of Chicago, an Illinois corporation sole, for various Archdiocese school sites. The terms of a renewal lease agreement are being negotiated; a separate lease Rider will be executed to extend the term for each site. The authority granted herein shall automatically rescind in the event the renewal lease agreement is not executed within 180 days of the date of this Board Report. Information pertinent to this lease renewal is stated below.

This February 2026 amendment is necessary to: i) include five (5) additional Archdiocese school sites and update Exhibit A to reflect the new sites and the deletion of one site and ii) reflect the increased funding with the addition of the new sites. A separate Parish Rider will be executed for each site that is being added to the extended master lease. The authority granted herein shall automatically rescind in the event the lease amendment or document and each Parish Rider is not executed within 180 days of the date of this amended Board Report.

LANDLORD: Catholic Bishop of Chicago c/o Archdiocese of Chicago
 835 N. Rush St.
 Chicago, IL 60611
 Contact: Eric Wollan (312-534-8394 / ewollan@archchicago.org)

TENANT: Board of Education of the City of Chicago

PREMISES: Various Archdiocese school sites. Each site shall have a separate lease Rider governed by the terms of the master lease agreement. Sites may be added over the renewal term upon agreement of the parties and sites may be removed by either party exercising its termination rights as amended herein. The ~~current~~ sites to be extended as of December 2024 are identified on Exhibit A attached hereto. Exhibit A also identifies certain sites that have been removed from the lease since the date of the Board Report 18-0228-OP1.

Exhibit A is revised to delete a site that has been removed from the lease after approval of Board Report 24-1212-OP1 and to add five (5) additional sites to the extended master lease and execute a new Parish Rider for each site with a commencement date of July 1, 2026.

ORIGINAL AGREEMENT: The master lease agreement (authorized by Board Report 15-0624-OP5, as amended by Board Report 18-0228-OP1) is for a term that commenced on July 1, 2015 and ends on June 30, 2025.

RENEWAL TERM: The term of the master lease agreement and each Rider for the ~~current~~ sites being utilized as of December 2024 and identified on Exhibit A, shall be extended for a term commencing on July 1, 2025, and ending on June 30, 2035. If any sites are added after July 1, 2025, the term for those sites shall commence upon agreement of the parties and shall end no later than June 30, 2035, unless otherwise terminated by either party.

USE: For education and related purposes on school days from 6:30 a.m. - 4:30 p.m. and for after-school events as necessary or such other hours as negotiated by the parties for specific sites.

EARLY TERMINATION: The lease shall be amended to provide that either party may terminate the

lease with respect to any site by providing written notice to the other party by October 31st of any lease year, with termination to be effective on October 31st two years after the notice date. The parties may mutually agree to change the required notice period and termination date for a specific site on a case by case basis and as memorialized in a lease rider for that site.

BASE RENT: The base rent for the 1st year of the renewal term shall be \$10.50 per square foot; provided, however, that the parties may agree to a lower rate for a specific site or in the event title to a specific site is to be conveyed to a new owner, a higher rate to secure continued occupancy. The base rent shall increase at a rate of 3.5% at the beginning of each lease year throughout the term of the lease renewal.

ADDITIONAL RENT / UTILITIES: The Board may assume billing responsibility for utility accounts where the Board is the sole occupant of a particular site. For site where the Board does not assume billing responsibility, the Board shall reimburse Landlord at approximately the following rates:

- i) Electricity: \$1.38 per square foot for sites without window A/C units; \$1.56 per square foot for sites with window A/C units.
- ii) Gas: \$1.94 per square foot.
- iii) Utility reimbursement rates shall increase by 3% at the beginning of each lease year.

MAINTENANCE, REPAIRS & OTHER IMPROVEMENTS: The Board shall continue to be responsible for all routine maintenance and repairs during the renewal term, including without limitation custodial services, snow removal, garbage/recycling, and pest control. In addition, the Board shall be responsible for lead paint and asbestos abatement and remediation as may be required by an Asbestos Management Plan, repair of utility conduits servicing the premises, repairs (capital or other) required to maintain the premises in accordance with applicable laws, and certain other remediation expenses which may be imposed upon Tenant. The Landlord shall be responsible for landscaping. The parties shall split all agreed upon joint capital improvements (other than Tenant's Initial Capital Improvements and non-joint tenant work, if any) equally, unless otherwise agreed upon. The Board's contributions toward joint capital improvements shall not exceed \$950,000 in the first year of the renewal term, which cap is increased by 3% annually. Costs for certain remediation obligations imposed upon Tenant and capital improvements required by law are excluded from this cap. Landlord's annual contributions toward joint capital improvements or repairs shall not exceed 1/3 of the annual base rent for that lease year. Either Landlord or Tenant may elect to ~~forego~~ forgo a particular joint capital improvement or repair and instead terminate the lease with respect to a particular site.

ADDITIONAL TERMS AND CONDITIONS: Except as specifically modified herein, all other terms and conditions of the master lease shall remain in full force and effect.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal lease agreement, amendment and Riders. Authorize the President and Secretary to execute the renewal lease agreement, amendment and Riders. Authorize the Chief Operating Officer or his designee to execute any ancillary documents required to administer or effectuate the lease agreement and any Riders for new sites.

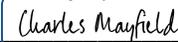
AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable.

FINANCIAL: The estimated annual cost for FY26 is \$4,850,000; and for FY27 is \$6,966,517. Subsequent funding is subject to budget appropriation and approval. Charge to fund: 11910-230-57705-254903-000000-2026

GENERAL CONDITIONS: The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy Section 404.2; Ethics provision, in accordance with the Board's Ethics Code as amended, and a Contingent Liability provision.

Approved for Consideration:

DocuSigned by:

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Charles E. Mayfield
Chief Operating Officer

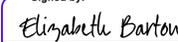
Approved:

Signed by:

1408F82241F44F8

Macquiline King, Ed.D
Interim Superintendent/Chief Executive

Approved a to legal form:

Signed by:

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Elizabeth K. Barton
Acting General Counsel

EXHIBIT A
(Revised)

Sites Subject to this Lease Renewal:

<u>CPS School</u>	<u>Address</u>	<u>Archdiocese Parish</u>
Ashburn	8301 S. St. Louis	St. Denis
Bridge	7001 W. Addison	St. Priscilla
Cesar Chavez	4831 S. Hermitage	St. Joseph
Cesar Chavez Pre-K	4749 S. Damen	St. Michael the Arch.
Fairfield Academy	6201 S. Fairfield	St. Rita
Hanson Branch	2318 N. Lorel	St. Stanislaus B&M
Peace and Education HS	5114 S. Elizabeth Street	St. John of God
Peck Pre-K	5646 S. Karlov	St. Turibius
Talman	5443 S. Washtenaw	St. Clare de Montefalco
Velma Thomas Early Childhood Center* <u>(The Archdiocese sold this property to Smart Learning Academy, LLC and the rider/lease for this site was removed from the Master Lease and assigned to the purchaser effective April 25, 2025)</u>	3625 S. Hoyne	St. Maurice

Sites that have been removed from the Lease during the original term which commenced July 1, 2015:

<u>CPS School</u>	<u>Address</u>	<u>Archdiocese Parish</u>
Clay Pre-K	13323 S. Green Bay	St. Columba
Gallistel	10200 S. Ave J	St. Francis de Sales
Gallistel	10155 S. Ewing	St. Francis de Sales
Hedges	1957 W. 48th St.	St. Michael the Arch.
North River	4432 N. Troy	Our Lady of Mercy
Pasteur	5426 S. Lockwood	St. Camillus
Payton	1107 N. Orleans	St. Joseph
Reilly	3425 N. Lawndale	St. Wenceslaus
Seward branch	1740 W. 46th St.	Holy Cross
Zapatta	2719 S. Kolin	Good Shepherd

Sites to be added to the Master Lease with a lease commencement date of July 1, 2026:

<u>CPS School</u>	<u>Address</u>	<u>Archdiocese Parish</u>
De las Casas	1641 W. 16 th Street	St. Adalbert
Cisneros	2744 W. Pershing Road	St. Joseph & St. Anne
Fuentes	2845 W. Barry Avenue	Our Lady of Mercy
Octavio Paz	2651 W. 23 rd Street	St. Roman
Santiago	2510 W. Cortez Street	St. Mark