

**RATIFY THE RENEWAL OF THE EXISTING LEASE WITH IMPERIAL REALTY, INC.
FOR 4638 WEST DIVERSEY AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify the renewal of the existing lease with Imperial Realty, Inc. for 4638 West Diversey Avenue. A written lease renewal is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal is not executed within 90 days of the date of this Board Report. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: Imperial Realty, as agent for beneficiaries of
NBD Bank U/T #4612-HP
Contact: Robert Klairmont
Phone: 773-736-4100 Ext. 16
Vendor #47568
The sole beneficiary of Trust #4612-HP is Larry Klairmont.

TENANT: Board of Education of the City of Chicago

PREMISES: 4638 W. Diversey, Units 6 and 7, containing 3,200 sq. ft. of space.

USE: To house the State Pre-Kindergarten Program for Barry and Falconer Schools.

CURRENT LEASE: The Current Lease Agreement (authorized by Board Report 98-0429-OP2) is for a term commencing May 1, 1998 and ending April 30, 2001.

EXTENDED TERM: The extended term of this lease shall be twenty-six (26) months commencing May 1, 2001 and ending June 30, 2003.

RENT: The annual base rent for the extended term of the lease shall be as follows:

5/1/01 – 4/30/02: \$36,800.00 annually - \$3,066.66 per month
5/1/02 – 4/30/03: \$40,000.00 annually - \$3,333.33 per month
5/1/03 – 6/30/03: \$ 7,200.00 2 mos. - \$3,600.00 per month

ADDITIONAL RENT: Tenant shall continue to pay additional rent as follows (In the event that real estate taxes and/or Common Area Maintenance (CAM) increase, an adjustment will be made at the end of the year):

Common Area Maintenance	\$ 250.00 per month
Real Estate Taxes	\$ 585.00 per month

Nine Additional Payments for buildout @\$1,233.00 per month

MAINTENANCE: The Board shall continue to be responsible for heat, electric, normal maintenance and janitorial services for the Premises.

IMPROVEMENTS TO PREMISES: The Board shall not have the right to make improvements to the property, unless prior consent is received from the Landlord.

INSURANCE/INDEMNIFICATION: The Board shall continue to provide liability insurance under its self insured coverage.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written renewal. Authorize the President and Secretary to execute the renewal. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease renewal agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: LSC approval is not applicable to this action.

FINANCIAL: Charge to Early Childhood: \$66,254 (14 months)
Budget Classification: 0952-210-364-7931-5480

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 July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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:



Timothy Martin
Chief Operating Officer

Approved:



Arne Duncan
Chief Executive Officer *copy PAID*

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel