

**AMEND BOARD REPORT 01-0926-OP7  
RATIFY A LEASE AGREEMENT WITH IMPERIAL REALTY, INC.  
FOR THE USE OF 4632 WEST DIVERSEY AVENUE**

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

Ratify a lease agreement with Imperial Realty, Inc. for 4632 West Diversey Avenue. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below. This amendment is necessary amended to reflect a change in the payment of Common Area Maintenance and Real Estate Taxes.

**LANDLORD:** Imperial Realty, as agent for beneficiaries of  
NBD Bank U/T #4612-HP  
Contact Person: Robert Klairmont, Vice-President  
Phone: (773) 736-4100 Ext. 16  
Vendor #4756851  
The sole beneficiary of Trust #4612-HP is Larry Klairmont

**TENANT:** Board of Education of the City of Chicago

**PREMISES:** 4632 W. Diversey, consisting of approximately 7,200 square feet.

**USE:** To house two State Pre-Kindergarten classrooms for Schubert Elementary School, with 68 children in attendance (34 in the morning and 34 in the afternoon), and a resource room for Region 2.

**TERM:** The term of this lease agreement shall be 22 months commencing on September 1, 2001 and ending June 30, 2003.

**RENT:** The annual base rent for the initial term of the lease shall be:

7,200 sq. ft. @ \$11.00 per square feet \$79,200 for the first 12 months, payable monthly @ \$6,600  
7,200 sq. ft. @ \$12.00 per square feet \$72,000 ten months, payable monthly @ \$7,200

**ADDITIONAL RENT:** The Board shall pay an additional \$1,920 per month to cover estimated Real Estate Taxes and Common Area Maintenance (CAM). If Common Area Maintenance or Real Estate Taxes increase during the term, an adjustment shall be made at the end of each calendar year.

**IMPROVEMENTS TO PREMISES AT BOARD COST:** Landlord shall buildout the space, as delineated in the lease, at a cost of \$38,830, which includes the cost of the fire alarm. The Board shall pay the amortized cost of build-out over the 22 month lease period @ 9% interest, payable in monthly installments of \$1,765.

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

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

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

**AFFIRMATIVE ACTION:** Exempt.

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

**FINANCIAL:** Charge to Early Childhood: \$ 108,850 (ten months) Fiscal Year: 2003  
Budget Classification: 0952-210-364-7931-5480 Source of Funds: Early Childhood

**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.

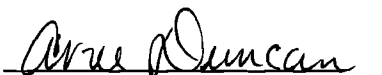
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

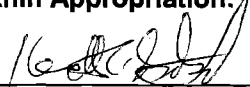


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**Timothy Martin**  
Chief Operating Officer

**Approved:**

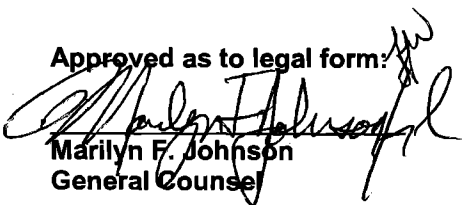
  
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**Arne Duncan**  
Chief Executive Officer

**Within Appropriation:**



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**Kenneth C. Gotsch**  
Chief Fiscal Officer

**Approved as to legal form:**



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**Marilyn F. Johnson**  
General Counsel