

APPROVE ENTERING INTO A LEASE AGREEMENT WITH EQUITY-LEAGUE PENSION, HEALTH AND 401 (K) TRUST FUNDS FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET AND AUTHORIZE THE PAYMENT OF REAL ESTATE BROKERS COMMISSION

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Equity-League Pension, Health and 401(k) Trust Funds for rental of space at 125 South Clark Street consisting of 1,060 rentable square feet on the 15th floor and authorize payment of real estate broker's commission in the amount of \$5,130.34 to US Equities. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below.

TENANT: Equity-League Pension Health and 401(K) Trust Funds
165 West 46th Street
New York, New York 10036
Contact Person: Stephen Roderick
Phone: (312) 641-6300

LANDLORD: Board of Education of the City of Chicago

PREMISES: 1060 rentable square feet on the 15th floor (Suite 1520)

USE: Office Space for the Pension Fund of performing arts actors.

TERM: The term of this lease agreement shall commence on October 1, 2002 and shall end June 30, 2012. Notwithstanding the October 1, 2002 rent commencement date, tenant may take possession of the premises prior to October 1, 2002 upon substantial completion of the build-out.

BASE RENT:

<u>Year</u>	<u>Base Rent</u>	<u>Monthly</u>	<u>Annual</u>
10/01/02 – 06/30/03	17.50 sq. ft.	1,545.83	13,912.47
07/01/03 – 06/30/04	18.20 sq. ft.	1,607.67	19,292.04
07/01/04 – 06/30/05	18.93 sq. ft.	1,672.15	20,065.80
07/01/05 – 06/30/06	19.69 sq. ft.	1,739.28	20,871.36
07/01/06 – 06/30/07	20.47 sq. ft.	1,808.18	21,698.16
07/01/07 – 06/30/08	21.29 sq. ft.	1,880.62	22,567.44
07/01/08 – 06/30/09	22.14 sq. ft.	1,955.70	23,468.40
07/01/09 – 06/30/10	23.03 sq. ft.	2,034.32	24,411.84
07/01/10 – 06/30/11	23.95 sq. ft.	2,115.58	25,386.96
07/01/11 – 06/30/12	24.91 sq. ft.	2,200.38	26,404.56
Totals			218,079.03

NOTE: Base Rent shall be abated for the first nine (9) months of the Lease term.

ADDITIONAL RENT: Tenant shall pay landlord \$92.75 per month (\$1.05 per square foot per annum) for its use of electricity for overhead lights and outlets. The monthly amount shall increase 3% per annum beginning July 1, 2003.

BUILD-OUT: Landlord will deliver space in its current "as-is" condition. Tenant, at its sole cost and expense, shall be responsible for completing Tenant's work. Further, Tenant at its sole cost and expense, shall be responsible for architectural drawings, permits, etc. as may be required for the work. Landlord review and approval shall be required before Tenant may commence with the work. A sum up to \$50,000 shall be deposited into an escrow account to pay for the work and Landlord must approve withdrawals from the escrow.

SECURITY DEPOSIT: Tenant shall deposit with Landlord a Security Deposit equal to two month's initial rent (\$3,091.66).

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.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Credit Income to General Fund

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:



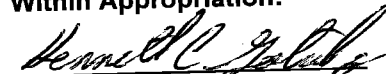
Timothy Martin
Chief Operating Officer

Approved:



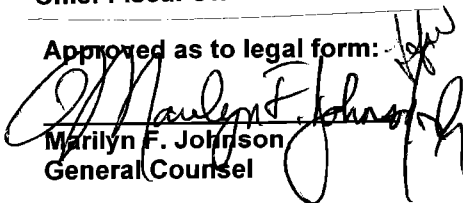
Arne Duncan *by TAD*
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel