

**RATIFY A LEASE AGREEMENT WITH THE COMMITTEE FOR JOINTLY MAINTAINED CHRISTIAN SCIENCE  
READING ROOMS IN CHICAGO  
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:**

Ratify a lease agreement with The Committee for Jointly Maintained Christian Science Reading Rooms in Chicago (CSRR) for rental of space at 125 South Clark Street consisting of 1,889 rentable square feet in the 1<sup>st</sup> Floor Arcade, Suite A-11 and authorize payment of real estate broker's commission in the amount of \$23,272 to US Equities (CSRR shall lease Suite A-3 until Substantial Completion of Suite A-11). 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.

**TENANT:** The Committee for Jointly Maintained Christian Science Reading Rooms in Chicago  
125 South Clark Street  
Suite A-11, First Floor Arcade  
Chicago, IL 60603  
Contact Person: Rich Carlson  
Phone: (312) 917-1836

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

**PREMISES:** From May 1, 2002 until Substantial Completion of Suite A-11, Suite A-3, First Floor Arcade, consisting of 2,100 rentable square feet. After Substantial Completion of Suite A-11, Suite A-11 First Floor Arcade consisting of 1,889 rentable square feet.

**USE:** Reading room/sales area with office space and storage.

**TERM:** The term of this lease agreement shall be ten years commencing May 1, 2002 and ending April 30, 2012.

**BASE RENT:** The base rental fee with taxes included is as follows:

Monthly Fixed Minimum Rent: From May 1, 2002 until Substantial Completion of Suite A-11, the Monthly Fixed Minimum Rent for Suite A-3, shall be \$9,709.82 for each month or prorated for any fraction thereof. After Substantial Completion of Suite A-11, the Monthly Fixed Minimum Rent for Suite A-11 shall be \$6,768.91 for each month or prorated for any fraction thereof (based on an annual fixed minimum Rent of \$43.00 per rentable square foot). On the first day of the first month which is twelve (12) months after Substantial Completion, the Monthly Fixed Minimum Rent shall increase by three percent (3%) and the Monthly Fixed Minimum rent shall increase by three percent (3%), on a cumulative basis, on the first day of the month of each twelve month anniversary thereafter during the Term or any extension or renewal thereof.

**ADDITIONAL RENT:** Tenant shall pay for electricity in the amount of \$1.05 per rentable square foot, payable in monthly installments. Said amount shall increase by 3% per year on each anniversary of the commencement date. Landlord or Tenant may separately meter the premises. Upon installation of a separate meter, Tenant shall be responsible for direct payments to the service provider.

**RENT ABATEMENT:** There shall be an abatement of \$2,820.38 per month of the Monthly Fixed Minimum Rent for the first full twelve (12) months of the Lease Term after Substantial Completion of Suite A-11 to reimburse Tenant for the cost of Tenant Improvements to Suite A-11 made by the Tenant.

**SECURITY DEPOSIT:** Tenant shall deposit with Landlord a Security Deposit in the amount of \$13,537.83. Landlord is holding \$6,387.50 under the prior Lease and an additional \$7,150.33 shall be due on the execution of the Lease.

**CONSTRUCTION:** The Tenant will renovate Suite A-11 pursuant to plans and specifications approved by the Board. In order to secure such obligation, the sum of \$33,844.60 shall be deposited into a Strict Joint Order Escrow Account (controlled by the Board) at Chicago Title and Trust Company, to be used for the payment of the costs of construction after the Board's approval of draw requests. The Board is required, at its sole cost and expense, to construct a service corridor that serves Suite A-11, and extend the HVAC system to Suite A-11. On or before substantial Completion of Suite A-11, The Tenant, at Tenant's sole cost and expense, is required to move one of the existing signs over Suite A-3 to a position over Suite A-11 approved by the Board. The remaining sign over Suite A-3 is to be removed and disposed of by the Board, at the Board's sole cost and expense.

**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.

**FINANCIAL:** Credit 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:**

  
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Timothy Martin  
Chief Operating Officer

**Approved:**

  
\_\_\_\_\_  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
\_\_\_\_\_  
Kenneth C. Gotsch  
Chief Fiscal Officer

**Approved as to legal form:**

  
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Marilyn F. Johnson  
General Counsel