

May 27, 2003

**APPROVE A LEASE AGREEMENT WITH WASHINGTON MUTUAL BANK FA,  
FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET AND AUTHORIZE PAYMENT  
OF REAL ESTATE BROKER'S COMMISSION**

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

Approve entering into a lease agreement with Washington Mutual Bank FA for rental of space at 125 South Clark Street, 1<sup>st</sup> Floor Arcade, Suite A-3 (Adams and Adams Street lobby frontage) and authorize payment of Real Estate Broker's Commission to C.B. Richard Ellis in an amount not to exceed \$29,000.00. 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.

**LEASEE:** Washington Mutual Bank, FA  
Corporate Property Services  
1111 Third Avenue, (EET 2933)  
Seattle, Washington 98101  
Contact: Lisa Simonelic  
Phone: (312) 861-7820

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

**PREMISES:** 125 S. Clark Street, 1<sup>st</sup> Floor-A3, consisting of approximately 2100 r.s.f.

**USE:** To be used as a retail home loan/mortgage loan sales office with 24 hour access. Subject to prior exclusives of existing Tenants.

**DATE OF LEASE:** June 1, 2003

**TERM:** The term of this lease agreement is five (5) years. The lease term and the rent commencement date shall be the earlier of (a) the date Tenant receives all necessary permits and commences to do business in a substantial portion of the Premises, or (b) one hundred thirty-five (135) days from the last to occur of June 1, 2003 or delivery of the Premises to the Tenant by the Landlord with all Landlord's Work completed.

<b>GROSS RENT:</b>	<u>Year</u>		<u>Gross Rent</u>	<u>Monthly</u>	<u>Annually</u>
	Months	1-60	\$65.00 r.s.f.	\$11,375.00	\$136,500.00

**OPTION TO RENEW:** The Tenant has an option to renew the Lease for five years at market rent.

**RENT ABATEMENT:** Tenant's rent shall abate in the amount of \$84,000 representing \$40.00/rsf. The rent abatement shall be amortized over the first twelve months of the rent period commencing with the Rent Commencement Date.

**ADDITIONAL RENT:** None. Real Estate Taxes and operating expenses are factored into Tenant's gross rent.

**CONSTRUCTION:** Except for the Landlord's work, Landlord will deliver the space in its "as-is" condition. Tenant, at its sole cost and expense, shall renovate suite A-3 pursuant to plans and specifications approved by the Board. Landlord will cause (i) the floors and walls within the Premises to be smooth and ready for Tenant's wall and floor treatments; (ii) remove all of the prior Tenants personal property; and (iii) install a new separate HVAC System if existing systems are not adequate.

**BROKER'S COMPENSATION:** A lump sum not to exceed \$29,000.00 shall be paid to C.B. Richard Ellis upon execution of the lease agreement.

**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  
Charge Contingency: \$29,000  
Budget class: 0944-552-000-6000-5480

**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:**

  
**Bruce Washington**  
Acting Chief Operating Officer

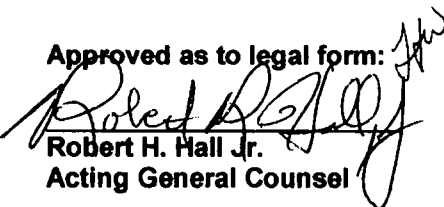
**Approved:**

  
**Arne Duncan**  
Chief Executive Officer

**Within Appropriation:**

  
**Peggy A. Davis**  
Chief of Staff

**Approved as to legal form:**

  
**Robert H. Hall Jr.**  
Acting General Counsel