

**RATIFY A LEASE AGREEMENT WITH IMPERIAL REALTY, INC.  
FOR THE USE OF 4628 WEST DIVERSEY AVENUE**

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

Ratify a lease agreement with Imperial Realty, Inc. for 4628 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.

**LANDLORD:** Imperial Realty, as agent for beneficiaries of  
NBD Bank U/T #4612-HP  
Contact: 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:** 4628 W. Diversey, consisting of approximately 26,386 square feet.

**USE:** To house the Early Childhood Demonstration Center - North.

**TERM:** The term of this lease agreement shall be 61 months commencing on June 1, 2003 and ending June 30, 2008.

**RENT:** The initial base rent for the initial term of the lease shall be \$6.50 per square foot per annum with an escalation of no more than 5% per annum thereafter.

**ADDITIONAL RENT:** The Board shall pay additional rent, not to exceed \$9,500 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 build out the space in accordance with Board specifications at a cost not to exceed \$319,279, which shall be paid to the Landlord upon completion of the build out to the satisfaction of the Board.

**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 agreement. Authorize the President and Secretary to execute the agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this license agreement.

**AFFIRMATIVE ACTION:** Exempt.

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

|                   |   |                                  |
|-------------------|---|----------------------------------|
| <b>FINANCIAL:</b> | Charge to Early Childhood: \$319,279          | Fiscal Year: 2003                |
|                   | \$374,000                                     | Fiscal Year: 2004                |
|                   | Budget Classification: 0952-210-364-7931-5480 | Source of Funds: Early Childhood |
|                   | 0952-210-364-7931-5400                        |                                  |

**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.

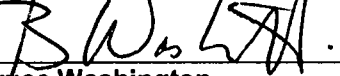
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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.

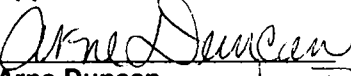
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

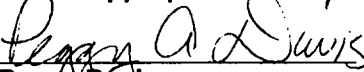
**Approved for Consideration:**

  
**Bruce Washington**  
**Acting Chief Operating Officer**

**Approved:**

  
**Arne Duncan**  
**Chief Executive Officer** *by APAD*

**Within Appropriation:** *DS*

  
**Peggy Davis**  
**Chief of Staff**

**Approved as to legal form:** *MS*

  
**Ruth Moscovitch**  
**General Counsel**