

**RATIFY A LEASE RENEWAL AGREEMENT WITH CHICAGO KOREAN AMERICAN  
CHAMBER OF COMMERCE FOR A STATE PRE-KINDERGARTEN PROGRAM  
FOR THE PETERSON ELEMENTARY SCHOOL**

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

Ratify a lease renewal agreement with Chicago Korean American Chamber of Commerce to house a State Pre-Kindergarten Program for the Peterson Elementary School. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease renewal agreement is stated below.

**LESSOR:** Chicago Korean American Chamber of Commerce  
5601 North Spaulding Avenue  
Chicago, IL 60659  
Contact: Se Bong Kang, Executive Director

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

**PREMISES:** 3256 West Bryn Mawr  
Chicago, Illinois

Consisting of 1,600 sq. ft. of space, including one washroom facility, with a private entrance and rear exit.

**USE:** To house a State Pre-Kindergarten Program for Peterson Elementary School located at 5510 N. Christiana Avenue.

**ORIGINAL LEASE:** The original Lease (authorized by 99-0324-OP2) is for a term commencing April 1, 1999 and ending June 30, 2002. The Board, through the Chief Operating Officer, exercised an Option to renew commencing July 1, 2002 and ending June 30, 2003.

**RENEWAL TERM:** The lease shall be renewed for a term commencing July 1, 2003 and ending June 30, 2006, with the Board having an option to renew the lease for an additional term of one year upon 90 days prior written notice to Lessor.

**EARLY TERMINATION RIGHT:** Lessee may terminate this Agreement any time after June 30 2005, by providing ninety (90) days prior written notice to the Lessor.

**BASE RENT:** The minimum annual base rent during the renewal term shall be \$18,457.60, to be adjusted annually pursuant to the Consumer Price Index (CPI) for Chicago. Base rent and additional rent shall initially be paid in monthly installments of \$2,006.42.

**ADDITIONAL RENT:** The Board shall pay additional rent, which initially shall be \$5,619.48 annually, to cover estimated Real Estate Taxes and which may be adjusted pursuant to the lease.

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

**AFFIRMATIVE ACTION:** Exempt

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

**FINANCIAL:** Charge: \$24,077.08  
Budget Classification: 0952-210-364-7931-5480

Fiscal Year  
2004

**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.

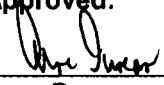
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:**

  
Sean P. Murphy  
Chief Operating Officer

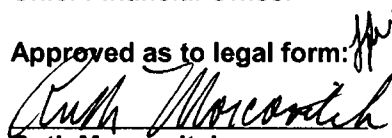
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
John Maiorca  
Chief Financial Officer

**Approved as to legal form:**

  
Ruth Moscovitch  
General Counsel