

**AUTHORIZATION TO PURCHASE 4034 WEST 56<sup>TH</sup> STREET (LOURDES HIGH SCHOOL)**

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

Authorize the purchase of the property at 4034 West 56<sup>th</sup> Street (Lourdes High School). A written Articles of Agreement for Deed is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this purchase is stated below.

**SELLER:** The Sisters of St. Joseph of the Third Order of St. Francis, Inc.

**PROPERTY:** 4034 West 56<sup>th</sup> Street  
Chicago, Illinois 60629  
PIN: 19-15-206-011 and 012  
158,000 square foot parcel with building

**PURCHASER:** City of Chicago, In Trust for the Use of Schools  
on behalf of the Board of Education of the City of Chicago

**OPTION TO PURCHASE:** Pursuant to Article 33 of that certain Lease Agreement between the Board and Seller (Board Report 02-0724-OP05), the Board's General Counsel exercised the option to purchase the Property on December 20, 2004.

**PURCHASE PRICE:** \$8,000,000, payable as follows: One lump sum payment of \$2,500,000 on or before July 1, 2005, with the balance due over 60 months at 9-1/2% interest per annum payable in equal monthly payments of \$115,510.24 commencing July 1, 2005 and continuing each month thereafter through June 1, 2010. The Board may pre-pay the purchase price without penalty or premium upon 30 days advance notice to the Seller. When the purchase price is paid in full, a deed will be recorded in favor of the Purchaser.

**USE:** To relocate Hancock High School and to relieve overcrowding at Pasteur Elementary School.

**APPRAISALS:** Board's appraisal dated December 21, 2004: \$8,600,000 to \$8,800,000 (Real Estate Analysis Corp.)  
Seller's appraisal dated November 16, 2004: \$8,800,000 (MaRous & Co.)

**LEASEBACK:** The Board shall lease back to the Seller the following areas of the Property at the rental rate of \$1.00 per annum from July 1, 2005 to December 31, 2007: convent, chapel, space in the basement, grassy space, apartment, and seven parking spaces, all as more fully-defined in the written agreement.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written Articles of Agreement for Deed and the Lease. Authorize the President and Secretary to execute the Articles of Agreement for Deed and the Lease. Authorize the General Counsel to execute any and all other documents required to consummate this transaction and to execute all ancillary documents required to administer or effectuate the Articles of Agreement for Deed and the Lease.

**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Local School Council review is not applicable to acquisition of real estate.

**FINANCIAL:**

Charge to Operations:	\$2,500,000	FY 04/05
Budget Classification:	0948-464-000-9414-5400	
Charge to Operations:	\$1,386,122.88	FY 05/06
Budget Classification:	1200-552-000-6000-5480	

**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.

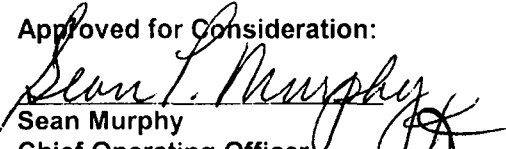
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

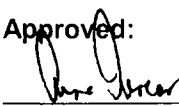
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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:

  
 Sean Murphy  
 Chief Operating Officer

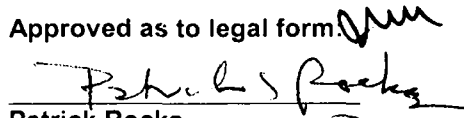
Approved:

  
 Arne Duncan  
 Chief Executive Officer

Within Appropriation:

  
 John Maiorca  
 Chief Financial Officer

Approved as to legal form.

  
 Patrick Rocks  
 General Counsel

**EXHIBIT "A"**

PARCEL 1:

LOTS 1 TO 40 IN BLOCK 2 IN HINKAMP AND COMPANY'S 55<sup>TH</sup> STREET AND CRAWFORD AVENUE SUBDIVISION OF LOTS 1 TO 123 IN LILLIAN'S 55<sup>TH</sup> STREET SUBDIVISION OF THE NORTH ½ OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL OF THE NORTH AND SOUTH 16 FOOT WIDE VACATED ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOTS 11 TO 25 AND LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 26 TO 40 ALSO ALL OF THE EAST AND WEST 16 FOOT WIDE VACATED ALLEY LYING SOUTH OF AN ADJOINING LOTS 1 TO 10 IN BLOCK 2 IN HINKAMP AND COMPANY'S 55<sup>TH</sup> STREET AND CRAWFORD AVENUE SUBDIVISION DESCRIBED AFORESAID.