

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH IMPERIAL REALTY COMPANY, AS  
AGENT FOR THE BENEFICIARIES OF CHICAGO TITLE LAND TRUST COMPANY, SUCCESSOR  
TRUSTEE TO LASALLE BANK N.A., UNDER TRUST NUMBER 4612-HP  
FOR LEASE OF SPACE AT 4632, 4634 AND 4638 W. DIVERSEY**

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

Approve entering into a lease agreement with Imperial Realty Company, as agent for the beneficiaries of Chicago Title Land Trust Company, successor trustee to LaSalle Bank N.A., under Trust No. 4612-HP for lease of space at 4632, 4634 and 4638 West Diversey for use by Schubert, Barry and Falconer State Pre-K programs. 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.

**LANDLORD:** Imperial Realty Company, as agent for the beneficiaries of Chicago Title Land Trust Company, successor trustee to LaSalle Bank N.A., under Trust No. 4612-HP  
4747 W. Peterson Avenue  
Chicago, IL 60646  
Contact: Robert Klairmont  
Phone: 773-736-4100 ext. 16

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

**PREMISES:** 4632, 4634 and 4638 W. Diversey, Chicago, Illinois, consisting of approximately 14,200 rentable square feet and the right to use the common areas of the shopping center, of which the premises is a part.

**USE:** State Pre-K program for Schubert, Barry and Falconer Schools.

**TERM:** The term of the Lease Agreement shall be for a period commencing July 1, 2006 and ending June 30, 2009.

**BASE RENT:** The base rent during the term shall be as follows:

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>	<u>Annual Rate per Square Foot</u>
7/1/06 – 6/30/07	\$17,202.80	\$206,433.60	\$14.54
7/1/07 – 6/30/08	\$17,546.85	\$210,562.20	\$14.82
7/1/08 – 6/30/09	\$17,897.79	\$214,773.48	\$15.12

All rent shall be payable in accordance with the terms of the Lease.

**ADDITIONAL RENT:** Tenant shall be responsible for the payment of its share of common area maintenance of the property and its share of real estate taxes on the property. For the first year of the lease term, these expenses are estimated to be \$69,766.

**UTILITIES:** Gas and electric is separately metered for the Premises and shall be placed in Tenant's name. Tenant shall be responsible for all payments of gas and electricity.

**MAINTENANCE:** Tenant shall keep the Premises in good order and repair and shall, among other things to be detailed in the lease agreement, be solely responsible for HVAC maintenance and repair. Tenant shall also be responsible for janitorial expenses.

**SECURITY DEPOSIT:** None

**LANDLORD IMPROVEMENTS:** Landlord shall paint the entire Premises at Landlord's sole cost and expense; however, Tenant shall be responsible for moving all furniture.

**RELATED EXPENSES:** There are no related expenses as the Board is currently occupying the Premises under three separate leases that all expire on June 30, 2006.

**INSURANCE/INDEMNIFICATION:** The General Counsel shall negotiate all insurance and indemnification provisions in the Lease.

**AUTHORIZATION:** Authorize the General Counsel to include insurance, indemnification, and 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 any and all ancillary documents required to administer or effectuate the Lease Agreement.

**AFFIRMATIVE ACTION:** Exempt

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

**FINANCIAL:** Base Rent & Additional Rent: \$276,200 FY-07  
Budget Classification: 0952-210-364-7931-5480

**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 member 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:**

  
Patrick J. Rocks  
General Counsel