

**RATIFY A LEASE AGREEMENT WITH A & B TOBACCO, INC.
FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with A&B Tobacco, Inc. for rental of space at 125 South Clark Street, 1st floor, Suite A1 (lobby arcade). 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.

TENANT: A&B Tobacco, Inc.
ADDRESS: 125 South Clark St. Arcade A1
Contact Person: Ashok Shah
Phone: 312-726 4064

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, 1st Floor, Suite A1 (lobby arcade), consisting of 500 rentable square feet.

USE: To operate a small retail sales stand in Arcade Space A1 selling various sundry goods including newspapers, magazines and snacks.

TERM: The term of this lease agreement shall commence on May 1, 2001 and shall end April 30, 2011. Tenant shall have one option to renew for a 5-year period.

RENT: The annual rent for the first year of the lease term shall be \$20,000.00, (\$40.00 per square foot) payable in monthly installments of \$1,666.67. Each year thereafter, the rent shall increase by 3% per year.

IMPROVEMENTS: Within six (6) months of the execution of the Lease, the Tenant shall improve the premises in accordance with the terms and conditions of the Board's standard improvement guidelines, which guidelines will be made a part of the Lease.

ADDITIONAL RENT: None. This is a Gross Rent Lease.

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. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Credit Income to General Fund

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.

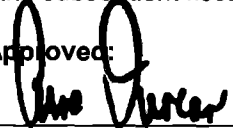
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



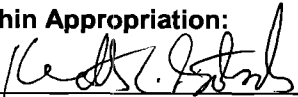
Timothy Martin
Chief Operating Officer

Approved:



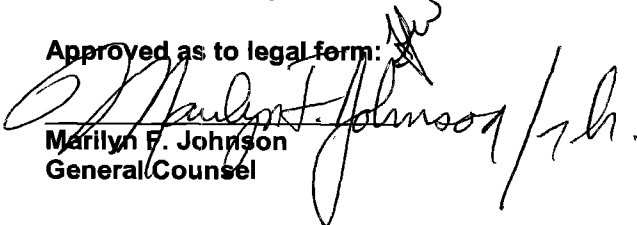
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel