

**RATIFY A LEASE AGREEMENT WITH CAPRI ELECTRIC, INC.
FOR RENTAL SPACE AT 125 SOUTH CLARK STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with Capri Electric, Inc. for rental of space at 125 South Clark Street, Suite 1836. 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: Capri Electric, Inc.
125 South Clark Street, Suite 1836
Contact Person: David DeLeon
Phone: 312-346-3558

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, Suite 1836, consisting of 739 rentable square feet.

USE: Office space for an electrical contractor.

TERM: The term of the Lease shall commence on January 1, 2002 and shall end December 31, 2004.

RENT: The annual rent for the first year of the lease term shall be \$13,302.00 (\$18.00 per square foot) payable in monthly installments of \$1,108.50. Each year thereafter, the rent shall increase by 3.5% per year.

RENT OFFSET/ABATEMENT: The Board shall provide a Rent Abatement to offset tenant's expenses directly associated with improvements to the premises. The Rent Abatement shall be the sum of \$6,651.00, and shall be credited to the Tenant by reducing the monthly rent payable for the first 12 months of the lease term by 50% (\$9.00 per square foot).

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

INSURANCE/INDEMNIFICATION: Tenant will maintain (1) general liability insurance with limits of not less than \$100,000.00 including Landlord and its employees as additional insured and (2) special perils property insurance covering its contents and the Landlord's interest in leasehold improvements. Tenant will provide Landlord with a Certificate of Insurance, with the provision that Tenant must provide 30 days prior written notice to Landlord of its intention to cancel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease. 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 renewal agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: LSC approval is not applicable to this action.

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:



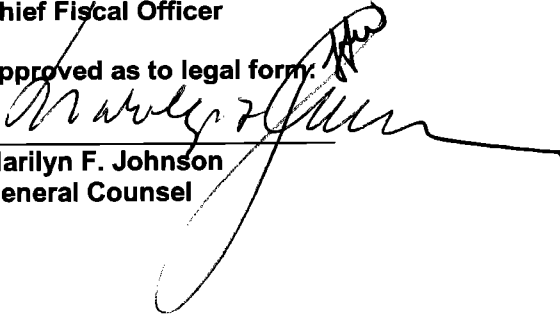
Arne Duncan *by PAD*
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel