

**RATIFY A LEASE AGREEMENT WITH BUSINESS SUPPLY SYSTEMS, INC. D/B/A ORDER FROM HORDER
FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET AND AUTHORIZE
THE PAYMENT OF REAL ESTATE BROKER'S COMMISSION TO U. S. EQUITIES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with Business Supply Systems, Inc. d/b/a Order from Horder for rental of space at 125 South Clark Street, 1st Floor Arcade, Suite A-5 and authorize payment of real estate broker's commission to U. S. Equities Realty, LLC, in the amount of \$7,600.00. 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.

TENANT: Business Supply Systems, Inc. d/b/a Order from Horder
125 South Clark, Arcade A-5
Chicago, IL 60603
Contact Person: Frank Wren
Phone: 312-381-3344

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 S. Clark, 1st Floor – A-5, consisting of approximately 1689 R.S.F.

USE: Retail sale of Office Supplies and related items.

TERM: The term of this lease agreement shall commence on February 1, 2002 and shall end May 31, 2007.

RENT:	<u>Year</u>	<u>Monthly</u>	<u>Annually</u>
	2/1/02-5/31/02	\$5,911.17	\$23,644.68 (4 months)
	6/1/02-5/31/03	\$6,052.25	\$72,627.00
	6/1/03-5/31/04	\$6,193.00	\$74,316.00
	6/1/04-5/31/05	\$6,333.75	\$76,005.00
	6/1/05-5/31/06	\$6,474.50	\$77,694.00
	6/1/06-5/31/07	\$6,615.25	\$79,383.00
	Total		\$403,686.68

ADDITIONAL RENT: Real estate taxes and operating expenses are included in Tenant's gross rent.

ELECTRICITY: Tenant shall be responsible for its use of electricity for overhead lights and outlets which are separately metered.

BUILD-OUT: Landlord will deliver space in its current "as-is" condition. Tenant, at its sole cost and expense, shall be responsible for engaging a general contractor to complete Tenant's work with a substantial completion date no later than June 30, 2003. At a minimum, Tenant's work shall include 1) new flooring; 2) new wall covering and/or new paint; and 3) new signage. Further, Tenant, at its sole cost and expense, shall be responsible for architectural drawings, permits, etc. as may be required for the work. Landlord review and approval shall be required before Tenant may commence with the work.

SECURITY DEPOSIT: None.

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.

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.

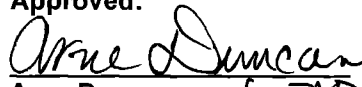
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



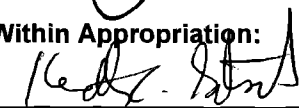
Timothy Martin
Chief Operating Officer

Approved:



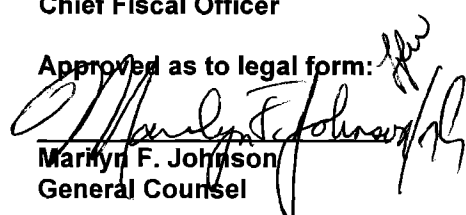
Arne Duncan *by FAT*
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel