

AMEND BOARD REPORT 02-0828-OP01
RATIFY A LEASE AGREEMENT WITH IVER JOHNSON
FOR THE USE AS SPACE AT 4207-09 WEST IRVING PARK ROAD

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with Iver Johnson for use of space at 4207-09 West Irving Park Road. 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 the Board Report. Information pertinent to this lease agreement is stated below.

This amendment is necessary to revise the rent based on additional square footage needed for Early Childhood Education Program and to revise the responsibility for payment of utilities. A written amendment to the lease is required. The authority granted in this amended Board Report shall automatically rescind in the event of a written amendment is not executed within 90 days of the date of this Board Report.

LANDLORD: Iver Johnson
5304 N. Milwaukee
Chicago, IL 60630
Chicago, IL 60603
Phone: (312) 607-0777

TENANT: Board of Education of the City of Chicago

PREMISES: 4207-09 W. Irving Park Road, use of approximately ~~2300~~ 4600 Rentable Square Feet of the building, with two (2) parking spaces at the rear of the building.,

USE: To house State Pre-Kindergarten classrooms for Belding School located at 4257 N. Tripp Avenue, ~~with 40 children in attendance (20 in the morning and 20 in the afternoon).~~

TERM: The term of this lease agreement shall be three (3) years commencing August 1, 2002 and ending July 31, 2005, with one option to renew for two (2) additional years under the same terms and conditions.

RENT: The annual rent until February 28, 2003 shall be \$28,000.00 (\$12.52 per RSF), payable in monthly installments of \$2,400.00 the first year, with a 3% increase each year thereafter including any option periods.

REVISED RENT: Beginning March 1, 2003, the annual rent shall be \$57,600.00 (\$12.52 per RSF), payable in monthly installments of \$4,800.00 the first year, with a 3% increase each year thereafter including any option periods.

UTILITIES: The board shall pay for its own gas and electricity after March 1, 2003. Until February 28, 2003 the cost of electricity shall be split 50/50 between landlord and Board payable monthly upon receipt of each bill for service. Landlord will pay for water and real estate taxes.

IMPROVEMENTS TO PREMISES AT BOARD COST: With approval of the Landlord, the Board shall be responsible for any buildout of the premises necessary for the Board's internal use.

MAINTENANCE: The Board shall be responsible for normal maintenance and janitorial services for the Premises.

INSURANCE/INDEMNIFICATION: The Board shall provide liability insurance under its self-insurance program.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement and the amendment. Authorize the President and Secretary to execute the lease agreement and the amendment. 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: Charge to Early Childhood: ~~\$33,600~~ \$43,600
Budget Classification: 0952-210-364-7931-5480

Fiscal Year: 2003
Source of Funds: Early Childhood

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.

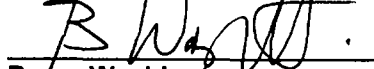
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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


Bruce Washington
Acting Chief Operating Officer

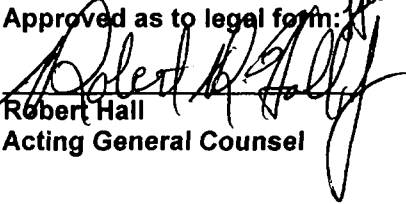
Approved:


Arne Duncan
Chief Executive Officer *by PAD*

Within Appropriation:


Peggy Davis
Chief of Staff

Approved as to legal form:


Robert Hall
Acting General Counsel