

**RATIFY A LEASE RENEWAL AGREEMENT WITH IMPERIAL REALTY, INC.
FOR THE USE OF 4638 WEST DIVERSEY AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease renewal agreement with Imperial Realty, Inc. for 4638 West Diversey Avenue. A written lease renewal agreement is currently being negotiated. No payments shall be made to the Landlord until the lease renewal agreement is fully executed. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 60 days of the date of this Board Report. Information pertinent to this lease renewal agreement is stated below.

LANDLORD: Imperial Realty, as agent for beneficiaries of
NBD Bank U/T #4612-HP
Contact Person: Robert Klairmont, Vice-President
Phone: (773) 736-4100 Ext. 16
Vendor #4756851
The sole beneficiary of Trust #4612-HP is Larry Klairmont

TENANT: Board of Education of the City of Chicago

PREMISES: 4638 W. Diversey, Units 6 & 7, containing 3200 square feet.

USE: To house the State Pre-Kindergarten classrooms for Barry and Falconer Schools.

ORIGINAL LEASE: The original lease agreement (authorized by Board Report 98-0429-OP2) is for a term commencing May 1, 1998 through April 30, 2001 with an extended term (authorized by Board Report 01-1128-OP1) commencing May 1, 2001 and ending June 30, 2003.

RENEWAL TERM: The term of this lease agreement is being renewed for a period commencing on July 1, 2003 and ending June 30, 2006.

RENT: The annual base rent for the renewal term of the lease shall be \$13.50 per square foot or \$43,200 annually, payable in equal monthly installments due on the first day of the month and increasing by 2% on each anniversary date of the lease commencement date. Beginning with the November 1, 2003 payment, a one time late fee equal to \$200.00 will be imposed if any payment is not received within 30 days of its due date. If after 90 days the rent is still unpaid, interest will begin to accrue at 5% of the outstanding balance of unpaid rents.

ADDITIONAL RENT: The Board shall pay additional rent to cover estimated Real Estate Taxes and Common Area Maintenance (CAM). If Common Area Maintenance or Real Estate Taxes increase during the term, an adjustment shall be made at the end of each calendar year.

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

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

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal 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:	Charge to Early Childhood: \$ 43,200	Fiscal Year: 2004
	Budget Classification: 0952-210-364-7931-5480	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).

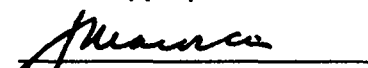
Approved for Consideration:


Sean Murphy
Chief Operating Officer

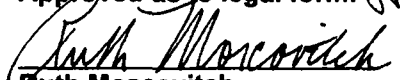
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:


Ruth Moscovitch
General Counsel