

**AMEND BOARD REPORT 03-0625-OP05**  
**APPROVE A LEASE RENEWAL AGREEMENT WITH IMPERIAL REALTY, INC.**  
**FOR THE USE OF 4634 WEST DIVERSEY AVENUE**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve a lease renewal agreement with Imperial Realty, Inc. for 4634 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 amended Board Report. Information pertinent to this lease renewal agreement is stated below.

This Amended Board Report is necessary to reflect the removal of the cap on Real Estate Taxes and Common Area Maintenance (CAM) reimbursements and the addition of late fees and interest for delinquent rental payments.

**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:** 4634 W. Diversey, Units A & B, containing 3800 square feet.

**USE:** To house the State Pre-Kindergarten classrooms for Barry Elementary School.

**TERM:** The term of this lease agreement shall be 36 months commencing on July 1, 2003 and ending June 30, 2006.

**RENT:** The annual base rent for the initial term of the lease shall be:

No less than \$11.00 per square foot per annum and no more than \$15.00 per square foot per annum.

**ADDITIONAL RENT:** The Board shall pay additional rent, ~~not to exceed \$2500 per month~~, 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.

**LATE PAYMENT FEES:** Beginning December 1, 2003, if any payment of rent or additional rent is not received within 30 days of its due date, a late fee equal to \$200.00 per month will be imposed and, if not received within 90 days, interest accrues at 5% year per annum.

**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 renewal agreement.

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

**FINANCIAL:** Charge to Early Childhood: \$ 87,000  
Budget Classification: 0952-210-364-7931-5480

Fiscal Year: 2004  
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.

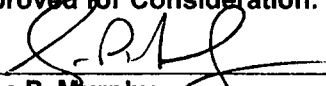
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

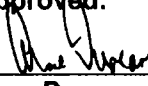
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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 P. Murphy  
Chief Operating Officer

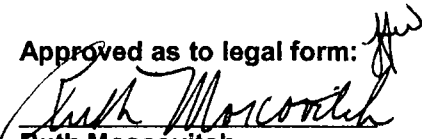
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
John Maiorca  
Chief Financial Officer

**Approved as to legal form:**

  
Ruth Moscovitch  
General Counsel