

AMEND BOARD REPORT 03-1217-OP03
AMEND BOARD REPORT 03-0625-OP06
AMEND BOARD REPORT 03-0225-OP01
APPROVE EXERCISING THE OPTION TO EXTEND THE MASTER
LEASE AGREEMENT WITH THE CATHOLIC BISHOP OF CHICAGO

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the option to extend the master lease agreement with The Catholic Bishop of Chicago. A written extension 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 amended Board Report. Information pertinent to this lease agreement is stated below. The current schools, square footage, base rent and additional rent are identified on Exhibit A attached hereto.

This amended Board Report is necessary to increase funding to cover FY-03 year end expenses, to add new schools for the 2003-2004 school year, to fund rental obligations and reimbursable expenses for FY-04 in a sum not to exceed \$5,000,000, and to authorize automatic monthly payment of base rents. A written amendment to the lease is currently being negotiated. The authority granted herein shall automatically rescind in the event a written extension agreement is not executed within 90 days of the date of this amended Board Report.

This amended Board Report is necessary to (i) change Exhibit A to reflect final negotiated square footage of each school site, (ii) amend the limit for reimbursement of FY-03 expenses, and (iii) remove school-related sites from the amendment to the Master Lease Agreement.

This amended Board Report is necessary to change Exhibit A to reflect the FY-05 adjustments to the Master Lease Agreement.

LANDLORD: Catholic Bishop of Chicago
c/o Archdiocese of Chicago
P.O. Box 1979
Contact Person: Thomas Brennan
Chicago, IL 60690-1979
Phone: (312) 751-7218

TENANT: Board of Education of the City of Chicago

PREMISES: During the renewal term, the Landlord shall lease the Board the Archdiocese school sites which will be specified on Corrected Exhibit A to the Lease Renewal Document.

USE: To relieve overcrowding and provide temporary classroom and gym space.

ORIGINAL LEASE AGREEMENT: The Original Master Lease Agreement (authorized by Board report 00-0823-OP1) is for a term commencing August 1, 1999 and ending June 30, 2002, with the Board having the option to renew the lease for one additional 3-year term, subject to Landlord's consent. Landlord has consented to the extension.

RENEWAL TERM: The term of the lease shall be extended for a period commencing July 1, 2002 and ending June 30, 2005.

BASE RENT: The Base Rent for the first year of the extended term is \$4.80 per square foot. The Base Rent for the second year of the extended term is \$4.94 per square foot. The Base Rent for the third year of the extended term is \$5.09 per square foot. The Base Rent shall be paid automatically (without need for an invoice) in equal installments on a monthly basis.

YEAR END EXPENSES FY-03: A sum shall be paid to Landlord to satisfy FY-03 year-end expenses for repairs and other outstanding charges.

ADDITIONAL RENT: Janitorial costs initially shall be \$.85 per square foot and shall increase 3% each year after the 1st year of the renewal term. Initial utility costs shall be \$.65 per square foot for electricity and \$.60 per square foot for gas. These rates shall be adjusted on July 1st of each year of the lease renewal to reflect the actual costs incurred. Janitorial costs and utility costs shall be added to Base Rent and be paid automatically (without need for an invoice) in equal installments on a monthly basis.

REIMBURSABLE EXPENSES: Certain unanticipated expenses, other than those specifically outlined in the Master Lease Agreement as Capital Improvements or Repairs/Janitorial Services, if performed by Landlord, shall be reasonably reimbursed in a timely manner upon submission of proper invoicing.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written extension agreement and all amendments and addendums thereto. Authorize the Chief Operating Officer to negotiate and execute Addendums to the Lease, as amended. Authorize the President and Secretary to execute the extension agreement and amendment. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease and the extension agreement and all amendments and addendums thereto.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Counsel is not applicable to this report

FINANCIAL: Charge to Operations: \$3,568,906 +\$500,000 = \$4,068,906 Fiscal Year: 2003
Budget Classification: 0944-552-000-6000-5480
0944-552-000-4453-5470

Charge to Operations: \$5,000,000 Fiscal Year : 2004
Budget Classification: 0944-552-000-6000-5480
Various Schools-552-000-6000-5480

Charge to Operations: \$4,117,041 Fiscal Year: 2005
Budget Classification: Various Schools 552-000-6000-5480

Source of Funds: PBC O&M 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.

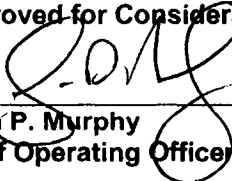
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



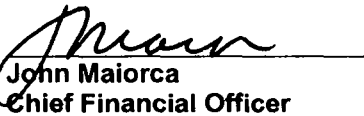
Sean P. Murphy
Chief Operating Officer

Approved:



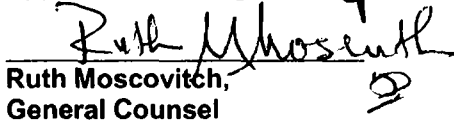
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth Moscovitch,
General Counsel

2004-2005
Master Lease Rent Roll
Exhibit A

CPS SCHOOL FISCAL YEAR 2004-2005	PARISH NAME	Square Footage	Annual Base Rent at \$5.09	Annual Janitorial at \$0.91	Annual Electric at \$0.65	Annual Heat at \$0.65	Monthly Rent	Annual Rent
Seward Branch	Holy Cross	26,913	\$136,987.17	\$24,490.83	\$17,493.45	\$17,493.45	\$16,372.08	\$196,464.90
Shields	Imm. Conception - 44th	33,265	\$169,318.85		\$21,622.25	\$21,622.25	\$17,713.61	\$212,563.35
Las Casas Occup. H.S.	Jesus Our Brother	33,724	\$171,655.16		\$32,787.95	\$21,920.60	\$16,131.31	\$193,575.76
McKinley Park School	Our Lady of Fatima	50,443	\$256,754.87				\$26,860.90	\$322,330.77
North River School	Our Lady of Mercy	26,881	\$136,824.29				\$11,402.02	\$136,824.29
North River School	Our Lady of Mercy	16,087	\$81,882.83	\$14,639.17	\$10,456.55	\$10,456.55	\$9,786.26	\$117,435.10
McKay Branch	St. Adrian	10,053	\$51,169.77				\$4,264.15	\$51,169.77
Talman	St. Clare de Montefalco	30,593	\$155,718.37		\$19,885.45	\$19,885.45	\$16,290.77	\$195,489.27
Clay	St. Columba	9,820	\$49,983.80		\$6,383.00	\$6,383.00	\$5,229.15	\$62,749.80
Ashburn	St. Denis	53,020	\$269,871.80				\$22,489.32	\$269,871.80
Roque De Duprey	St. Fidelis	31,257	\$159,098.13	\$28,443.87	\$20,317.05	\$20,317.05	\$19,014.68	\$228,176.10
Gallistel Elementary	St. Francis de Sales	25,024	\$127,372.16		\$16,265.60	\$16,265.60	\$13,325.28	\$159,903.36
Belmont/Cragin	St. James	33,042	\$168,183.78		\$21,477.30		\$15,805.09	\$189,661.08
Cesar Chavez	St. Joseph - Hermitage	21,753	\$110,722.77		\$14,139.45		\$10,405.19	\$124,862.22
Payton	St. Joseph - Orleans	7,737	\$39,381.33		\$5,029.05	\$5,029.05	\$4,119.95	\$49,439.43
DePriest	St. Martin de Porres	34,749	\$176,872.41		\$22,586.85	\$22,586.85	\$16,621.61	\$199,459.26
Green	St. Maurice	14,293	\$72,751.37		\$9,290.45	\$9,290.45	\$7,611.02	\$91,332.27
Hedges Middle Branch	St. Michael the Arch.	10,224	\$52,040.16	\$9,303.84	\$6,645.60	\$6,645.60	\$6,219.60	\$74,635.20
Davis	St. Pancratius	21,170	\$107,755.30				\$8,979.61	\$107,755.30
Fairfield Academy	St. Rita	54,608	\$277,954.72		\$35,495.20	\$35,495.20	\$29,078.76	\$348,945.12
Fairfield Academy - Gym/Hall	St. Rita	10,716	\$54,544.44		\$6,965.40	\$6,965.40	\$5,706.27	\$68,475.24
Hanson Branch	St. Stanislaus B&M	38,130	\$194,081.70		\$24,784.50	\$24,784.50	\$20,304.23	\$243,650.70
Clinton Branch	St. Timothy	28,543	\$145,283.87	\$25,974.13	\$18,552.95	\$18,552.95	\$17,363.66	\$208,363.90
Reilly Branch	St. Wenceslaus	28,725	\$146,210.25		\$18,671.25	\$18,671.25	\$15,296.06	\$183,552.75
	SUB-TOTAL	650,770	\$3,312,419.30	\$102,851.84	\$306,262.45	\$315,163.15	\$336,390.56	\$4,036,686.74
Gallistel Elementary	St. Frances de Sales (hall/gym *4.40/sf)	4,704	\$14,582.40		\$1,881.60	\$1,881.60	\$1,505.28	\$18,063.36
	GRAND TOTAL	655,474	\$3,327,001.70	\$102,851.84	\$308,144.05	\$316,752.51	\$337,895.84	\$4,054,750.10
TBD	St. John of God - 9mo rent	17,126	\$87,171.34		\$11,131.90	\$11,131.90	\$9,119.60	\$82,076.36

rate increases by 61% of the master base rate

\$3.10
\$0.40
\$0.34
\$0.56
\$4.40

St. Frances de Sales
Base rate per sq. ft.
Electric rate per sq. ft.
Heat rate per sq. ft.
Janitorial per sq. ft.

5.09/SF
0.65/SF
0.65/SF
0.91/SF

Master Base rate per sq. ft.
Electric rate per sq. ft.
Heat rate per sq. ft.
Janitorial rate per sq. ft.

St. John of God - Rent Starts 10/1/04