

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH PETER GRITZANIS FOR USE OF SPACE AT
1140 EAST 87TH STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Peter Gritzanis ("Landlord") for use of space at 1140 East 87th Street. 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 this Board Report. Information pertinent to this lease agreement is stated below.

LANDLORD: Peter Gritzanis
3115 South Michigan #302
Chicago, IL 60616
Contact: Peter Gritzanis
Phone: 312-907-7169

TENANT: Board of Education of the City of Chicago

PREMISES: 1140 East 87th Street, Chicago, Illinois. Office Building plus associated parking.

USE: To house the Early Childhood Education State Pre-kindergarten administrative offices.

TERM: The term of this lease agreement shall commence as of August 1, 2004 and shall end July 31, 2006.

RENT: Monthly rent payments during the term of the lease shall be in the sum of \$5,000.

ADDITIONAL RENT: The Board shall pay as additional rent Real Estate Taxes, Insurance, water charges and Common Area Maintenance (CAM) expenses. If Real Estate Taxes, Common Area Maintenance, water or Insurance costs increase during the lease term then adjustments will be made to reflect the increase.

CONSTRUCTION: Landlord shall provide build-out of the Premises in preparation for the Board's occupancy at no cost to the Board.

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

LANDLORD'S MAINTENANCE AND REPAIR OBLIGATIONS: The Landlord shall maintain, repair and replace the structural parts of the Building, which structural parts shall be deemed to include, but not limited to, walls, concrete floors, roof structure, mason work, downspouts, beams, girders, columns, foundation and structural plumbing.

INSURANCE/INDEMNIFICATION: The Board shall maintain coverage under its self-insurance policy.

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. 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: City Wide Rent	\$ 72,240	FY-05
	\$ 72,240	FY-06
Budget: Classification: 0944-552-000-6000-5480		

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.

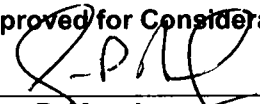
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

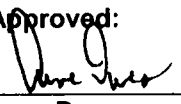
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

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