

AMEND BOARD REPORT 04-0728-OP9
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.

This amended Board Report is required to reflect the final negotiated terms of this lease regarding rent and responsibilities of Landlord and Tenant.

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~~ \$6,000.00. The Board has been making monthly payments of \$5,000 on this property. Upon execution of the lease, the Board shall commence making \$6,000 monthly payments and shall make a lump sum payment of \$1,000 times the number of months expired on the lease term.

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. None.~~

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, and snowplowing of the parking lot and garbage pick-up.

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: Early Childhood	\$ 72,240	<u>(\$240)</u>	<u>\$72,000</u>	FY-05
	\$ 72,240	<u>(\$240)</u>	<u>\$72,000</u>	FY-06
Budget: Classification: 0952-210-364-7931-5480				

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.

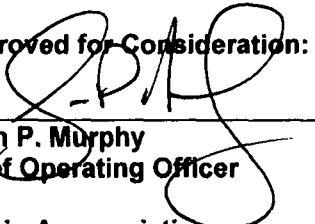
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

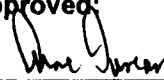
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



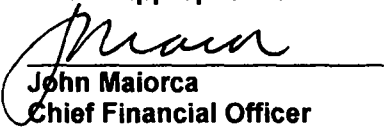
Sean P. Murphy
Chief Operating Officer

Approved:



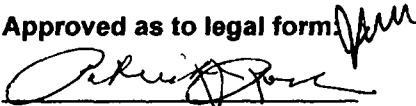
Arne Duncan
Chief Executive Officer

Within Appropriation.



John Maiorca
Chief Financial Officer

Approved as to legal form:



Patrick R. Rocks
General Counsel