

July 24, 2002

RATIFY ENTERING INTO A LEASE AGREEMENT WITH THE OPTION TO PURCHASE SCHOOL FACILITIES AND PROPERTY AT 4034 W. 56TH STREET (LOURDES HIGH SCHOOL)

THE FOLLOWING DECISION:

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THAT

Ratify entering into a lease agreement (with an option to purchase) Lourdes High School, located at 4034 W. 56th Street, Chicago, Illinois. The Board ratifies taking possession of the premises as of July 1st, 2002.

The written lease and option agreement are being finalized. The authority granted herein shall terminate, rescind, in the event the written lease (with an option to purchase) agreement has not been executed within 120 days of the date of this Board Report. Inform

stated below

LEASING AND PURCHASE

Board of Education of the City of Chicago

located at 4034 W. 56th Street (104,000 square feet) and 18 leased premises: Lourdes High School located at 4034 W. 56th Street, Chicago, Illinois 60629. The leased premises are to be used for a shared use of certain space in the basement.

LEASING AND PURCHASE: Lourdes High School located at 4034 W. 56th Street, Chicago, Illinois 60629. The leased premises are to be used for a shared use of certain space in the basement. ("Excluded Areas"). There is

High School (up to 600 students) and to relieve overcrowding at Portier Elementary School (up to 200 students).

Elementary School (up to 200 students)

base rent (including the 18 parking spaces) will be \$42,608.33 for 7/1/02 to 6/30/03, \$45,203.18 for 7/1/04 to 6/30/05. The Board shall also pay for

RENT: For 7/1/02 to 6/30/03 the monthly rent shall be \$42,608.33 and for 7/1/04 to 6/30/05 the monthly rent shall be \$45,203.18.

electricity and gas charges to the premises at the rate of \$0.05 per kWh and \$0.05 per therm (or the applicable utility rates) and the electricity and gas charge is adjusted from time to time to reflect the applicable utility rates.

MAINTENANCE: The Board shall be responsible for maintaining the leased premises and the base building systems that serve the Excluded Areas.

emburses the Board for 1/3 of the cost. The Board and the Lessor shall mutually provide liability insurance at the limits set forth in the lease and workers' compensation insurance at the limits set forth in the lease and statutory limits.

to make any other capital improvements, the Board may either terminate the lease or the Lessor pays the cost up to 1/3 of the annual rent and the Board pays the balance. Upon termination of the lease due to a default on the part of the Lessor and (based on a straight line over 12 years) of the amount paid by the Board is repaid by the Lessor. Upon termination for any other reason, there is no repayment of the amounts paid by the Board.

OPTION TO PURCHASE: The Board has the option to purchase the entire property, including the Excluded Areas, at a price equal to the fair market value as of the option date. The option must be exercised between July 1st, 2004 and

0005. The fair market value shall be set by appraisal, which shall not be less than \$6,500,000.
 improvements to be made by the board. The lessor has the obligation to maintain the excluded system
 December 31, 2006 at a rent of \$1.00 per year (the lessor must repair and maintain branch plumbing,
 electrical and heating).