

July 24, 2002

APPROVE ENTERING INTO TWO LEASE AGREEMENTS WITH PERSPECTIVES CHARTER SCHOOL

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

for the building and

Approve entering into two lease agreements with the Perspectives Charter School

agreements are currently being negotiated. The Tenant, Perspectives Charter School, is located at 915 South Federal Street. Written lease

shall advise the Board of Estates be created prior to the execution of the written lease agreements. The authority granted herein shall automatically rescind if the

execution of the written lease agreements. The authority granted herein shall automatically rescind if the

date of this Board Report is not a material

even written agreements are not executed within 90 days of the

pertinent to the lease agreements is stated below.

TENANT: Perspectives Charter School

1532 South Michigan Avenue

Chicago, Illinois 60603

Contact Person: Matt Shaw

Phone: (312) 431-8770

LAND: ORN: Board of Education of the City of Chicago

eastern portion of the Parcel (under which the

LEASES: A Ground Lease shall be executed for the e

w) and a Building Lease shall be executed for the

Tenant shall construct the New Building identified below

portion of the Parcel (under which the Tenant shall lease the Existing Building identified below).

western p

part of the Premises under the lease will be identified pursuant to a survey

OWNERSHIP OF NEW BUILDING AND ADDITIONAL IMPROVEMENTS: At the expiration of the

Ground lease due to expiration of the Lease Term or termination of the Lease due to default or breach

the Tenant, the New Building and all additional improvements shall become the sole property of the

ownership rights or leasehold rights. If the New Building and all additional improvements are

encumbered by a mortgage lien or other debt service, the Board and/or the Additional Improvements

shall be subject to a lien in favor of the Board and/or the Additional Improvements.

The Board and/or the Additional Improvements shall be secured by a mortgage lien in favor of the Board and/or the Additional Improvements.

provided however, the Board and/or the Additional Improvements shall not be subject to a lien in favor of the Board and/or the Additional Improvements.

or default by the Tenant under the Lease.

The \$1 million obligation of the Tenant is not secured by a mortgage lien in favor of the Board and/or the Additional Improvements.

RENT: The annual rent for the Term of the leases shall be as follows:

Building Lease: \$1 per annum

per annum. Ground Lease: \$250,000 per annum, payable monthly in advance, and

increasing on a cumulative basis by 3% on 7/1/35 and thereafter.

7/1/34 to 6/30/42 \$250,000 per annum, payable monthly in advance, and

increasing on a cumulative basis by 3% on 7/1/35 and thereafter.

AFFIRMATION: Tenant shall provide a satisfactory receipt of insurance proceeds received under the Lease Agreements.

INSURANCE: The Board and/or the Additional Improvements shall be insured by a policy of insurance covering the

General Counsel to include other relevant terms and conditions in the Lease Agreements.

AUTHORIZATION: Authorize the Board and/or the Additional Improvements to execute all ancillary documents required to administer or effectuate the

lease agreements. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the

lease agreements.

AFFIRMATIVE ACTION: Exempt.

LEGISLATION: The Board and/or the Additional Improvements shall be subject to the provisions of the Illinois

Public Access to Information Act, 5 ILCS 140/1-140/7, and the Freedom of Information Act, 5 U.S.C. 552.

FINANCIAL: The Board and/or the Additional Improvements shall be subject to the provisions of the Illinois

Public Access to Information Act, 5 ILCS 140/1-140/7, and the Freedom of Information Act, 5 U.S.C. 552.

GENERAL CONDITIONS:

Inspector General - Each party to the agreements shall acknowledge that in accordance with 105 ILCS

105/1-105/10, the Board and/or the Additional Improvements shall be subject to the provisions of the Illinois

Public Access to Information Act, 5 ILCS 140/1-140/7, and the Freedom of Information Act, 5 U.S.C. 552.

Investigations and that the Inspector General shall have access to all information and personnel necessary for the

conduct of the investigations.

Confidentiality - The agreements shall be confidential and shall not be disclosed to any third party without the

written consent of the Board and/or the Additional Improvements.

...onument... ability... the agreements... contain... no clause... any expenditure... beyond... the current... fiscal year... is... necessary... under... the... in... the... appropriation...

budget(s)

APPROVED

Approved for Consideration

Arne Duncan
Arne Duncan
Chief Operating Officer

Timothy Martin
Timothy Martin
Chief Executive Officer

Within Appropriation:

Kenneth C. Gotsch
Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form. *Marilyn F. Johnson*

Marilyn F. Johnson
Marilyn F. Johnson
General Counsel