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 in an amount not to exceed \$500,000, to add new schools and school-related sites 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.

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 and

School-Related Sites, which will be specified on Corrected Exhibit A to the Lease Renewal

Document.

USE: To relieve overcrowding and provide temporary classroom space and School-Related Sites such

as parking spaces and gymnasiums.

ORIGINAL LEASE AGREEMENT: The Original m-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 not to exceed \$500,000 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.

SCHOOL-RELATED SITES: School-Related Sites are parking spaces, gymnasiums and other facilities that support an existing Board-owned school. Rents for parking spaces at School-Related Sites shall not exceed \$3.50 \$2.50 per car per day and rents for gymnasiums and other facilities at School-Related Sites shall be leased at a rate to be negotiated by the Chief Operating Officer, all of which to be paid as invoiced by the Landlord.

REIMBURSABLE EXPENSES: Certain unanticipated expenses, in a sum not to exceed \$500,000, 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, to add School-Related Sites to the Premises being leased by the Board at a rate agreed to by the Chief Operating Officer. 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

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).

Sean P. Murphy Chief Operating Officer

Within Appropriation:

Jøhn Maiorca Chief Financial Officer

Ruth Moscovitch, **General Counsel**

Approved:

Arne Duncan

Chief Executive Officer

ARCHDIOCESE LEASE - FISCAL YEAR 2003-2004

CPS School Fiscal	DMAN USIGAG	Square	Annual Base	Monthly Base	Monthly	Monthly	Monthly Heat	Total	Total Annual	nal
Year 2003-2004	TANGE INCHES	Footage	Rent \$4.94	Rent \$4.94	Janitorial @ 0.88	Electric @ 0.65	© 0.60	Monthly Rent	Rent	
Belmont/Cragin	St. James	33,042	\$ 163,227.48	\$		\$ 1,789.78		\$ 15,392.07	\$ 184,704.78	1.78
Bumham	St. Kevin	12,077	\$ 59,660.38	\$ 4,971.70		\$ 654.17	\$ 603.85	\$ 6,229.72	\$ 74,756.63	3.63
ze.	St. Joseph - South	21,753	\$ 107,459.82	⇔		\$ 1,178.29		\$ 10,133.28	\$ 121,599.30	9.30
	St. Columba	9,820	\$ 48,510.80	\$ 4,042.57		\$ 531.92	\$ 491.00	\$ 5,065.48	\$ 60,785.80	2.80
Clinton Branch	St. Timothy	28,543	\$ 141,002.42	\$ 11,750.20	\$ 2,093.15	\$ 1,546.08	\$ 1,427.15	\$ 16,816.58	\$ 201,799.01	9.01
Davis	St. Pacratius	21,170	\$ 104,579.80	\$ 8,714.98				\$ 8,714.98	\$ 104,579.80	9.80
DePriest	St. Peter Canisius	24,624	\$ 121,642.56	\$ 10,136.88		1,333.80	\$ 1,231.20	\$ 12,701.88	\$ 152,422.56	5.56
Fairfield	St. Rita	54,608	\$ 269,763.52	\$ 22,480.29		\$ 2,957.93	\$ 2,730.40	\$ 28,168.63	\$ 338,023.52	3.52
Gallistel	St. Francis de Sales	25,024	\$ 123,618.56	\$ 10,301.55	\$ 1,835.09	\$ 1,355.47	\$ 1,251.20	\$ 14,743.31	\$ 176,919.68	9.68
Green	St. Maurice	14,293	\$ 70,607.42	ક		\$ 774.20	\$ 714.65	\$ 7,372.81	\$ 88,473.67	3.67
Hedges Middle branch St. Michael the Arch	St.Michael the Arch	10,224	\$ 50,506.56		\$ 749.76	\$ 223.80	\$ 511.20	\$ 6,023.64	\$ 72,283.68	3.68
Hurley/Ashburn	St. Denis	53,020	\$ 261,918.80	\$				\$ 21,826.57	\$ 261,918.80	3.80
Las Casas Occup	Jesus Our Brother	33,724	\$ 166,596.56	\$ 13,883.05			\$ 1,686.20	\$ 15,569.25	\$ 186,830.96	96.
McKay Branch	St. Adrian	10,053	\$ 49,661.82	ક્ક				\$ 4,138.49	\$ 49,661.82	1.82
McKinley Park	OL of Fatima	50,443	\$ 249,188.42	\$ 20,765.70		\$ 2,732.33	\$ 2,522.15	\$ 26,020.18	\$ 312,242.18	2.18
Mitchell Branch	Holy Rosary	14,208	\$ 70,187.52	\$ 5,848.96				\$ 5,848.96	\$ 70,187.52	7.52
North River	OL of Mercy	26,881	\$ 132,792.14	\$ 11,066.01				\$ 11,066.01	\$ 132,792.14	2.14
Payton	St. Joseph - North	7,737	\$ 38,220.78	\$		\$ 419.09	\$ 386.85	\$ 3,991.00	\$ 47,892.02	20.2
Reilly Branch	St. Wenceslaus	28,725	\$ 141,901.50	\$		\$ 1,555.94	\$ 1,436.25	\$ 14,817.31	\$ 177,807.75	7.75
Roque De Duprey	St. Fidelis	31,257	\$ 154,409.58	\$ 12,867.47	\$ 2,292.18	\$ 1,693.09	\$ 1,562.85	\$ 18,415.58	\$ 220,986.99	3.99
Seward Branch	Holy Cross	26,913	\$ 132,950.22	\$ 11,079.19	\$ 1,973.62	\$ 1,457.79	\$ 1,345.65	\$ 15,856.24	\$ 190,274.91	1.91
Shields	Imm. Conception	33,265	\$ 164,329.10	\$ 13,694.09		\$ 1,801.85	\$ 1,663.25	\$ 17,159.20	\$ 205,910.35	35
Taiman	St. Ciare de Montefaico	30,593	\$ 151,129.42	\$ 12,594.12		\$ 1,657.12	\$ 1,529.65	\$ 15,780.89	\$ 189,370.67	79.0
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	TVIOLENS:	601,997	\$ 2,973,865.18	\$ 247,822.10	\$ 8,943.81	\$ 23,992.64	\$ 21,093.50	\$ 301,852.05	\$ 3,622,224.54	54
OTHER SITES										
DePriest	St. Martin de Porres (5.54 psf)	34,749	\$ 192,509.46	\$ 16,042.46				\$ 16,042.46	\$ 192,509.46	3.46
	SUB-TOTAL	34,749	\$ 192,509.46	\$ 16,042.46	•	- \$	•	\$ 16,042.46	\$ 192,509.46	9.46
	GRAND TOTAL	636.746	636.746 \$ 3.166.374.64	\$ 263.864.55	8.943.81	•	\$ 21.093.50	23.992.64 \$ 21.093.50 \$ 317.894.51	\$ 3.814.734.00	9
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