

RATIFY A LEASE AGREEMENT WITH CHICAGO SCHOOL ASSOCIATES, A JOINT VENTURE FOR USE OF SPACE AT 125 SOUTH CLARK

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify a lease agreement with Chicago School Associates, a Joint Venture for use of space at 125 S. Clark Street. A written lease is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report. Information pertinent to the lease agreement is stated below.

TENANT: Chicago School Associates, a Joint Venture
303 East Wacker Drive, Suite 600
Chicago, IL 60601
Contact Person: Kenneth Z. Crumrine
Phone: 312-939-0300
Vendor # 29459

a) Consoer, Townsend Envirodyne Engineers
303 East Wacker Drive
Chicago, IL 60601
Michael R. Kolloway
312-939-0300
Vendor # 29459

b) McClier
401 East Illinois
Chicago, IL 60611
Thomas C. Corning
312-373-7700

c) DMJM
401 East Illinois
Chicago, IL 60611
Fred Borich
312-321-6100

LANDLORD: Board of Education of the City of Chicago

PREMISES: Office space allocated to Tenant for use by Tenant in performance of its consultant duties under the Program Management Services Agreement between Landlord and Tenant.

TERM: The term of this Lease shall commence as of October 1, 2004 and shall end September 30, 2007, which term coincides with the Program Management Services Agreement. In the event the Program Management Agreement is renewed this lease shall automatically renew for the same period of time.

EARLY TERMINATION RIGHT: If, for any reason, the Program Management Services Agreement between Landlord and Tenant is terminated, this Lease shall automatically terminate.

RENT: The rent for the term of this agreement or any extensions thereof shall be \$19.42 per square foot, payable in monthly installments. Currently, tenant shall lease approximately 5,580 square feet which amount may increase or decrease throughout the term of the lease, and the rent shall be adjusted accordingly.

INSURANCE/INDEMNIFICATION: Tenant will maintain (1) general liability insurance with limits of not less than \$1 Million including Landlord and its employees as additional insures and (2) special perils property insurance covering its contents and the Landlord's interest in any leasehold improvements.

Tenant will provide Landlord with a Certificate of Insurance, with the provision that Tenant must provide 30 days prior written notice to Landlord of its intention to cancel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the lease. Authorize the President and Secretary to execute the lease agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: LSC approval is not applicable to this action.

FINANCIAL: Credit rent income to the General Fund – 210 Rental Income.

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.

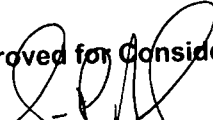
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

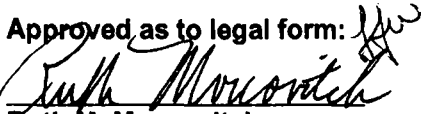
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:


Ruth M. Moscovitch
General Counsel