

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH 850 W. JACKSON L.L.C.
FOR LEASE OF SPACE AT 850 W. JACKSON BLVD.**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with 850 W. Jackson L.L.C. for lease of space at 850 W. Jackson Blvd. for use by the Office of the Inspector General. A written lease agreement 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 this lease agreement is stated below.

LANDLORD: 850 W. Jackson L.L.C.
c/o Marc Realty
55 E. Jackson Blvd.
Suite 500
Chicago, IL 60604
Contact: Steve Luxenberg
Phone: 312-884-5393

TENANT: Board of Education of the City of Chicago

PREMISES: 850 W. Jackson Blvd., Suite 500, consisting of approximately 10,167 rentable square feet.

USE: Office space for the Office of the Inspector General.

TERM: The term of the Lease Agreement shall be for a period commencing February 1, 2006 and ending January 31, 2011.

BASE RENT: The base rent during the term shall be as follows:

| <u>Period</u> | <u>Monthly Base Rent</u> | <u>Annual Base Rent</u> | <u>Annual Rate per Square Foot</u> |
|------------------|--------------------------|-------------------------|------------------------------------|
| 2/1/06 – 1/31/07 | \$12,904.00 | \$154,848.00 | \$15.23 |
| 2/1/07 – 1/31/08 | \$12,904.00 | \$154,848.00 | \$15.23 |
| 2/1/08 – 1/31/09 | \$14,598.00 | \$175,176.00 | \$17.23 |
| 2/1/09 – 1/31/10 | \$15,022.00 | \$180,264.00 | \$17.73 |
| 2/1/10 – 1/31/11 | \$15,445.00 | \$185,340.00 | \$18.23 |

All Rent shall be payable in accordance with the terms of the Lease.

ADDITIONAL RENT: Tenant shall be responsible for its proportionate share of increases in the Building's operating expenses and real estate taxes over a 2005 Base Year.

SECURITY DEPOSIT: None

LANDLORD BUILD-OUT: Landlord will build-out the space and provide cabling to the space in accordance with certain agreed upon plans and specifications which will be attached to and made a part of the lease agreement.

LANDLORD'S SERVICES: Landlord shall provide heating and cooling, water, electricity, janitorial services, window washing, elevator maintenance, and snow removal. Tenant shall keep the Premises in good order and repair.

PARKING: During year one (1) of the lease term, Landlord shall provide Tenant with ten (10) parking spaces free of charge and an additional five (5) parking spaces at the current market rate per space. During years 2-5 of the lease term, Landlord shall provide Tenant with fifteen (15) parking spaces at the current rate per space. The current market rate per parking space is \$180.00.

RELATED EXPENSES: Moving expenses are estimated not to exceed \$13,000.00. No furniture/equipment charges are expected because the Inspector General's Office anticipates utilizing all existing equipment and furniture. Telecommunication expenses are estimated not to exceed \$3,000.00.

INSURANCE/INDEMNIFICATION: The General Counsel shall negotiate all insurance and indemnification provisions in the Lease.

AUTHORIZATION: Authorize the General Counsel to include insurance, indemnification, and 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 any and all ancillary documents required to administer or effectuate the Lease Agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Local School Council is not applicable to this report.

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|-------------------|----------------------------|------------------------|-------|
| FINANCIAL: | Rent: | \$64,520.00 | FY-06 |
| | Budget Classification: | 10320-115-57705-252801 | |
| | Parking: | \$4,500.00 | FY-06 |
| | Budget Classification: | 10320-115-57705-252801 | |
| | Moving Expenses: | \$13,000.00 | FY-06 |
| | Budget Classification: | 10320-115-57705-252801 | |
| | Telecommunication Expenses | \$3,000.00 | FY-06 |
| | Budget Classification: | 10320-115-57705-252801 | |

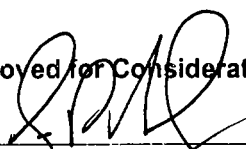
GENERAL CONDITIONS:

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.

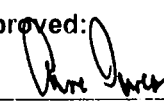
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Approved for Consideration:



Sean P. Murphy
Chief Operating Officer

Approved:



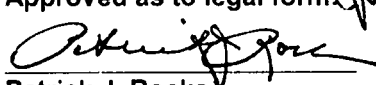
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel