

AUTHORIZATION TO PURCHASE 1440 W. CERMAK ROAD**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize the purchase of the property located at 1440 W. Cermak Road, Chicago, Illinois (the "Property") from Coca-Cola Enterprises, Inc. for the expansion of the Benito Juarez High School. A written contract is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this purchase is stated below.

- SELLER:** Coca-Cola Enterprises, Inc.
2500 Windy Ridge Parkway
Atlanta, GA 30339
Contact: Rick Ingram, Esq.
Phone: 312-836-4074
- PROPERTY:** 1440 W. Cermak Road
Chicago, Illinois 60608
Legal Description: See Exhibit A
- PURCHASER:** City of Chicago, In Trust for the Use of Schools
on behalf of the Board of Education of the City of Chicago
- PURCHASE PRICE:** The purchase price for the Property is \$3,500,000, with \$50,000 in initial earnest money due within five (5) days of the effective date of the contract, and \$200,000 in additional earnest money due at the end of the Board's Feasibility Period, as defined below.
- FEASIBILITY PERIOD:** The Board shall have until May 1, 2006 to examine the Property and all matters relating thereto to determine its suitability for school purposes ("Feasibility Period"). The Board may terminate the contract by giving Seller written notice within the Feasibility Period and the initial earnest money shall be returned to the Board.
- USE:** For the expansion of the Benito Juarez High School.
- APPRAISAL:** The appraised value of the Property as of March 13, 2006 is \$3,560,000, as prepared by Gibbons & Gibbons on behalf of the Board.
- INDEMNIFICATION:** Authorize the General Counsel to negotiate an environmental indemnification in the contract in which the Board will indemnify the Seller for any environmental claims made against Seller by anyone who uses or occupies the Property after the purchase by the Board.
- CLOSING:** Closing shall occur on or about October 1, 2006 at a title company, selected by Seller. Seller shall provide the Board with an owner's title insurance policy for the full amount of the Purchase Price and an ALTA survey. All title endorsements requested by the Board shall be at the Board's expense.
- AUTHORIZATION:** Authorize the General Counsel to include insurance and indemnification provisions and other relevant terms and conditions in the written contract. Authorize the President and Secretary to execute the contract. Authorize the General Counsel to execute any and all other documents required to consummate this transaction and to execute all ancillary documents required to administer or effectuate the contract.
- AFFIRMATIVE ACTION:** Exempt.
- LSC REVIEW:** Local School Council review is not applicable to this matter.

FINANCIAL: Charge to Operations: \$3,500,000 FY 05/06
Budget Classification: 1890-470-000-9531-5400

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.

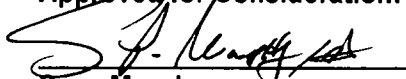
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

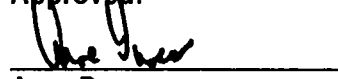
Ethics - The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

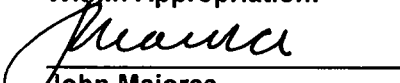
Approved for Consideration:


Sean Murphy
Chief Operating Officer

Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form:

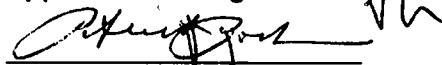

Patrick J. Rocks
General Counsel

EXHIBIT "A"
LEGAL DESCRIPTION

LOTS 1, 2, 3 AND 4 IN H.L. LEWIS' SUBDIVISION OF BLOCK 14 (EXCEPT THE SOUTH 14 FEET OF SAID LOTS TAKEN FOR WIDENING OF WEST 22ND STREET, ALSO KNOWN AS CERMAK ROAD) IN JOHNSTON AND LEE'S SUBDIVISION OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS: 17-20-331-004, 005, 006 AND 007

COMMON ADDRESS: 1440 W. CERMAK ROAD