

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH
HIGHLAND AVONDALE PROPERTIES, LLC
FOR LEASE OF SPACE AT 6323 N. AVONDALE, CHICAGO, ILLINOIS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Highland Avondale Properties, LLC for lease of space at 6323 N. Avondale, Chicago, Illinois for the continued use by the Region 1 Cluster offices. 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: Highland Avondale Properties, LLC
6323 N. Avondale Avenue
Suite 107
Chicago, IL 60631
Contact: Miriam Maisonet
Phone: 773-631-2200

TENANT: Board of Education of the City of Chicago

PREMISES: 6323 N. Avondale, Chicago, Illinois, Suites B-226, B-228, B-232, B-235, B-236 and B-242, consisting of approximately 11,936 rentable square feet.

USE: Office space for the Region 1 Cluster offices.

TERM: The term of the Lease Agreement shall be for a period commencing September 1, 2006 and ending August 31, 2007, with the Board having the option to extend the lease for an additional one-year term with 90 days prior written notice to Landlord.

BASE RENT: The base rent during the term and the renewal 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>
9/1/06 – 8/31/07	\$13,367.48	\$160,409.76	\$13.44
9/1/07 – 8/31/08	\$13,768.50	\$165,222.05	\$13.84

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

ADDITIONAL RENT: Tenant shall be responsible for its proportionate share of real estate taxes, and common area maintenance of the building, which is estimated to be \$78,778.32 for the period September 1, 2006 through August 31, 2007.

JANITORIAL AND MAINTENANCE: Tenant shall be responsible for janitorial services within the Premises and shall keep the Premises in good order and repair.

SECURITY DEPOSIT: None

RELATED EXPENSES: There are no related expenses as the Board is currently occupying the Premises under a lease that expires August 31, 2006.

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.

FINANCIAL: Rent and Additional Rent: \$239,188.08
Budget Classification: 0643-552-000-6000-5480

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 member 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:


Patrick J. Rocks
General Counsel