

February 28, 2007

**APPROVE THE RENEWAL OF THE LEASE AGREEMENT WITH BUSINESS SUPPLY SYSTEMS, INC. D/B/A ORDER FROM HORDER FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve the renewal of the lease agreement with Business Supply Systems, Inc. d/b/a Order from Horder for rental of space at 125 South Clark Street, 1<sup>st</sup> Floor Arcade, Suite A-5. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal agreement is not executed within 90 days of this Board Report. Information pertinent to this lease renewal agreement is stated below.

**TENANT:** Business Supply Systems, Inc. d/b/a Order from Horder  
125 South Clark, Arcade A-5  
Chicago, IL 60603  
Contact Person: Frank Wren  
Phone: 312-381-3344

**LANDLORD:** Board of Education of the City of Chicago

**PREMISES:** 125 South Clark, 1<sup>st</sup> Floor- A-5, consisting of approximately 1689 rentable square feet

**USE:** Retail sale of Office Supplies and related items.

**ORIGINAL LEASE AGREEMENT:** The original lease (authorized by Board Report 02-1218-OP01) is for a term commencing February 1, 2002 and ending May 31, 2007.

**RENEWAL TERM:** By mutual consent of the parties, the lease agreement shall be renewed for a term commencing June 1, 2007 and ending May 31, 2012.

**GROSS RENT:** Gross rent for the renewal term shall be as follows:

<u>Term</u>	<u>Rent per Square Foot</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
6/1/07-5/31/08	\$48.41	\$81,764.49	\$6,813.71
6/1/08-5/31/09	\$49.86	\$84,213.54	\$7,017.80
6/1/09-5/31/10	\$51.36	\$86,747.04	\$7,228.92
6/1/10-5/31/11	\$52.90	\$89,348.10	\$7,445.68
6/1/11-5/31/12	\$54.49	\$92,033.61	\$7,669.47

**ADDITIONAL RENT:** None. This is a gross rent lease and all real estate taxes and operating expenses are included in Tenant's gross rent.

**ELECTRICITY:** Tenant shall be responsible for its use of electricity for overhead lights and outlets which are separately metered.

**EARLY TERMINATION RIGHT:** Tenant shall have a one-time option, anytime after the first 18 months of the renewal term, to terminate the lease effective 6 months thereafter if a National Office Supply Retailer opens a retail store of more than 2,000 square feet within the following boundaries: either side of Wells between Madison and Van Buren; either side of Madison between Wells and State; either side of State between Madison and Van Buren; and, either side of Van Buren between Wells and State.

**OTHER TERMS AND CONDITIONS:** Except as specifically modified herein, all other terms and conditions of the original lease shall remain in full force and effect.

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

**AFFIRMATIVE ACTION:** Exempt.

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

**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.

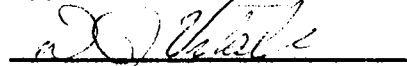
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

**Indebtedness** – The Board's Indebtedness Policy adopted July 26, 1995 (95-0728-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.

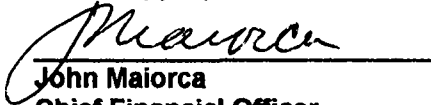
**Contingent Liability** – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**



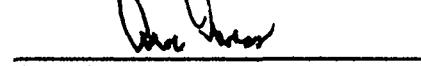
**David Vitale**  
**Chief Operating Officer**

**Within Appropriation:**



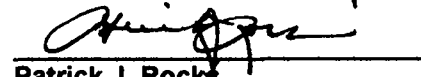
**John Maiorca**  
**Chief Financial Officer**

**Approved:**



**Arne Duncan**  
**Chief Executive Officer**

**Approved as to legal form**



**Patrick J. Rocks**  
**General Counsel**