

**APPROVE EXERCISING THE OPTION TO EXTEND THE LEASE AGREEMENT WITH
HIGHLAND AVONDALE PROPERTIES, LLC FOR LEASE OF SPACE AT
6323 N. AVONDALE, CHICAGO, ILLINOIS**

THE CHIEF EXECUTIVE OFFICE REPORTS THE FOLLOWING DECISION:

Approve exercising the option to extend the 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 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 the date of this Board Report.

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, Suite B-226, B228, B-235, B-236 and B-242, consisting of approximately 11,936 rentable square feet.

USE: Office space for the Region 1 Cluster offices.

ORIGINAL LEASE: The original lease agreement (authorized by Board Report 06-0426-OP3) is for a term 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.

RENEWAL TERM: The term of the Lease Agreement shall be renewed for a period commencing September 1, 2007 and ending August 31, 2008.

BASE RENT: The base rent during 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>
9/1/07-8/31/08	\$13,768.50	\$165,222.05	\$13.84

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

ADDITIONAL RENT: Tenant shall be responsible for its proportionate share of real estate taxes and common area maintenance of the building.

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 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: \$248,225.00
Budget Classification: 0643-552-000-6000-5480

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.

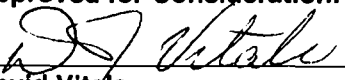
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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

Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted June 23, 2004 (04-0623-PO4), 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:



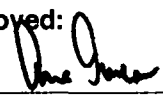
David Vitale
Chief Operating Officer

Within Appropriation:



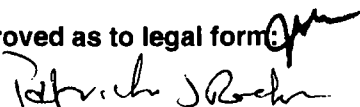
John Malorca
Chief Financial Officer

Approved:



Arne Duncan
Chief Executive Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel