

**APPROVE ENTERING INTO AN AMENDMENT TO THE LEASE AGREEMENT WITH  
HIGHLAND AVONDALE PROPERTIES, LLC, FOR RENTAL OF SPACE AT 6323 N. AVONDALE**

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

Approve entering into an amendment to the lease agreement with Highland Avondale Properties, LLC, an Illinois limited liability company ("Landlord") for rental of space at 6323 N. Avondale, Chicago, Illinois. A written amendment to the lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease amendment is stated below.

**LANDLORD:** Highland Avondale Properties, LLC, an Illinois limited liability company  
6323 N. Avondale  
Chicago, IL 60631  
Contact Person: Baron Harmon  
Phone: 708-562-1076

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

**PREMISES:** 6323 N. Avondale, Suites B-226, B-228, B-232, B-236 and B-242 ("Current Premises") and Suite B-229 ("Additional Premises") (13,469 rentable square feet; 11,936 in Current Premises and 1,533 in Additional Premises) Chicago, Illinois.

**USE:** For the continued use by Cluster One Offices for administrative purposes.

**ORIGINAL LEASE AGREEMENT:** The original office lease (authorized by Board Report 06-0426-OP3, as extended by Board Report 07-0523-OP2) is for a term commencing September 1, 2006 and ending August 31, 2008.

**AMENDED TERM:** The lease shall be amended to provide that the term expires August 31, 2023. The Board shall have the option to renew the Lease for one additional 5-year period, with rent to escalate annually at 3% during such renewal term.

**BASE RENT:** The Base Rent for the Current Premises shall remain unchanged until September 1, 2008, when the Base Rent for the Combined Premises (including Current Premises and Additional Premises) shall be \$11.50 per square foot per annum (\$154,894.00 for the period 9/1/08 – 8/31/09) with 3% escalations, each year of the Lease Term. At such time as the Landlord makes the Additional Premises available for Tenant's use, which is estimated to be February 1, 2008, the Base Rent for such Additional Premises shall be \$11.50 per square foot.

**ADDITIONAL RENT:** Additional Rent shall remain as defined in the Office Lease.

**LANDLORD IMPROVEMENTS:** Landlord shall, at its sole cost and expense: 1) build-out the Additional Premises using building standard materials in a manner substantially similar to the Current Premises; 2) repair carpeting in the main entrance area of the Current Premises that was damaged by Landlord's maintenance personnel; 3) repair and replace tinfoil ceiling tiles located in several offices in the Current Premises that have been damaged by water leakage; 4) repair potholes in the reserved parking spaces; 5) replace cracked window in main office area of the Current Premises; 6) provide four (4) new sets of office and washroom keys for Tenant's use; 7) replace blinds on the entrance door of the Current Premises; 8) install twelve (12) new quad electrical outlets at locations to be determined by Tenant; 9) replace Tenant's name on outside of building and on the entrance door to the current Premises to read: Chicago Public Schools, Cluster 1, Areas 1, 2 and 19; 10) repaint the Current Premises on or before September 1, 2008; 11) install new carpeting in all private offices in the Current Premises on or before September 1, 2008; and 12) repaint and install new carpeting throughout the Combined Premises in the year 2015 and in the year 2023 if the Tenant exercises its option to renew the Lease.

**PARKING:** Immediately upon signing of this amendment, Landlord shall add one (1) additional reserved parking space for Tenant's use, which will make for a total of fourteen (14) reserved parking spaces for Tenant, at no cost to Tenant.

**BROKERS' COMMISSION:** The parties acknowledge that a broker (Court Ventures, Inc.) was involved with the negotiation of these amended terms of the Lease and that Landlord shall be solely liable for any payment or commission due such broker.

**OTHER TERMS AND CONDITIONS:** Except as specifically amended by this Board Report, all other terms and conditions of the original lease shall continue in full force and effect.

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

**AFFIRMATIVE ACTION:** Exempt.

**FINANCIAL:** Charge:  
For Base Rent FY09: \$154,894.00  
For Additional Rent FY09: \$ 80,000.00

**Budget Classification:** 11910-230-57705-254903-0000000-2009

**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.

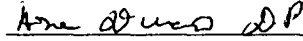
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**



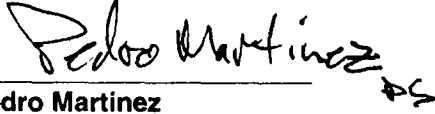
**M. Hill Hammock  
Chief Operating Officer**

**Approved:**



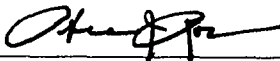
**Arne Duncan  
Chief Executive Officer**

**Within Appropriation:**



**Pedro Martinez  
Chief Financial Officer**

**Approved as to legal form:** 



**Patrick J. Rocks  
General Counsel**