

**RATIFY THE RENEWAL OF THE LEASE AGREEMENT WITH THE
UNIVERSITY OF CHICAGO CHARTER SCHOOL FOR LEASE OF
DONOGHUE SCHOOL, 707 E. 37TH STREET, CHICAGO, ILLINOIS**

THE CHIEF EXECUTIVE OFFICE REPORTS THE FOLLOWING DECISION:

Ratify the renewal of the lease agreement with the University of Chicago Charter School for lease of 707 E. 35th Street, Chicago, Illinois for the continued use as a Charter School. 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.

TENANT: University of Chicago Charter School
1313 E. 60th Street
Chicago, IL 60637
Contact: Tim Knowles, Executive Director
Phone: 773-702-2797

LANDLORD: Board of Education of the City of Chicago

PREMISES: Entire building and land located at 707 E. 37th Street (Donoghue School).

USE: To continue operating a Charter School.

ORIGINAL LEASE: The original lease agreement (authorized by Chief Operating Officer's Report 05-0519-COO43) is for a term commencing June 1, 2005 and ending June 30, 2008.

RENEWAL TERM: By mutual agreement of the parties, the term of the Lease Agreement shall be renewed for a period commencing July 1, 2008 and ending June 30, 2013. If Tenant's Charter School Agreement is terminated this lease shall also terminate.

RENT: \$1.00 per year.

OPERATING EXPENSES: Landlord shall be responsible for and shall pay all operating expenses because the Tenant occupies the entire Premises and has elected for the Board to be responsible for operating expenses. Landlord shall deduct from the "per pupil allocation" made by the Board to the Tenant the cost of providing such operating expenses (the "Facilities Deduction"). For the 2008/2009 School Year, the Facilities Deduction shall be \$1,002.00 per elementary school student and will be subject to increase as Landlord's costs increase. The Facilities Deduction will be taken from Tenant's first and fourth quarterly per pupil allocation payments.

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 payable to the General Fund.

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.

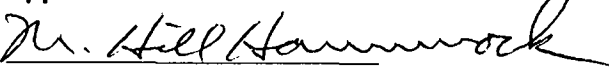
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their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



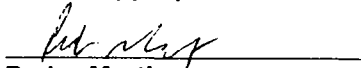
**M. Hill Hammock
Chief Operating Officer**

Approved:



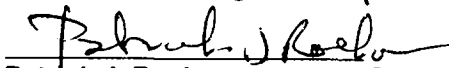
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**Pedro Martinez
Chief Financial Officer**

Approved as to legal form.



**Patrick J. Rocks
General Counsel**