

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH 8300 W. ADDISON, LLC FOR LEASE OF
THE BUILDING LOCATED AT 8300 W. ADDISON STREET**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with 8300 W. Addison, LLC for lease of the building located at 8300 W. Addison Street for use by Canty School to relieve overcrowding. 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: 8300 W. Addison, LLC
c/o Marc Realty
55 E. Jackson Blvd.
Suite 500
Chicago, IL 60604
Contact: Elliot Weiner
Phone: 312-939-0190

TENANT: Board of Education of City of Chicago

PREMISES: 8300 W. Addison Street (entire building), consisting of approximately 5,000 rentable square feet.

USE: Additional classroom space for Canty School to relieve overcrowding.

TERM: The term of the lease agreement shall be for a period commencing on the later of (i) July 1, 2010 or (ii) the date of Certificate of Occupancy is issued, and end fifteen years thereafter.

BASE RENT: At such time as a Certificate of Occupancy is issued for the building but in no event earlier than July 1, 2010 Base Rent shall commence ("Rent Commencement Date") at the annual rate as shown in the table below. All rent shall be payable in accordance with the terms of the lease agreement. No rent shall be due and payable until Landlord provides Tenant with a Certificate of Occupancy.

<u>Year</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1	\$ 8,437.50	\$101,250.00
2	\$ 8,854.17	\$106,250.00
3	\$ 9,270.83	\$111,250.00
4	\$ 9,270.83	\$111,250.00
5	\$ 9,687.50	\$116,250.50
6	\$ 9,978.12	\$119,737.50
7	\$10,277.38	\$123,329.62
8	\$10,585.74	\$127,028.87
9	\$10,903.31	\$130,839.74
10	\$11,230.41	\$134,764.93
11	\$11,567.32	\$138,807.88
12	\$11,914.34	\$142,972.12
13	\$12,271.77	\$147,261.28
14	\$12,639.93	\$151,679.12
15	\$13,019.12	\$156,224.49

ADDITIONAL RENT: Tenant shall be responsible for any increase in real estate taxes over a base year of 2010.

UTILITIES: Tenant shall be responsible for all utilities and utilities shall be separately metered directly in Tenant's name.

SECURITY DEPOSIT: None

LANDLORD BUILD-OUT: Except for the Related Expenses set forth below, Landlord shall build-out the Premises for the tenant improvements to the Premises ("Tenant Improvements") at a cost to the Landlord not to exceed \$60.00 per square foot in accordance with agreed upon plans and specifications (collectively "Plans") which will be attached to and made a part of the lease agreement. Landlord shall also be responsible for the construction of the base building items set forth in the Plans. If there are any changes in the Plans that are requested by the Board that increase the build-out costs for the Tenant improvements to more than \$60.00 per square foot, the Board shall be responsible for such increased costs.

LANDLORD'S OBLIGATIONS: Landlord shall be responsible for maintenance and repairs to any and all of the structural components of the building, including the HVAC, electrical and plumbing systems, throughout the Term of the Lease.

TENANT'S OBLIGATIONS: Tenant shall be responsible for janitorial services, snow removal, and routine maintenance of the Premises throughout the Term of the Lease.

PURCHASE OPTION: The Tenant shall have the option to purchase the Premises for a purchase price of \$2,000,000.00. This option may be exercised no earlier than 18 months prior to the expiration of the Lease Term and no later than 12 months prior to the expiration of the Lease Term.

RELATED EXPENSES: Tenant is responsible for the following Related Expenses: (a) furniture and installation expenses (estimated at \$30,000); (b) technology expenses, including voice and WAN/LAN/Wireless equipment and installation, (estimated at \$35,000), and (c) security system equipment and installation expenses (estimated at \$10,000).

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. Authorize the Chief Operating Officer to approve the costs of build-out of the space in excess of \$60.00 per square foot as a result of changes in the plans and specifications requested by the Board and report such increase to the Board.

AFFIRMATIVE ACTION: Exempt

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

FINANCIAL: Rent: \$101,250.00
Budget Classification: 11910-230-57705-254903-000000-2010

Furniture: \$30,000
Budget classification: 12150-478-54105-009546-000000-2010

Technology & Security: \$40,000
Budget classification: 11910-499-54105-251392-000000-2010

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:



Stephen M. Wilkins
Chief Property Officer

Approved:



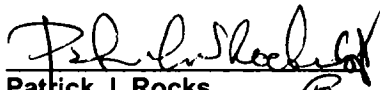
Ron Huberman
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel