

June 22, 2005

**APPROVE EXERCISING THE SECOND RENEWAL OPTION OF THE LEASE AGREEMENT WITH
THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
FOR RENTAL OF SPACE AT WEST SIDE TECHNICAL INSTITUTE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the second renewal option of the lease agreement with the Board of Trustee of Community College District No. 508 ("City Colleges") for rental of space at West Side Technical Institute located at 2800 South Western Avenue, Chicago, Illinois. The current lease requires the Board to give Landlord written notice of its exercise of the second renewal option on or before July 1, 2005. Information pertinent to this second renewal option is stated below.

LANDLORD: Board of Trustee of Community College District No. 508
226 West Jackson Blvd.
14th Floor
Chicago, Illinois 60606
Contact Person: William P. Donahue
Phone: 312-553-3306

TENANT: Board of Education of the City of College

PREMISES: West Side Technical Institute, 2800 South Western Avenue, Chicago, Illinois 60608 consisting of the following:

Classrooms:	Room Numbers: 1105, 1115, 1116, 2209, 2210, and 2211 (shared use)
Computer Lab:	Room 1106 (exclusive use)
Chemistry Lab:	Room 2212 (exclusive use)
Office:	Room 1103 (exclusive use)
Lunchroom:	Room 1208A (exclusive use)
Cafeteria:	Shared use
Storage:	Room 1104 (exclusive use)

USE: The Board shall continue to use the Premises for educational or educational related purposes for Juarez High School Students.

ORIGINAL LEASE: The original Lease Agreement (authorized by Board Report 03-1022-OP08) is for a term commencing August 18, 2003 and ending June 30, 2004, with the Board having 2 options to renew for 1 year terms. The first option to renew was exercised on or about July 1, 2004 for a term commencing July 1, 2004 and ending June 30, 2005.

RENEWAL TERM: The lease agreement shall be renewed for a term commencing July 1, 2005 and ending June 30, 2006.

OPTIONS TO RENEW: There are no remaining options to renew.

RENT: The annual gross rent for the Renewal Term of the lease shall be \$118,711.00 per annum, payable in monthly installments of \$9,892.50. This is a gross lease and Landlord is responsible for all utilities, real estate taxes, and operating expenses.

REPAIRS AND MAINTENANCE: The Landlord, at its sole cost and expense, shall continue to maintain and repair the Premises.

JANITORIAL: The Landlord, at its sole cost and expense, shall continue to provide janitorial services for the Premises.

INSURANCE/INDEMNIFICATION: Terms of insurance and indemnification shall remain as stated in the original lease.

AUTHORIZATION: Authorize the General Counsel to issue to Landlord written notice of the Board's exercising of its second option to renew lease. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease agreement, as renewed.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Operations: \$118,711.00 FY-06
Budget Classification: 1890-552-000-6000-5480

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.

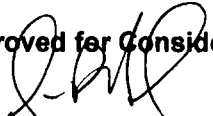
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness - The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-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.

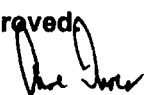
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



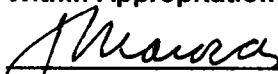
Sean P. Murphy
Chief Operating Officer

Approved:



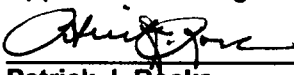
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form. 



Patrick J. Rocks
General Counsel