

**AUTHORIZE ENTERING INTO A LEASE AGREEMENT WITH A RIGHT OF FIRST REFUSAL
AND OPTION TO PURCHASE SCHOOL FACILITIES AT 3633 NORTH CALIFORNIA AVENUE
FOR A NEW AUDUBON ENTREPRENEURIAL ACADEMY HIGH SCHOOL**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING DECISION:

Congregation of the Resurrection – USA Province for property located at 3633 North California Avenue, Chicago, Illinois ("Gordon Tech High School" or "Property") for the establishment of the Audubon Entrepreneurial Academy High School. The Board authorizes taking occupancy of the premises as of July 1, 2011. The written lease, right of first refusal and option agreement are being finalized. The authority granted herein shall automatically rescind in the event the written lease with the right of first refusal and an option to purchase agreement ("Lease") has not been completed within 100 days of the date of this Board Report. Information pertinent to this assessment is stated below.

the unamortized balance of the loan will not be required to be paid off at closing. Upon closing, Lessor shall be released from its obligations to repay the loan. The unpaid balance will remain a lien against title and Board will not be required to pay off the loan as long as the high school program continues for 10 years. The loan balance will be reduced by 10% each year and forgiven entirely after 10 years (i.e. June, 2021).

PURCHASE OPTION: The Board has the option to purchase the Property during the initial Lease term (July 1

2010 to June 30, 2021) and the extended term, if exercised (July 1, 2021 to June 30, 2026). The option price is set

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1,

Approved for Consideration:

Pat. L. V. L.

Approved:

Ron Huber

Within Appropriation:

[Signature]

Diana S. Ferguson
Chief Financial Officer

Approved as to legal form.

[Signature]
[Signature]

Patrick J. Rocks
General Counsel

EXHIBIT A – RENT SCHEDULE FOR AUDUBON HIGH SCHOOL SPACE IN GORDON TECH

Rent: 36,000 Square Feet - Exclusive Use Space @ \$9.50/Year (Gross) + 3% increase per year Includes all utility and maintenance costs and shared space*		
Lease Year	Term	Rent
1	July 1, 2011-June 30, 2012	\$342,000
2	July 1, 2012-June 30, 2013	\$352,260
3	July 1, 2013-June 30, 2014	\$362,828
4	July 1, 2014-June 30, 2015	\$373,713
5	July 1, 2015-June 30, 2016	\$384,924
6	July 1, 2016-June 30, 2017	\$396,472
7	July 1, 2017-June 30, 2018	\$408,365

EXHIBIT B – OPTION PRICE SCHEDULE FOR GORDON TECH HIGH SCHOOL

TEN YEAR LEASE TERM			
LEASE YEAR	Term	% INCREASE	OPTION PRICE
Year 1	July 1, 2011-June 30, 2012	0.000%	\$19,250,000.00
Year 2	July 1, 2012-June 30, 2013	2.0000%	\$19,635,000.00