APPROVE ENTERING INTO A LICENSE AGREEMENT WITH PARAGON MARKETING GROUP, LLC TO LICENSE THE USE OF FARRAGUT ACADEMY'S NAME

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a license agreement with Paragon Marketing Group, LLC to license the use of the name, logo, marks and designs of Farragut Academy High School for a license fee of 3% of the gross revenue generated from the sales of replica Kevin Garnett Farragut Academy basketball jerseys. The authority granted herein shall automatically rescind in the event a written agreement is not executed by the licensee within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

LICENSEE: Paragon Marketing Group, LLC
8800 Bronx Avenue, #100
Skokie, Illinois 60077
(847) 676-6555
David Brenner, President

LICENSOR: Board of Education of the City of Chicago
125 South Clark Street
Chicago, Illinois 60603
Contact Person: Stephen Wilkins, Department of Sports Administration (773) 553-3793

TERM: The term of the contract shall commence on the date the agreement is signed and shall end on March 31, 2005, with the parties having the mutual option to extend the term for a one-year period. The terms of the renewal agreement will be negotiated at the time of such renewal.

LICENSING DESCRIPTION: Licensee shall be granted a limited, revocable, exclusive license to sublicense to Headmaster, Inc. for the purpose of manufacturing, selling, and distributing jerseys that are royal blue and have the words "Farragut" and/or "Admirals" on the front and the number "34" on the jerseys. The letters and numbers will be gold and white.

LICENSEE'S RESPONSIBILITIES: Paragon Marketing Group, LLC, shall be responsible for coordinating the manufacturing and marketing of Kevin Garnett's Farragut Academy basketball jerseys ("Product").

<u>Manufacturing</u>: Paragon will work with Headmaster, Inc., who is Paragon's manufacturing and sales partner for the jerseys, to design and manufacture the Product. Headmaster makes a wide variety of high quality "retro" products and is a well-known expert in the industry.

<u>Distribution</u>: Paragon will work with Headmaster's sales force; their direct sales force will handle major accounts and their independent representatives will handle the smaller accounts. Placement will be sought at locations including Eastbay, Finish Line, Foot Locker, Gart Sporting Goods, Sportmart, Scheels Sports, Sportsfan, MC Sporting Goods, Dunhams Sporting Goods and numerous urban market retailers throughout the country. Headmaster currently sells to all of these retailers.

<u>Promotion</u>: Paragon will work with the major retailers outlined above to promote the Product to their customers.

<u>Compensation</u>: Paragon shall pay the Board a license fee that is equal to 3% of the gross revenue generated from the sale of the product.

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

AFFIRMATIVE ACTION: Not applicable.

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

FINANCIAL: No cost to the Board. Instead, licensee shall pay the Board a license fee of 3% of gross revenue generated from the sale of the jerseys. Monies will be credited to: Chicago Public Schools Sports Administration Department.

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:

Barbara Eason-Watkins

Barbara Eason-Watkins
Chief Education Officer

Approved:

Arne Duncan
Chief Executive Officer

Within Appropriation:

John Maiorca
Chief Financial Officer

Approved as to legal form:

Ruth Moscovitch

Ruth M. Moscovitch
General Counsel