

**APPROVE ENTERING INTO A LEASE AGREEMENT WITH POPE BUILDING ASSOCIATES LLC FOR LEASE OF SPACE AT 633 SOUTH PLYMOUTH COURT**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into a lease agreement with Pope Building Associates LLC for lease of space at 633 S. Plymouth Court for use by Jones Academic Prep High School as a Fitness Center. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the even a written lease agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease is stated below.

**LANDLORD:** Pope Building Associates LLC  
c/o Remax Alliance Downtown, Inc.  
439 S. Dearborn Street  
Chicago, IL 60605  
Contact Person: Frank A. Baloun  
Phone: 312-408-2600

**TENANT:** Board of Education of the City of Chicago

**PREMISES:** 641 South Plymouth Court, first floor south commercial space, consisting of approximately 3,737 rentable square feet.

**USE:** A Fitness Center for use by Jones Academic Prep High School.

**TERM:** The term of the Lease Agreement shall be for a period commencing January 1, 2004 and ending December 31, 2008.

**TERMINATION OPTION:** Tenant shall have an option to terminate the term of the lease at any time after December 31, 2006 upon the delivery of six (6) months prior written notice to Landlord.

**RENT:** The base rent during the lease term shall be as follows:

Period	Annual Base Rent	Monthly Base Rent	Annual Rate per Square Foot
1/1/04-12/31/04	\$ 93,425.04	\$7,785.42	\$25.00
1/1/05-12/31/05	\$ 97,161.96	\$8,096.83	\$26.00
1/1/06-12/31/06	\$100,899.00	\$8,408.25	\$27.00
1/1/07-12/31/07	\$104,636.04	\$8,719.67	\$28.00
1/1/08-12/31/08	\$108,372.96	\$9,031.08	\$29.00

**ADDITIONAL RENT:** Tenant shall pay its proportionate share of real estate taxes, water bills and insurance estimated to be approximately \$2,000.00 per month.

**LATE FEES:** After the first two months of the lease term, any base rent payment more than ten (10) days past due shall (a) result in a late charge equal to five percent (5%) of the monthly base rent, and (b) bear interest at a rate of fourteen percent (14%).

**SECURITY DEPOSIT:** Tenant shall deposit with Landlord a security deposit in the amount of \$18,062.16 representing a sum equal to two times the final monthly rent.

**BUILD-OUT:** There are no build-out costs to the Board.

**MAINTENANCE AND JANITORIAL:** Tenant is responsible for all maintenance, janitorial and repair of the interior and exterior doors of the Premises. Tenant shall pay for the cost of fire extinguishers and other life-safety installations not currently existing in the Premises.

**UTILITIES:** Tenant pays all utilities for the Premises.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written lease. 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.

**AFFIRMATIVE ACTION:** Exempt

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

**FINANCIAL:** Charge: \$ 69,000 Fiscal Year 2004  
Budget Classification: 0944-552-000-6000-5480

**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:**

  
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**Sean P. Murphy**  
Chief Operating Officer

**Approved:**

  
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**Arne Duncan**  
Chief Executive Officer

**Within Appropriation:**

  
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**John Maiorca**  
Chief Fiscal Officer

**Approved as to legal form:**

  
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**Ruth Moscovitch**  
General Counsel