

AMEND BOARD REPORT 10-0224-OP4
APPROVE ENTERING INTO A LEASE AGREEMENT AND SCHOOL FOOD SERVICES AGREEMENT
WITH NOBLE NETWORK OF CHARTER SCHOOLS FOR RENTAL OF THE REED SCHOOL
BUILDING AT 6350 S. STEWART

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Noble Network of Charter Schools (Englewood Campus), as tenant, for rental of the Reed School building located at 6350 S. Stewart for its Englewood Campus. A written lease agreement is currently being negotiated. Tenant may not take possession of its portion of the school building prior to the execution of the Lease. 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.

This amended Board Report is necessary to approve entering into a School Food Services Agreement. The School Food Services Agreement shall be included as an exhibit to the lease. The Lease and the School Food Services Agreement are currently being negotiated. The authority granted herein shall automatically rescind in the event both documents are not executed within 90 days of the date of this amended Board Report.

TENANT: Noble Network of Charter Schools
~~4010 North Noble Street~~ 1231 S. Damen
 Chicago, IL ~~60622~~ 60608
 Contact: Michael Milkie, Superintendent and Chief Operating Officer
 Phone: ~~773-862-1449~~ 773-278-6895 ext. 1500

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall initially share the land and building located at 6350 S. Stewart (Reed School) with a Chicago Public School and shall exclusively occupy those areas of the building and share other spaces of the building as more fully identified in a Memorandum of Understanding to be attached to the Lease. However, the CPS school at this site is being phased-out and, at such time as the CPS school is fully phased out, tenant shall have sole occupancy of the Premises. The Board approved Tenant's occupancy of this site on November 23, 2009 (Board Report No. 09-1123-EX9); therefore the notice provisions in the Charter School Capital and Facility Budget Policy adopted on March 26, 2008 have been satisfied.

USE: Tenant shall use the Premises to operate a charter school campus and related educational and community programs, and for no other purpose. Tenant shall have unrestricted access to the Premises.

TERM: The lease term shall commence on such date as the Lease is fully executed, but no sooner than July 1, 2010, and shall end June 30, 2014. The term of the School Food Services Agreement shall be from September 7, 2010 to June 30 2011. This lease and the School Food Services Agreement shall automatically terminate on any such date as the Charter School Agreement is terminated.

RENT: \$1.00 per year.

WITHHOLDING OF PAYMENT: Until such time as the Lease is fully executed, the Board may withhold any general education payments due Tenant under the Charter School Agreement.

MAINTENANCE & OPERATIONS: In the event Tenant is the sole occupant of the Premises, the Tenant shall have the option to procure various operating services (Operating Services) from the Landlord in accordance with Landlord's current established procedures and rates. The election shall be made prior to the execution of this ~~the~~ lease and will be incorporated into the Lease. Tenant shall be bound by this election ~~for the term of the Lease.~~ until the first to occur of (i) the date upon which Landlord changes or adds Operating Services; (ii) the date upon which Landlord announces a change in the manner in which it calculates Operating Expenses, or (iii) the date of renewal, if applicable of the lease. In the event Tenant shares the Premises at any time with a Chicago Public School, or a contract school the Tenant will automatically receive all of the Landlord's Operating Services and shall pay for such Operating Services

pursuant to current established procedures and rates. In the event Tenant shares the Premises at any time with another charter school, both charter schools must make the same election regarding the procurement of Operating Services from the Landlord.

FOOD SERVICES AGREEMENT: The Reed School Building is a facility shared by a CPS school Reed Elementary School, and a charter school operated by Tenant. Tenant is recognized as a food services authority by ISBE. ISBE only permits one food service authority per location and the parties have agreed that the Noble Network of Charter Schools will provide food services at the Reed School Building and will be responsible for providing food services to the students attending Reed Elementary School during such time as the facility is shared with Reed Elementary School. The Board shall pay Noble Network of Charter Schools for the food services it is providing to the students of Reed Elementary School in accordance with the terms of the School Food Services Agreement. Noble Network of Charter Schools shall not be entitled to receive any additional monies for such food services beyond the amount set forth in the School Food Services Agreement.

INSURANCE/INDEMNIFICATION: Insurance and indemnification provisions shall be negotiated by the General Counsel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement and the School Food Services Agreement. Authorize the President and Secretary to execute the lease agreement and the School Food Services Agreement. Authorize the Chief Operating Officer to determine the allocation of responsibility of various maintenance and other services and to execute any and all ancillary documents related to this Lease and the School Food Services Agreement

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Rent payable to the General Fund.

For School Food Services Agreement: Charge to Nutrition Support Services for actual meals served

Budget Classification: 12050-312-53205-256009-000000-2011

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 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:



Patricia L. Taylor
Chief Operating Officer

Approved:



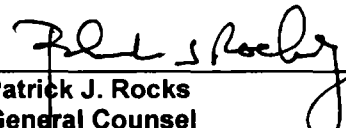
Ron Huberman
Chief Executive Officer

Within Appropriation:



Diana S. Ferguson
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel