

APPROVE THE SECOND RENEWAL OF THE LEASE AGREEMENT WITH FORTUNES FROM A FARR, LLC FOR LEASE OF SPACE AT 641 SOUTH PLYMOUTH COURT FOR JONES HIGH SCHOOL

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the second renewal of the lease agreement with Fortunes from A Farr, LLC for lease of space at 641 S. Plymouth Court for use by Jones Academic Prep High School as a fitness center. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease renewal is stated below.

LANDLORD: Fortunes From A Farr, LLC, as assignee of Pope Building Associates, LLC
1422 N. Noble, Unit 1-N
Chicago, Il 60622
Contact Person: Rebecca Farr
Phone: (773) 278-1727

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.

ORIGINAL LEASE: The original lease by and between Pope Building Associates, LLC (lease assigned to Fortunes from A Farr on June 28, 2006) and the Board is for a term commencing January 1, 2004 and ending December 31, 2008 (authorized by Board Report 03-1217-OP08). The lease was renewed (authorized by Board Report 08-1022-OP1) for a term commencing January 1, 2009 and ending December 31, 2010, with the Tenant having the option to extend the term of the Lease for an additional 1-year period.

RENEWAL TERM: The term of the Lease shall be renewed for a period commencing January 1, 2011 and ending December 31, 2011. The Lease shall be amended to provide that the Tenant shall have the option to extend the term of the Lease for two additional one-year periods.

RENT: The base rent during the renewal term and the two additional one-year periods shall be as follows:

Period	Annual Base Rent	Monthly Base Rent
1/1/11-12/31/11	\$117,216.12	\$9,768.01
1/1/12-12/31/12	\$117,216.12	\$9,768.01
1/1/13-12/31/13	\$121,904.76	\$10,158.73

ADDITIONAL RENT: Tenant shall pay its proportionate share of real estate taxes, water bills and insurance estimated to be approximately \$3,000 per month. Expenses for the last month of the Lease will be payable during the next month and will also include payment for any tenant damages to the Premises.

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

INSURANCE: Tenant shall provide Landlord with a current certificate of insurance on or before January 1, 2011 in accordance with paragraph 14 of the Original Lease.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal. Authorize the President and Secretary to execute the lease renewal 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 to Rent:

January 1, 2011-June 30, 2011 \$58,608.06 FY11
Budget Classification: 11910-230-57705-254903-000000-2011

July 1, 2011- June 30, 2012 \$117,216.12 FY12
Budget Classification: 11910-230-57705-254903-000000-2012

July 1, 2012-December 31, 2012 \$58,608.06 FY13
Budget Classification: 11910-230-57705-254903-000000-2013

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.

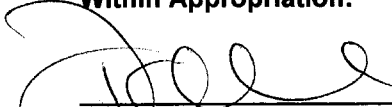
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Patricia L. Taylor
Chief Operating Officer

Within Appropriation:




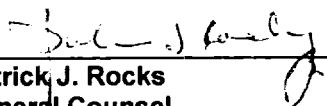
Diana S. Ferguson
Chief Financial Officer

Approved:



Terry Mazany
Chief Executive Officer

Approved as to legal form:

Patrick J. Rocks
General Counsel