

**APPROVE 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 simultaneously exercising the two one-year options to renew the lease agreement with Fortunes from A Farr, LLC for lease of space at 641 S. Plymouth Court ("the Premises"). The Premises are used by Jones College 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.

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 Jones College 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 for a term commencing January 1, 2009, and ending December 31, 2010 (authorized by Board Report 08-1022-OP1). The lease was further renewed for a term commencing January 1, 2011 and ending December 31, 2011 and amended to provide that the Tenant shall have two options to extend the term of the Lease for additional one-year periods (authorized by Board Report 10-1215-OP3).

RENEWAL TERM: The Lease shall be renewed for a term commencing January 1, 2012 and ending December 31, 2013.

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

Period	Annual Base Rent	Monthly Base Rent	Max. Month Additional Rent	Max. Annual Additional Rent	Max. Total Annual Rent
1/1/12-12/31/12	\$117,216.12	\$9,768.01	\$3,000.00	\$36,000.00	\$153,216.12
1/1/13-12/31/13	\$121,904.76	\$10,158.73	\$3,000.00	\$36,000.00	\$157,904.76

ADDITIONAL RENT: The Board shall pay its proportionate share of real estate taxes, water bills and insurance estimated to be approximately \$3,000 per month.

EARLY TERMINATION: Either party shall have the right to terminate the lease agreement for convenience upon ninety (90) days written notice.

INSURANCE: Tenant shall provide Landlord with a current certificate of insurance on or before January 1, 2012.

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: Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY 12 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

Charge to Rent \$311,120.88:

January 1, 2012-June 30, 2012 \$76,608.06 FY12
Budget Classification: 11910-230-57705-254903-000000-2012

July 1, 2012- June 30, 2013 \$155,560.44 FY13
Budget Classification: 11910-230-57705-254903-000000-2013

July 1, 2013-December 31, 2013 \$78,952.38 FY14
Budget Classification: 11910-230-57705-254903-000000-2014

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 May 25, 2011 (11-0525-PO2), 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:



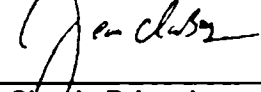
Patricia L. Taylor
Chief Operating Officer

Within Appropriation:



Dave Watkins
Chief Financial Officer

Approved:



Jean-Claude Brizard
Chief Executive Officer

Approved as to legal form:



Patrick J. Rocks
General Counsel