

**APPROVE RENEWAL OF LEASE AGREEMENT WITH F.H. PASCHEN  
FOR USE OF SPACE AT 125 SOUTH CLARK STREET**

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

Approve the renewal of the lease agreement with F.H. Paschen ("Paschen") for use of space at 125 S. Clark St. A written lease renewal is currently being negotiated. The authority granted herein shall automatically rescind in the event the renewal is not executed within 90 days of the date of this Board Report. Information pertinent to this matter is stated below.

**TENANT:** F.H. Paschen, S.N. Nielsen & Associates LLC  
5515 North East River Road  
Chicago, Illinois 60656  
Contact: Larry G. Mix, Vice President  
Phone: (773) 444-3474 (office) or (773) 617-2690 (cell) / Email: lmix@fhpaschen.com

**LANDLORD:** Board of Education of the City of Chicago Public Schools

**PREMISES:** 125 S. Clark St., Suite 1828; approximately 739 rentable square feet on the 18<sup>th</sup> floor, which is currently occupied by Tenant.

**USE:** To operate Paschen's headquarters office

**ORIGINAL LEASE:** The original lease (authorized by Board Report 10-0526-OP4) was for a term commencing June 1, 2010, and ending May 31, 2013.

**RENEWAL TERM:** The renewal term shall commence on June 1, 2013, and end on May 31, 2016.

**EARLY TERMINATION:** Either party may terminate the lease upon 60 days prior written notice.

**RENT:** Tenant shall pay rent as follows:

<u>Year</u>	<u>Annual rent</u>	<u>Monthly rent</u>	<u>Rent PSF</u>
Year 1: 6/1/13 – 5/31/14	\$19,583.52	\$1,631.96	\$26.50
Year 2: 6/1/14 – 5/31/15	\$19,953.00	\$1,662.75	\$27.00
Year 3: 6/1/15 – 5/31/16	\$20,322.50	\$1,693.54	\$27.50

**UTILITIES:** In addition to rent, Tenant shall also pay actual electricity costs. During year 1 of the renewal term, electricity costs shall be \$0.09667 per square foot (\$857.28 per year, \$71.44 per month). Electricity costs shall increase annually on June 1<sup>st</sup> at the rate of 3%.

**OTHER TERMS AND CONDITIONS:** Except as expressly amended herein, all other terms and conditions of the lease shall remain in full force and effect.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Operating Officer to execute all ancillary documents required to administer or effectuate the lease renewal.

**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Not applicable.

**FINANCIAL:** Credit rent income to the General Fund.

**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).

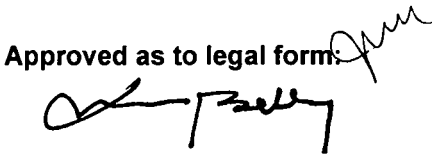
**Approved for Consideration:**

  
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**Patricia L. Taylor**  
**Chief Operating Officer**

**Approved:**

  
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**Barbara Byrd-Bennett**  
**Chief Executive Officer**

**Approved as to legal form:**

  
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**James Bebley**  
**General Counsel**