

AMEND BOARD REPORT 00-0927-OP8 ADOPTED SEPTEMBER 27, 2000
APPROVE ENTERING INTO A LEASE AGREEMENT WITH MENTAL HEALTH ASSOCIATION OF GREATER CHICAGO (MHA) FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET AND AUTHORIZE THE PAYMENT OF REAL ESTATE BROKERS COMMISSION TO U.S. EQUITIES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Mental Health Association of Greater Chicago (MHA), for rental of space at 125 South Clark Street, 18th Floor, Suite ~~1836~~ 1820 and ~~authorize payment of real estate Broker's commission to U. S. Equities Realty, LLC, in the amount of \$4,051.68~~ \$2,782.08. A written lease agreement is currently being negotiated. The Tenant shall not take possession of the premises nor shall any leasehold estate be created prior to the execution of the written lease agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this lease agreement is stated below. This amendment is necessary to reflect the final negotiated terms of the Lease, and to remove the information regarding the Broker's Commission from this Board Report.

TENANT: Mental Health Association of Greater Chicago
 125 S. Clark Street, Suite ~~1836~~ 1820
 Chicago, IL 60603
 Contact Person: ~~Gerard Green~~ Martha T. Schriver
 Phone: ~~312-456-7029~~ 847-242-0485

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, 18th Floor – Suite ~~1836~~ 1820 consisting of ~~1,468~~ 1,008 rentable square feet.

USE: Administrative (only) offices for MHA, a not-for-profit social service agency providing teacher educational support services to the Board. ~~No services will be rendered to clients or patients in this location.~~

TERM: The term of this lease agreement is 5 years. The lease shall commence on ~~November 1, 2000~~ the later of April 1, 2001 or upon substantial completion of build-out of the premises ("Commencement Date") and shall end on the day before the 5th anniversary of the Commencement Date ~~October 31, 2005~~.

RENT: ~~The rent stated below is "Gross Rent" and includes real estate taxes and operating expense. Annual increase is 6%:~~

Year 1	November 1, 2000 to	October 31, 2001	\$23,488.00 <u>\$23,488.00</u>	annually/	\$1,957.33 <u>\$1,957.33</u>	per month
Year 2	November 1, 2001 to	October 31, 2002	\$24,956.00 <u>\$24,956.00</u>	annually/	\$2,079.67 <u>\$2,079.67</u>	per month
Year 3	November 1, 2002 to	October 31, 2003	\$26,424.00 <u>\$26,424.00</u>	annually/	\$2,202.00 <u>\$2,202.00</u>	per month
Year 4	November 1, 2003 to	October 31, 2004	\$29,360.00 <u>\$29,360.00</u>	annually/	\$2,446.67 <u>\$2,446.67</u>	per month
Year 5	November 1, 2004 to	October 31, 2005	\$30,828.00 <u>\$30,828.00</u>	annually/	\$2,569.00 <u>\$2,569.00</u>	per month

RENT: The rent includes real estate taxes and operating expenses. The initial annual rent payment is \$18.00 per rentable square foot (\$18,144) payable in equal monthly installments of \$1,512.00. The rent payment shall increase annually by 6%.

ELECTRICAL EXPENSE: In addition to the rent Tenant shall pay the initial annual sum of \$1.05 per rentable square foot for electricity. Said amount shall be payable in equal monthly installments and shall increase annually by 3%.

SECURITY DEPOSIT: Upon execution of the lease Tenant shall pay to Landlord the sum of two (2) months gross rent, totaling ~~\$3,914.66~~ \$3,024.00, which shall be held by Landlord as a security deposit.

REAL ESTATE BROKER'S COMMISSION: ~~Authorize the payment of \$4,051.68~~ \$2,782.08 (~~\$2.76~~ \$2.76 per square foot) to U. S. Equities Realty, Inc., ~~as and for the brokers commission due on this transaction.~~

IMPROVEMENTS TO PREMISES AND BUILD-OUT COSTS: Landlord will deliver space in its current "as-is" condition; however, Landlord shall provide Tenant with a buildout allowance not to exceed ~~\$22,020~~ \$24,192, (~~\$15.00~~ \$24.00/rentable square foot) which shall be paid to U.S. Equities Realty ~~for payment to the general contractor upon completion of work.~~

INSURANCE/INDEMNIFICATION: Tenant will maintain (1) general liability insurance with limits of not less than \$1 million including Landlord and its employees as additional insureds and (2) special perils property insurance covering its contents and Landlord's interest in leasehold improvements. Tenant will provide Landlord with a Certificate of Insurance, with a provision that Tenant must provide 30 days' prior written notice to Landlord of its intention to cancel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate this lease agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Credit Income to General Fund. Buildout allowance of ~~\$22,020~~ \$24,192 funded under PO #204426.

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:



Timothy Martin
Chief Operating Officer

Approved:



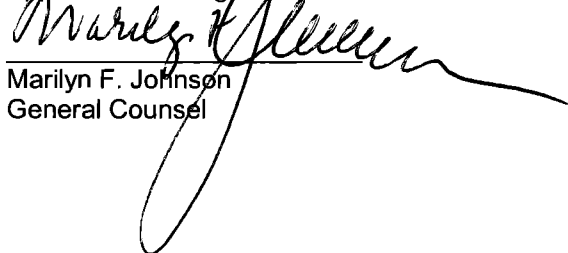
Paul G. Vallas
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel