

AMEND BOARD REPORT 01-0926-0P2
RATIFY LEASE AGREEMENT WITH
RASHMI-TARA, INC. D/B/A U.S. PHOTO AND SMOOTHIE CENTER FOR
RENTAL OF SPACE AT 125 SOUTH CLARK STREET

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify Lease Agreement with Rashmi-Tara, Inc. d/b/a U.S. Photo and Smoothie Center for rental of space at 125 South Clark Street. 1st Floor, Suite A7 (lobby arcade). A written Lease Agreement is currently being negotiated. 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 Amendment is necessary to reflect changes in the Rental Structure and Lease Term. A written amendment to the lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 90 days of the date of this amended board report.

TENANT Rashmi-Tara, Inc. d/b/a U.S. Photo and Smoothie Center
ADDRESS: 125 South Clark Street – Suite A7
 Chicago, IL 60603
 Contact: Sheryas Shah
 Phone: (312) 782-8144

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, 1st Floor Suite A7 (lobby arcade), consisting of 670 rentable square feet.

USE: To be used by Rashmi-Tara, Inc. d/b/a U.S. Photo and Smoothie Center for the exclusive retail sale of flowers and related items, fruit smoothie drinks, sweet smoothies, slushes, fresh squeezed fruit juices, fresh lemonade, frozen yogurt, cappuccino, nachos, bagels, muffins and donuts, a soda fountain and the sale of all items currently sold on the premises excepting those items which other retail tenants in the lobby arcade hold an exclusive right to sell.

TERM: ~~The term of this lease agreement commences August 1, 2001 and ends is 10 years commencing August 1, 2001 and ending July 31, 2011. Tenant shall have one (1) option to renew for a ten-year period. commences August 1, 2002 and ends~~ September 30, 2017. Tenant shall have one (1) option to renew the Lease at a market rent for a ten-year period

CONSTRUCTION PERIOD RENT: During the period of Tenant’s work to improve the premises monthly rent shall be as follows:

<u>August 1, 2001 to June 30, 2002</u>	<u>\$1,647.00</u>
<u>July, 2002</u>	<u>\$823.50</u>
<u>August, 2002</u>	<u>\$823.50</u>
<u>September, 2002</u>	<u>\$823.50</u>

RENT: ~~Tenant shall pay landlord annual rent in the amount of \$23,450.00 (\$35.00 per rentable square feet) payable in equal monthly installments, for the first five years of the lease term. Thereafter, rent shall increase by 3% per year for the remainder of the lease term. After Tenant’s work is completed, Tenant shall pay landlord rent as follows:~~

<u>Year</u>	<u>Monthly</u>	<u>Annual Rate</u>
<u>10/1/02 - 9/30/07</u>	<u>\$1,000.00</u>	<u>\$17.91/RSF</u>
<u>10/1/07 - 9/30/12</u>	<u>\$1,500.00</u>	<u>\$26.87/RSF</u>
<u>10/1/12 - 9/30/17</u>	<u>\$2,000.00</u>	<u>\$35.82/RSF</u>

ADDITIONAL RENT: None. This is a Gross Lease

IMPROVEMENTS TO PREMISES AND BUILD-OUT COSTS: Landlord will deliver space in its current "as-is" condition. Tenant may remodel the premises upon landlord's approval.

INSURANCE INDEMNIFICATIONTENANT: Tenant will maintain (1) general liability insurance with limits of not less than \$1,000,000.00 including Landlord and its employees as additional insured's and (2) special perils property insurance covering its contents and the Landlord's interest in leasehold improvements. Tenant will provide Landlord with a Certificate of Insurance, with the 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 and any amendments thereto. Authorize the President and Secretary to execute the Lease Agreement and any amendments thereto. 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. \$272,470.50

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.

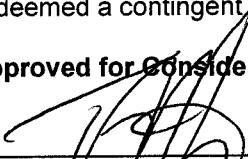
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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:



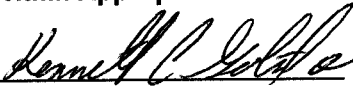
Timothy Martin
Chief Operating Officer

Approved:




Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel