

AMEND BOARD REPORT 03-0225-OP10
APPROVE A LEASE AGREEMENT WITH MAMA FALCO'S, INC.
FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET AND
AUTHORIZE PAYMENT OF REAL ESTATE BROKER'S COMMISSION

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve a lease agreement with Mama Falco's, Inc. for rental of space at 125 South Clark Street, 1st Floor Arcade, Suite A-1 (Lobby Arcade) and authorize payment of Real Estate Broker's Commission to U.S. Equities in the amount of \$6,078.46. 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 amended Board Report. Information pertinent to this lease agreement is stated below.

This amended Board Report is necessary to reflect changes in the construction start, rent commencement dates, and option language.

TENANT: Mama Falco's, Inc.
 c/o Ashok Shah
 3425 Springdale Ave
 Glenview, IL 60025
 Contact: Ashok Shah
 Phone: (847) 729-4632

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 S. Clark, 1st Floor – A-1, consisting of approximately 971 R.S.F.

USE: To be used as a retail store concentrating in the sale of prepared food, snacks and beverages (excluding the sale of alcoholic beverages). Subject to prior exclusives of existing Tenants.

TERM: ~~The term of this lease agreement is ten years.~~ The lease shall commence on ~~April 1, 2003~~ March 1, 2004 and shall end March 31, 2013.

OPTION TO RENEW: Upon giving not less than twelve (12) months written notice to Landlord, ~~and upon mutual consent of the parties,~~ Tenant shall have one (1) option to renew for a period of ten (10) years at the current market rent at the time of renewal.

RENT:	<u>Year</u>	<u>Rent/R.S.F.</u>	<u>Monthly</u>	<u>Annually</u>
	4/1/03-3/1/04 to 03/31/05	\$25.75 abated to \$7.32*	\$592.31	\$7107.72
	4/1/05- 03/31/13	\$26.52	\$2,145.91	\$25,750.92 **

* In order to reimburse the Tenant for the improvements.

**Thereafter, the annual gross rent shall increase by 3% on each April 1st until the end of the lease term.

~~Total Gross Rent for term of lease \$236,118.07~~

ADDITIONAL RENT: None. This is a Gross Lease.

CONSTRUCTION: Landlord will deliver the space in its "as-is" condition. Tenant shall at its sole cost and expense, ~~within ninety (90) days, following receipt of the Building Permit by the date of February 1, 2004,~~ engage a contractor and renovate suite A-1 pursuant to plans and specifications approved by the Board. The estimated costs of said improvements is approximately \$115,000.00.

BROKER'S COMPENSATION: Authorize a lump sum payment of \$6,078.46 to U.S. Equities upon full execution of the lease agreement.

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
Charge Contingency: \$6,078.46
Budget Class: 0944-552-000-6000-5480 FY-04

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.

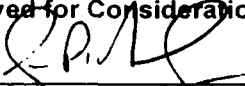
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

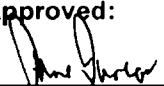
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Sean P. Murphy
Chief Operating Officer

Approved:



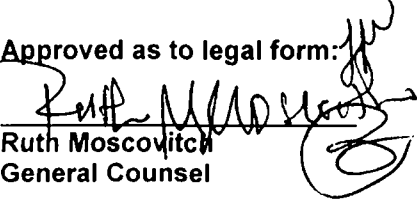
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth Moscovitch
General Counsel