

APPROVE ENTERING INTO A FIRST AMENDMENT TO AN EXISTING LEASE BETWEEN THE BOARD AND MARQUETTE INN NO. 9 FOR RENTAL OF SUITES A2 AND A6 AT 125 S. CLARK STREET, CHICAGO, ILLINOIS AND APPROVE ENTERING INTO A SUBLET CONSENT TO PERMIT MARQUETTE INN NO. 9 TO SUBLET THE PREMISES TO SUBWAY REAL ESTATE CORP.

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into the following: (a) a First Amendment ("First Amendment") to the existing Lease ("Existing Lease") between the Board ("Landlord") and Marquette Inn No. 9 ("Tenant") for Suites A2 and A6 in the Retail Arcade at 125 S. Clark Street, Chicago, Illinois ("Premises"); and, (b) a Sublet Consent ("Sublet Consent") to a Sublease between the Tenant and Subway Real Estate Corp. ("Subtenant") for the Premises. As part of the transaction, the Subtenant has informed the Board that it intends to Sub-sublease the Premises to Jatinder K. Verma and Jwait Patel ("Sub-subtenant"), who are approved licensees/franchisees of the Subtenant. The First Amendment and the Sublet Consent are currently being negotiated. The authority granted herein shall automatically terminate in the event the First Amendment and the Sublet Consent are not executed within 90 days of this Board Report. Information pertinent to the agreements is stated below:

LANDLORD: Board of Education of the City of Chicago

TENANT/SUB-LANDLORD: Marquette Inn No. 9, Inc.
60 W. Adams
Chicago, IL 60603
Contact: Jim Verros
Phone: (312) 346-1292

SUB-TENANT: Subway Real Estate Corp.
325 Bic Drive
Milford, Connecticut 06460
Contact: Patricia Meahan
Phone: (800) 888-4848

SUB-SUB-TENANT: Jatinder K. Verma and Jwalit Patel
910 S. Michigan #1819
Chicago, IL 60605
Contact: Jay Verma
Phone: (312) 622-7000

PREMISES: 125 S. Clark, Retail Arcade, Suites A2 and A6 consisting of 1,521 rentable square feet.

USE: To be used for a restaurant for on and off Premises consumption of food and for no other use whatsoever.

TERMS OF FIRST AMENDMENT: Grants a 3 year option to renew the Existing Lease at the same rent, including the escalation, as contained in the Existing Lease.

TERMS OF SUBLET CONSENT: The Board consents to: (i) the Sublease between the Tenant and the Subtenant; (ii) the tenant work in the Premises for a Subway Restaurant; (iii) the above Use; and (iv) the further sub-subletting of the Premises to any bona-fide Subway licensee/franchisee (who has been approved by Subway pursuant to its normal review procedures), without further consent of the Board.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the First Amendment and Sublet Consent. Authorize the President and Secretary to execute the First Amendment and Sublet Consent. Authorize the General Counsel to execute ancillary documents required to administer or effectuate the First Amendment and the Sublet Consent.

INSURANCE/INDEMNIFICATION: Tenant will maintain (1) general liability insurance with limits of not less than \$1,000,000 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.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Credit Income to 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.

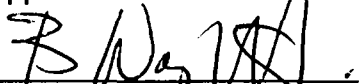
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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

Indebtedness – The Board's Indebtedness Policy adopted 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).

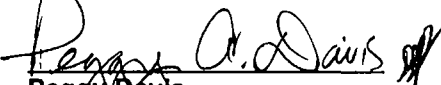
Approved for Consideration:


 Bruce Washington
 Acting Chief Operating Officer

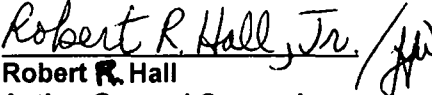
Approved:


 Arne Duncan
 Chief Executive Officer

Within Appropriation:


 Peggy Davis
 Chief of Staff

Approved as to legal form:


 Robert R. Hall
 Acting General Counsel