

AMEND BOARD REPORT 10-1215-OP4**APPROVE ENTERING INTO A LEASE AGREEMENT WITH SUBWAY REAL ESTATE CORPORATION d/b/a
SUBWAY SANDWICHES & SALADS FOR RENTAL OF SPACE AT
125 SOUTH CLARK STREET****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into a lease agreement with Subway Real Estate Corporation d/b/a Subway Sandwiches & Salads for rental of space at 125 South Clark Street, 1,521 rentable square feet ("RSF") in Suite 107. 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 January 2011 amendment is necessary to correct the renewal options and dollar amount per rentable square feet.

TENANT: Subway Real Estate Corporation, d/b/a Subway Sandwiches & Salads
8605 West Bryn Mawr, Suite 314
Chicago, Illinois 60631
Contact Person: Marina Kontogiannis, Director of Leasing (773) 380-3040

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, Suite 107, consisting of 1,521 rentable square feet ("RSF") Premises will be delivered in as-is condition upon full execution of Lease.

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

TERM: The term of this lease agreement is five (5) years. The lease shall commence on January 1, 2011 and shall end December 31, 2016.

RENEWAL OPTION: Tenant shall have ~~one (1)~~ two (2) options to renew its lease for an additional term of five (5) years each. Tenant shall give to Landlord twelve (12) months prior written notice of its intention to exercise such option. Such renewal option will be at a two percent (2%) annual increase ~~the prevailing fair market rental rate for similar class retail space in the Loop area of Chicago, but not less than the then-escalated rate.~~

GROSS RENT: Tenant shall pay Landlord annual gross rent in the amount of ~~\$35.50~~ \$38.00 per rentable square feet, to be paid in equal monthly installments. Rent shall increase by two percent (2%) annually.

~~**ADDITIONAL RENT:** Tenant shall pay its proportionate share of building operating expenses and real estate taxes during the term of the lease above a 2010 base year.~~

INSURANCE/INDEMNIFICATION: Tenant will maintain general liability insurance with limits of not less than \$1,000,000; Tenant shall include Landlord and its employees as additional insured's. Tenant shall 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 such insurance. Indemnification language shall be negotiated by the General Counsel.

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.

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 June 23, 2004 (04-0623-PO4), 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:



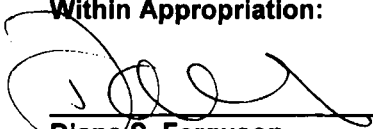
Patricia L. Taylor
Chief Operating Officer

Approved:



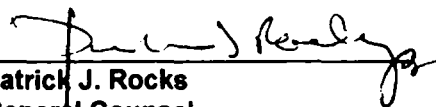
Terry Mazany
Chief Executive Officer

Within Appropriation:



Diana S. Ferguson
Chief Financial Officer

Approved as to legal form: 



Patrick J. Rocks
General Counsel