

APPROVE ENTERING INTO A LEASE AGREEMENT WITH KEE NAM CHANG d/b/a SUE'S HALLMARK FOR RENTAL OF SPACE AT 125 SOUTH CLARK STREET

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a lease agreement with Kee Nam Chang d/b/a Sue's Hallmark for rental of space at 125 South Clark Street, 1st Floor, Suite A10, (Adams Street and Adams Street lobby frontage). A written lease agreement shall be prepared and executed within 90 days of the date of this Board Report. Information regarding the lease agreement is available at the City of Chicago website.

TENANT: Kee Nam Chang d/b/a Sue's Hallmark
ADDRESS: 33 N. Dearborn Street
Chicago, IL 60602

Contact Person: Richard Byrne
Phone: 773-334-5853

LANDLORD: Board of Education of the City of Chicago

PREMISES: 125 South Clark Street, 1st Floor, Suite A10 (Adams Street and Adams Street lobby frontage) space currently consisting of 2,785 useable square feet.

USE: To be used by Kee Nam Chang d/b/a Sue's Hallmark as a retail store specializing in the sale of greeting cards and associated items.

The lease shall commence on November 1, 2001 and

TERM: The term of this lease agreement is 10 years. The lease shall end October 31, 2011.

The amount of \$45.00 per usable square foot, to be paid monthly in advance.

RENT: Tenant shall pay landlord annual gross rent in the amount of \$125,250.00 per year, payable in 12 equal monthly installments of \$10,437.50 per month.

ADDITIONAL RENT: Tenant shall pay its proportionate share of common area expenses and taxes.

Landlord reserves the right to terminate the lease at the end of the fifth lease year, however if Tenant so terminates the lease

EARLY TERMINATION FEE: Tenant shall have the right to terminate the lease at any time after the first year, upon giving landlord 12 months prior written notice. Provision of a 12-month notice shall be required.

at the end of the fifth lease year, Tenant shall pay to landlord the sum of \$25,000 as an early termination fee.

IMPROVEMENTS TO PREMISES AND BUILD-OUT COSTS: Landlord will deliver space in its current "as-is" condition, however, Landlord shall provide Tenant with a build-out allowance not to exceed \$271,850.00 (\$10.00/useable square foot). Additionally, Landlord shall install a revolving door on the Adams Street exterior Wall to provide Tenant direct access to the Premise. The budget for this item is \$218,075.00.

INSURANCE/INDEMNIFICATION: Tenant will maintain general liability insurance with limits of not less than \$1,000,000 per occurrence and shall provide a Certificate of Insurance, with the provision that Tenant must provide 30 days' prior written notice to Landlord of its intention to cancel.

AUTHORITY: Authority is granted to the Control Group to review and execute the lease agreement in accordance with the terms and conditions of this Board Report.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL		
Credit Income to General Fund		
Original Range \$7,650.00 to Budget	Classified to	Original Range \$0.00 to Budget

TERMINATION CONDITIONS:

Inspector General. Each party to the agreement shall acknowledge that in accordance with 105 ILCS 5/34-10.5, the Inspector General shall have the authority to conduct investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

GENERAL
Inspector

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Report if entered into in