

**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, 1<sup>st</sup> Floor, Suite A10, (Adams Street and Adams Street lobby frontage). A written lease shall be prepared by the tenant and approved by the Board of Education. If a written lease agreement is not executed within 90 days of the date of this Board Report, information shall be disseminated to the public.

**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, 1<sup>st</sup> 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 at the end of the fifth lease year, Tenant shall pay to landlord the sum of \$25,000 as an early termination fee.

**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.

**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 approve the lease agreement and conditions in the lease agreement.

