

December 7, 2022

**APPROVE ENTERING INTO SUBLEASE AGREEMENT WITH
CSG SYSTEMS, INC., FOR 1 NORTH DEARBORN, 14th FLOOR
FOR USE AS OFFICE SPACE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a new sublease agreement with CSG Systems, Inc., for space located in Suite 1400 of 1 North Dearborn Street, Chicago, Illinois, for use as office space. A written sublease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written sublease agreement is not executed within 120 days of the date of this Board Report.

OWNER: One North Dearborn Properties, LLC

SUBLANDLORD: CSG Systems, Inc.
18020 Burt Street
Omaha, NE 68022
Contact: Burt Lunn, VP
Phone: 402-431-7118
Email: burt.lunn@csg.com

TENANT: Board of Education of the City of Chicago

LEASED PREMISES: 1 North Dearborn Street, 14th floor, consisting of approximately 51,835 rentable square feet ("RSF"). The space is fully built-out and includes AV / technology equipment.

USE: office space.

TERM: The sublease shall commence upon the later of execution of the sublease agreement and Landlord's consent or January 1, 2023 (the "Sublease Commencement Date"), for a term of approximately 8 years and 3 months, through March 31, 2031. Sublandlord will tender possession of the Premises early, at no cost to the Board, in the event the sublease is executed prior to January 1, 2023, which shall not impact the Sublease Commencement Date.

RENT: Tenant shall pay gross rent (inclusive of all real estate taxes and building operating expenses) of \$30.00 per RSF per year. Base rent will be abated for a period of ten (10) months from the Rent Commencement Date. Base Rent will increase annually at a rate of \$1.00 per RSF. The annual base rent is below and shall be payable in equal monthly installments.

Period Beginning	Period Ending	Annual Rent / s.f.	Annual Rent	Monthly Rent
1/1/2023	12/31/2023	\$30.00	\$259,175.00*	\$129,587.50
1/1/2024	12/31/2024	\$31.00	\$1,606,885.00	\$133,907.08
1/1/2025	12/31/2025	\$32.00	\$1,658,720.00	\$138,226.67
1/1/2026	12/31/2026	\$33.00	\$1,710,555.00	\$142,546.25
1/1/2027	12/31/2027	\$34.00	\$1,762,390.00	\$146,865.83
1/1/2028	12/31/2028	\$35.00	\$1,814,225.00	\$151,185.42
1/1/2029	12/31/2029	\$36.00	\$1,866,060.00	\$155,505.00
1/1/2030	12/31/2030	\$37.00	\$1,917,895.00	\$159,824.58
1/1/2031	3/31/2031	\$38.00	\$492,432.50**	\$164,144.17

* Rent is abated for first ten (10) months, so rent for first lease year will be \$259,175.00

** Rent is only payable for three (3) months in 2031, so rent for the last year will be \$492,432.50.

ADDITIONAL RENT: Rent payable to sublandlord is gross rent and, as such, the Board shall not be responsible for paying real estate taxes or building operating expenses in connection with this sublease.

OPERATING, MAINTENANCE EXPENSES AND UTILITIES: CPS will pay for its own utilities from Sublease Commencement Date. Tenant will maintain in good repair, at Tenant's sole expense the interior and non-structural portions of the Premises, including electrical and plumbing.

TENANT IMPROVEMENT ALLOWANCE: The Premises was recently built-out by Sublandlord and includes furniture, fixtures, and AV / technology equipment. The space will suit the Boards needs in its as-is condition and, as such, a Tenant Improvement allowance is not offered in connection with this sublease.

INSURANCE/INDEMNIFICATION: Any and all 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 sublease agreement. Authorize the President and Secretary to execute the sublease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the sublease agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The estimated total amount to be paid by the Board for the Leased Premises for the term is \$13,088,337.50. Charge to Real Estate Department.

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 May 25, 2011 (11-0525-PO2), 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:

DocuSigned by:
Charles E. Mayfield
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Charles E. Mayfield
Interim Chief Operating Officer

Approved:

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

Approved as to legal form: ^{DS}
JMM

DocuSigned by:
Joseph T. Moriarty
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Joseph T. Moriarty
General Counsel