

**RATIFY ENTERING INTO A LEASE AGREEMENT WITH COMMONWEALTH EDISON COMPANY
REGARDING USE OF SPACE AT 125 SOUTH CLARK**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify entering into a new Lease Agreement with Commonwealth Edison Company ("Com Ed") regarding use of the 4th floor, 125 S. Clark including (i) the acceptance of payment from Com Ed in the amount of \$915,692 representing final payment of rent related to Com Ed's tenancy through calendar year 2003; and the (ii) termination of existing Leases for the 1st, 4th, 15th, 19th, and 20th floors. A single document or multiple documents is currently being negotiated to effectuate this agreement. The authority granted herein shall automatically rescind in the event, the written document(s) are not executed within 90 days of the date of this Board Report. Information pertinent to this matter is stated below.

TENANT: Commonwealth Edison Company
Real Estate Services
3 Lincoln Center, 4th Floor
Oakbrook Terrace, IL 60181
Contact Person: Ellen Haddad
Phone: 630-576-7156

LANDLORD: Board of Education of the City of Chicago

NEW 4TH FLOOR PREMISES: Approximately 19,739 rentable square feet.

TERMINATION OF PRIOR LEASES: The termination agreements for the prior Leases are as follows: the 1st Floor Lease as of January 31, 2002; the current 4th Floor Lease as of December 31, 2003; the 15th Floor Lease as of September 30, 2001; the 19th Floor Lease as of November 30, 2001; and the 20th Floor Lease as of March 31, 2004.

USE: To operate Com Ed's downtown data center.

TERM OF NEW 4TH FLOOR LEASE: The term of the new 4th Floor Lease shall commence as of January 1, 2004 and shall end December 31, 2008. Tenant shall have two (2) options to renew for periods of 4 years each at rent levels stated below.

EARLY TERMINATION RIGHT FOR NEW 4TH FLOOR LEASE: If not in default, Tenant shall have the right to terminate the lease agreement upon 12 months prior written notice to the Board.

CONTRACTION OPTION FOR NEW 4TH FLOOR LEASE: If not in default, Tenant shall have the right to surrender all or part of the Premises upon 90 days prior written notice to the Board.

RENT FOR NEW 4TH FLOOR LEASE: The rent for the term from January 1, 2004 to December 31, 2004 shall be \$16.00 per square foot, payable in monthly installments. On each January 1st of the remaining term and any extensions thereof, rent shall increase at a rate of 3% per annum. The Board shall supply chilled water to Tenant from November 1st to April 15th of each year and Tenant shall reimburse the Board at the rate of \$4,600 per month as Additional Rent.

INSURANCE/INDEMNIFICATION: Tenant will maintain (1) general liability insurance with limits of not less than \$100,000.00 including Landlord and its employees as additional insured 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.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written documents(s). Authorize the President and Secretary to execute the written document(s). Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the written documents(s).

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: LSC approval is not applicable to this action.

FINANCIAL: Credit rent income to the General Fund. Credit Settlement Payment to Operations.

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.

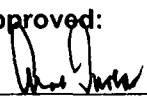
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Sean P. Murphy
Chief Operating Officer

Approved:



Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form:



Ruth M. Moscovitch
General Counsel