

**APPROVE ENTERING INTO AN EXCLUSIVE TRADEMARK LICENSE AGREEMENT
TO LICENSE USE OF THE REAL MEN READ TRADEMARK TO SCHOLASTIC INC.**

THE BOARD OFFICE REPORTS THE FOLLOWING DECISION:

Approve entering into a 3 1/2 year exclusive trademark license agreement to license use of the REAL MEN READ trademark to Scholastic Inc. Scholastic will pay a recoupable (against future royalties) license fee in the amount of \$60,000 to the Board upon execution of the agreement. The license agreement will provide for payment of royalties to the Board based on net sales of the Scholastic Real Men Read program. Scholastic was not selected on a competitive basis because Scholastic has a large catalogue of books suitable for this program and has provided many of the books used in the current Real Men Read Program. A written agreement to license the trademark is currently being negotiated. No use of the trademark shall begin prior to the execution of the written license agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

LICENSEE: Scholastic, Inc.
2931 East McCarty Street
Jefferson City, MO 65101
Vendor #14970

LICENSOR: Chicago Board of Education
125 S. Clark, 6th Floor
Chicago, IL 60603
Contact: Brandi Sandner, Deputy Chief of Staff to the Board

TERM: The term of this trademark license agreement shall commence on the date the agreement is signed and shall end 42 months thereafter. The agreement will provide for one three (3) year option to renew based on the mutual agreement of the parties. If at the expiration or termination of this Agreement Scholastic retains inventory of the Licensed Product, Scholastic is hereby granted an eighteen (18) month sell-off period (which includes the rights to market, distribute and sell the Licensed Product) beyond the Term.

USE OF TRADEMARK: Use of the REAL MEN READ service marks, trademarks, and logos including United States Registration Numbers 3,434,365 and 3,419,543 ("Marks") in connection with the manufacture, distribution, marketing, and sale of Scholastic's educational reading program(s) bearing the Marks; including books, instructional materials, academic papers, posters, packaging, marketing materials, website, audio and video products, CD-ROMs, and professional development materials ("Licensed Products") in any school market except the Chicago Public Schools during the term.

OUTCOMES: This agreement will provide additional revenues to support the Real Men Read Program in the Chicago Public Schools. This agreement also will provide the Chicago Public Schools with the option of using the Licensed Products in the Chicago Public Schools Real Men Read Program without charge. This agreement also will guarantee the Chicago Public Schools a 30 percent discount on books purchased for the Chicago Public Schools Real Men Read Program which Scholastic offers for sale in its classroom books catalog.

LICENSE FEE: Scholastic shall pay the Board an advance, recoupable (against future royalties) license fee in the amount of \$60,000 upon execution of the agreement. Royalties shall be based on net sales on a cumulative basis over the 3 1/2 year term.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written license agreement. Authorize the President and Secretary to execute the license agreement. Authorize the Chief Officer of Instructional Design and Assessment to execute all ancillary documents required to administer or effectuate this license agreement.

AFFIRMATIVE ACTION: Not Applicable.

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

FINANCIAL: No Cost to the Board. Instead, Licensee shall pay the Board an advance, recoupable (against future royalties) license fee in the amount of \$60,000 upon agreement. Royalties shall be based on net sales on cumulative basis over the 3 1/2 year term.

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.

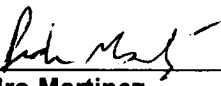
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their 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.

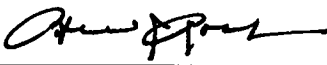
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approve as to legal form:



Patrick J. Rocks
General Counsel