

**APPROVE PAYMENT TO THE CATHOLIC BISHOP OF CHICAGO  
FOR THE SETTLEMENT OF CLAIMS STEMMING FROM THE MASTER LEASE AGREEMENT**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve payment to the Catholic Bishop of Chicago for the settlement of claims stemming from the Master Lease Agreement. A written settlement agreement is currently ready for execution. The authority granted herein shall automatically rescind in the event the written settlement agreement is not executed within 90 days of this Board Report. Information pertinent to this settlement agreement is stated below.

**VENDOR:** Catholic Bishop of Chicago  
c/o Archdiocese of Chicago  
P.O. Box 1979  
Contact Person: Thomas Brennan  
Chicago, IL 60690-1979  
Phone: (312) 751-7218

**DESCRIPTION:** The Catholic Bishop of Chicago alleged that the Board is liable for repairs to certain school properties that the Board vacated after the termination of the tenancy of those properties under the Master Lease Agreement between the Catholic Bishop of Chicago and the Board.

**PAYMENT:** The Board shall pay to the Catholic Bishop of Chicago the sum of \$1,250,000.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written settlement agreement. Authorize the General Counsel to execute the settlement agreement and all ancillary documents related thereto.

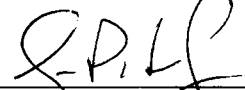
**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Local School Counsel is not applicable to this report

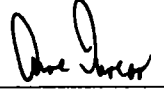
**FINANCIAL:** Charge to Operations: \$1,250,000 Fiscal Year: 2004  
Budget Classification: 0643-552-000-6000-5480

**GENERAL CONDITIONS:** None

Approved for Consideration:



  
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Sean P. Murphy  
Chief Operating Officer

Approved:

  
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Arne Duncan  
Chief Executive Officer

Within Appropriation:

  
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John Maiorca  
Chief Financial Officer

Approved as to legal form:   
  
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Ruth Moscovitch,  
General Counsel