

RATIFY A SUPPLEMENT TO LEASE AGREEMENT WITH COMMONWEALTH EDISON COMPANY FOR USE OF SPACE AT 125 SOUTH CLARK STREET, 4TH FLOOR AND ENTERING INTO TERMINATION AGREEMENTS FOR THE 15TH AND 19TH FLOORS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Ratify entering into termination agreements with Commonwealth Edison Company ("Com Ed") for leases of the 15th and 19th floors at 125 South Clark Street and a supplement to lease agreement with Com Ed for the lease of the 4th floor, consisting of approximately 27,345 rentable square feet. The existing lease is for 29,842 rentable square feet and the 2,497 rentable square feet not being leased by Com Ed under the supplement to lease agreement is and will be used by OTS. Written agreements are currently being negotiated. The authority granted herein shall automatically rescind in the event written agreements are not executed within 90 days of the date of this Board Report. Information pertinent to the supplemental lease agreement and the termination agreements are stated below.

LANDLORD: Commonwealth Edison Company
Real Estate Services
3 Lincoln Center, 4th Floor
Oakbrook Terrace, IL 60181
Contact Person: Nick Schilling
Phone: 630-577-7156

TENANT: Board of Education of the City of Chicago

PREMISES: Approximately 27,345 rentable square feet on the 4th floor. The termination agreement for the 15th floor is as of September 30, 2001 and the termination agreement for the 19th floor is as of November 30, 2001.

USE: To operate its Downtown office.

TERM: The term of the lease agreement, as supplemented, shall commence as of February 1, 2002 and shall end January 31, 2007. The lease agreement, as supplemented, shall have one (1) option to renew for period of 5 years at market rent.

EARLY TERMINATION RIGHT: Either party shall have the right terminate the lease agreement, as supplemented, upon one (1) year's prior written notice to the other.

RENT: Subject to negotiations, the annual rent for the initial term of the lease shall be between \$10.00 per rentable square foot and \$20.00 per rentable square foot, payable in monthly installments.

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 supplement to the lease agreement and the termination agreements. Authorize the President and Secretary to execute the supplement to the lease agreement and the termination agreements. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the lease agreement, as supplemented. Authorize Chief Operating Officer to exercise options to extend or renew the lease agreement.

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Credit Income to General Fund

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.

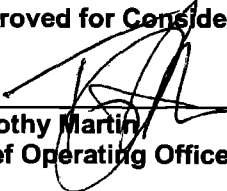
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



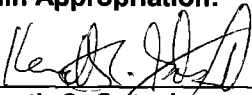
Timothy Martin
Chief Operating Officer

Approved:



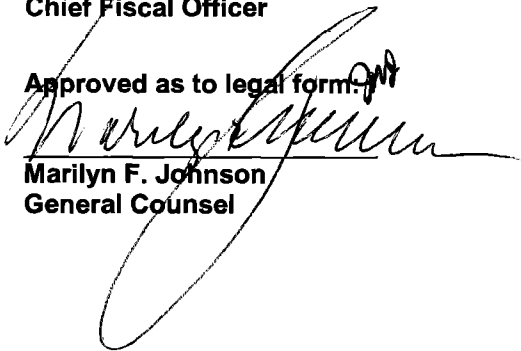
Arne Duncan
Chief Executive Officer

Within Appropriation:



Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:



Marilyn F. Johnson
General Counsel