

APPROVE ENTERING INTO A RENEWAL OF THE LEASE AGREEMENT WITH COMMONWEALTH EDISON COMPANY REGARDING USE OF SPACE AT 125 SOUTH CLARK STREET

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal of the Lease Agreement with Commonwealth Edison Company ("Com Ed") regarding use of the 4th floor at 125 South Clark Street, Chicago, IL. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event the lease renewal agreement is 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: Nadia Chomko, Asset Manager
Phone: (630) 576-6303

LANDLORD: Board of Education of the City of Chicago

PREMISES: Approximately 19,379 rentable square feet located on the 4th floor of the 125 South Clark Street building.

ORIGINAL LEASE: The original lease (authorized by Board Report 04-0922-OP4) is for a term commencing January 1, 2004 and ending December 31, 2008, with Tenant having two options to renew for periods of 4 years each ("Lease").

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

RENEWAL TERM: Pursuant to Article XI of the lease, tenant is exercising its option to renew the lease commencing January 1, 2009 and ending December 31, 2012.

OPTIONS REMAINING: Tenant shall have one option to renew the lease for an additional 4-year period.

RENT: Fixed Rent (as that term is defined in the Lease) during the Renewal Term shall be as follows:

| <u>Period</u> | <u>Annual Fixed Rent</u> | <u>Monthly Fixed Rent</u> |
|-----------------|--------------------------|---------------------------|
| 1/1/09-12/31/09 | \$366,126.57 | \$30,510.55 |
| 1/1/10-12/31/10 | \$377,110.37 | \$31,425.86 |
| 1/1/11-12/31/11 | \$388,423.68 | \$32,368.64 |
| 1/1/12-12/31/12 | \$400,076.39 | \$33,339.70 |

In accordance with Article I (G) of the lease, Fixed Rent for the Renewal Term, and any other renewal terms, shall escalate by 3% per annum.

OTHER TERMS AND CONDITIONS: Except as expressly amended herein, all other terms and conditions of the Lease shall remain in full force and effect.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the Lease.

AFFIRMATIVE ACTION: Exempt

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

FINANCIAL: Credit rent income to the 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 member 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.

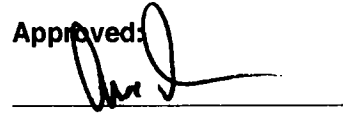
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

Approved for Consideration:

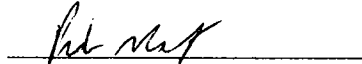


M. Hill Hammock
Chief Operating Officer

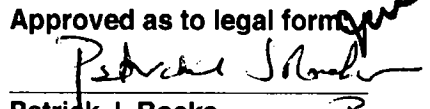
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form


Patrick J. Rocks
General Counsel