

ORDINANCE NO. 003-142

AN ORDINANCE PERMITTING
COLLATERAL ASSIGNMENT OF THE
GROUND LEASE FOR 600 SOUTH
WABASH, L.P. , CHICAGO, ILLINOIS,
TO THE TENANT'S MORTGAGEES

WHEREAS, The City of Chicago ("City") owns certain vacant real estate located on the south side of East Harrison Street, immediately adjacent to the Authority right-of-way property along the Green and Orange Line tracks at the rear of 600 South Wabash Avenue in Chicago, Illinois ("Property"); and

WHEREAS, The City, in conjunction with the developer, 600 South Wabash, L.P. ("Developer"), entered into a Redevelopment Agreement dated December 2001 to construct a Single Room Occupancy Development Project ("SRO Project") at 600 South Wabash Avenue; and

WHEREAS, The Developer requires long-term access over a portion of the Property and an adjoining parcel of Authority Property ("Authority Parcel") for vehicular parking purposes; and

WHEREAS, Pursuant to Ordinance No. 002-143, dated September 11, 2002, the Authority agreed to accept transfer of the Property from the City for use by the Authority in its Harrison Curve Project; and

WHEREAS, Ordinance No. 002-143 also authorized the Authority to enter into a 65-year ground lease of the Property and the adjoining Authority Parcel with the Developer as the "Tenant" (jointly referred to herein as the "Leased Premises"); and

WHEREAS, Use of the Leased Premises is limited by the Ground Lease to parking of motor vehicles under or adjacent to the Authority's Green and Orange Line tracks; and

WHEREAS, As is customary for projects involving the construction of single-room occupancy housing development projects, the Developer secured funding through mortgages with a number of entities, including Citibank, F.S.B., the Illinois Housing Development Authority, the Chicago Christian Industrial League, the Local Initiatives Support Corporation, and the Corporation for Supportive Housing (jointly referred to herein as the "Mortgagees"); and

WHEREAS, The Developer has requested that the Authority consent to an assignment of the Ground Lease and all of its interest and rights therein to

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the Mortgagees, which will, along with the SRO Project, act as security for said mortgages; and

WHEREAS, The assignment of the Ground Lease will not alter the Authority's rights under said Lease since the Mortgagees, should all or any of them succeed to the interest of the Developer in the Ground Lease, will be subject to all terms and conditions set forth therein; and

WHEREAS, In the event the Mortgagees, or any of them, succeed to the Developer's interest in the SRO Project, including but not limited to the Leased Premises, the Mortgagees, or any of them, may desire to transfer their interest in the SRO Project and reassign the Ground Lease to other entities; and

WHEREAS, It is in the Authority's interest that the Mortgagees, or any of them, not be permitted to transfer their interest in the Leased Premises separately from their interest in the SRO Project, now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. That the Chicago Transit Board hereby authorizes 600 S. Wabash, L.P., to assign its Ground Lease with the Authority to its mortgagees (Citibank, F.S.B., the Illinois Housing Development Authority, the Chicago Christian Industrial League, the Local Initiatives Support Corporation, and the Corporation for Supportive Housing Association), and to future secured lenders who have a mortgage interest in the Single Room Occupancy Development Project for collateral purposes only, provided that the Mortgagors may not transfer or assign any interests Mortgagors may have in the Property leased from the Authority from time to time, unless such interest in the Leased Property is transferred concurrently with, and to the same entity as, any transfer of a like interest in the SRO Project.

SECTION 2. That the Chairman, or her designee, is hereby authorized to execute the letter dated September 18, 2003, from Paul W. Shadle, attorney for 600 S. Wabash, L.P., and approved by 600 S. Wabash, L.P., authorizing this assignment, which is attached hereto as Exhibit A.

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SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

October 7, 2003

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