

ORDINANCE NO. 015-88

AN ORDINANCE AUTHORIZING A  
LEASE OF THE FIRST AND SECOND  
FLOOR SPACE LOCATED AT 120  
NORTH RACINE AVENUE, CHICAGO,  
ILLINOIS

WHEREAS, The Authority's administrative building and parking lots, located at 120 North Racine Avenue (the "Building"), contain first and second floor space and associated parking spaces available for lease; and

WHEREAS, The first and second floor space of the Building totals 84,879 square feet, as depicted on Exhibit A hereto (the "Premises"), and became available for leasing beginning August 1, 2015; and

WHEREAS, The Authority has contracted with Jones Lang LaSalle Americas Inc. ("JLL") to lease the Premises; and

WHEREAS, Through extensive marketing and competitive negotiations, JLL has identified Sterling Racine, LLC ("Sterling"), which is owned by Sterling Bay Capital Partners I, LLC, as a viable tenant for the Premises; and

WHEREAS, The primary use of the Premises by Sterling will be for general office and retail uses; and

WHEREAS, The parties negotiated a ten (10) year lease for the Premises with two (2) five (5) year renewal options and with an escalating rent schedule depicted on Exhibit B hereto; and

WHEREAS, The lease provides that if the Authority offers to lease the third floor of the Building, Sterling will have a right of first refusal to rent the space at a rate and according to such terms to be determined by the Authority, and if the Authority offers to sell the Building, Sterling will have a right of first refusal to purchase the Building at a purchase price and according to such terms to be determined by the Authority; and

WHEREAS, Sterling will pay two months' rent in advance for a security deposit and will fund any improvements or modifications within the Premises; and

WHEREAS, Sterling will be responsible for its proportionate share of Building operating expenses and all applicable taxes and utility fees; and

WHEREAS, Sterling will have exclusive use of 100 parking spaces adjacent to the Building, as depicted on Exhibit C attached hereto; now, therefore:

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

SECTION 1. The Chairman of the Transit Board of the Chicago Transit Authority, or his designee, is authorized to enter into a lease agreement with Sterling Racine, LLC for the first and second floor space and 100 associated parking spaces located at 120 North Racine Avenue, Chicago, Illinois.

SECTION 2. The lease has a term of ten (10) years with two five (5) year renewal options; an initial annual rent of Twelve Dollars and Ninety-seven Cents (\$12.97) per square foot with three percent (3%) annual increases plus a proportionate share of Building operating expenses; requires indemnification of the Authority; and contains such other terms and conditions as are substantially in conformance with Exhibit D hereto.

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

APPROVED:

PASSED:

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Chairman

August 12, 2015

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Assistant Secretary

August 12, 2015