

ORDINANCE NO. 007-2

AN ORDINANCE AUTHORIZING A  
THIRD AMENDMENT TO THE LEASE  
FOR PROPERTY LOCATED AT 350  
NORTH ORLEANS, CHICAGO,  
ILLINOIS

---

WHEREAS, A lease for certain space at 350 North Orleans, Level S-2, Chicago, Illinois ("Property"), was authorized by Ordinance 91-185; and

WHEREAS, The lease was executed between the Authority and LaSalle National Bank as Trustee of Trust No. 36223, the current owner's predecessor in interest; and

WHEREAS, 350 Orleans LLC is the current Property owner; and

WHEREAS, The lease was amended twice, in 1992 and again in 1993;  
and

WHEREAS, The leased space of 33,724 square feet was used by the Authority's data center, a part of Technology Management; and

WHEREAS, The current lease expires on February 28, 2007; and

WHEREAS, Due to staff reductions and the relocation of staff to the 567 West Lake building, the Property is too large and can be reduced to 17,520 square feet; and

WHEREAS, A need still exists to house the data center along with office space for support staff; and

WHEREAS, Staff recommends extending the existing lease, with reduced square footage, for five and a half years, until August 31, 2012; and

WHEREAS, The amended lease includes 2.5 months' free rent; and

WHEREAS, The new adjusted annual rent will be \$376,680 with a 3 per cent annual escalation; and

WHEREAS, Included in the lease amendment is an improvement allowance of \$200,000 which 350 Orleans LLC is providing the Authority to improve the Property; and

WHEREAS, The extension of the lease will allow the Authority time to evaluate alternative locations for the data center; and

ORDINANCE NO. 007-2  
(Continued) -2

WHEREAS, The Authority will indemnify 350 Orleans LLC and its parent entity for accidents or injuries arising out of the Authority's improvements; now, therefore:

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

SECTION 1. The recitals contained in the whereas clauses of this ordinance are hereby incorporated herein.

SECTION 2. The Chairman, or her designee, is authorized to enter into a third lease amendment with 350 Orleans LLC for certain real estate located at the S-2 level of 350 North Orleans, Chicago, Illinois, as further described on Exhibit A attached hereto and made a part hereof.

SECTION 3. The lease shall be for 17,520 square feet and a term of five and a half years, with 3 percent annual rent escalations. The lease amendment shall also include 2.5 months' free rent to the Authority. The Authority shall indemnify 350 Orleans LLC and its parent entity for accidents or injuries arising out of the Authority's improvements. All other terms shall be in substantial conformance with Exhibit B, attached hereto.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Assistant Secretary

January 10, 2007

January 10, 2007