

ORDINANCE NO. 010-73

AN ORDINANCE AUTHORIZING ENTRY  
INTO SIGN STRUCTURE LEASE  
AGREEMENTS WITH CLEAR CHANNEL  
OUTDOOR, INC.

WHEREAS, The Chicago Transit Authority ("Authority") owns, manages or controls real property on which sign structures used for advertising purposes ("Structures") are posted; and

WHEREAS, The Authority is the owner of some but not all of such Structures; and

WHEREAS, Under prior agreements with the Authority, Clear Channel Outdoor, Inc. ("Clear Channel") or its predecessor had the right to solicit, sell and post advertising on the Structures, for which it paid rent to the Authority; and

WHEREAS, A dispute arose between Clear Channel and the Authority regarding ownership of some of the Structures and a lawsuit was filed by the Authority on September 11, 2007, in the Circuit Court of Cook County, which lawsuit is ongoing; and

WHEREAS, Pursuant to settlement discussions, the parties have agreed to dismiss the lawsuit if the Authority leases the Structures to Clear Channel for a ten year period and Clear Channel agrees to pay rent to the Authority in accordance with the terms of the leases; and

WHEREAS, At the end of the ten year lease period, the Authority will take title to all Structures; and

WHEREAS, Clear Channel desires to continue to lease the Structures for advertising purposes and the Authority desires to permit Clear Channel to do so; and

WHEREAS, The Structures are of different values for advertising purposes based on location and have, therefore, been divided into two separate leases; and

WHEREAS, Lease agreement #1 covers twelve Structures for which Clear Channel will pay to the Authority minimum annual rent of Fifty Thousand Dollars (\$50,000) or Thirty-two and one-half percent (32.5%) of the advertising revenue received, whichever is greater; and

WHEREAS, Lease agreement #2 covers fourteen Structures for which Clear Channel will pay to the Authority minimum annual rent of Four Hundred Seventy-

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five Thousand Dollars (\$475,000) or Fifty-eight and one-half percent (58.5%) of the advertising revenue received, whichever is greater; and

WHEREAS, Both leases require that Clear Channel carry sufficient insurance, indemnify the Authority and comply with the Authority's advertising guidelines, and permit the Authority to terminate in the event of Clear Channel's default; now, therefore:

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

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute a lease agreement of the sign structures identified on Exhibit 1-A (to Lease #1) with Clear Channel Outdoor, Inc., for a ten-year term for a minimum annual guarantee of Fifty Thousand Dollars (\$50,000) or Thirty-two and one-half percent (32.5%) of the advertising revenue received, whichever is greater; and that includes indemnification of the Authority and such other terms substantially in the form of the lease agreement attached hereto as Exhibit 1.

SECTION 2. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute a lease agreement of the sign structures identified on Exhibit 2-A (to Lease #2) with Clear Channel Outdoor, Inc., for a ten-year term for a minimum annual guarantee of Four Hundred Seventy-five Thousand Dollars (\$475,000) or Fifty-eight and one-half percent (58.5%) of the advertising revenue received, whichever is greater; and that includes indemnification of the Authority and such other terms substantially in the form of the lease agreement attached hereto as Exhibit 2.

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

APPROVED:

PASSED:

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Chairman

July 14, 2010

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Assistant Secretary

July 14, 2010