

ORDINANCE NO. 006-35

AN ORDINANCE AUTHORIZING
EXTENSION OF LEASE AUTHORIZED
BY ORDINANCE NO. 002-37 TO
ALLOW FOR AN ADDITIONAL ONE-
YEAR LEASE OF AUTHORITY
PROPERTY TO BANCO POPULAR
NORTH AMERICA

WHEREAS, The Chicago Transit Authority ("Authority") owns the property located at 2523-2531 North Kedzie Boulevard and 2529-2559 North Linden Place, Chicago, Illinois, as described on Exhibit A and depicted on Exhibit B attached hereto (Authority Property"); and

WHEREAS, The Authority Property is a 43,154 square foot corner lot which includes a one-story building with 12,200 square feet of rentable space, a three-lane drive-through area, and a parking lot; and

WHEREAS, Ordinance No. 76-60 authorized the execution of a lease agreement with Washington National Bank for a term of 5 years with five 5-year option terms. Washington National Bank built the bank structure at the inception of the lease agreement; and

WHEREAS, On March 31, 1985, the lease agreement was assumed by Banco Popular de Puerto Rico; and

WHEREAS, The final option term of the lease was authorized by Chicago Transit Board Ordinance No. 002-37, commencing April 1, 2002; and

WHEREAS, Ordinance No. 002-87, dated June 5, 2002, authorized amendment of the agreement to revise the tenant's name to Banco Popular North America from Banco Popular de Puerto Rico; and

WHEREAS, An appraisal has been conducted by an independent appraisal firm which appraised the annual rental value at \$350,000; and

WHEREAS, The current lease expires on March 31, 2006, and staff believes any decision concerning the future use of the Authority Property should be subject to further review and analysis; and

WHEREAS, Said review and analysis will not be completed for up to one year; and

ORDINANCE NO. 006-35
(Continued)-2

WHEREAS, Staff has negotiated an extension of the current lease for 1 year with the Tenant with annual rent of \$350,000, commencing April 1, 2006, and ending March 31, 2007; and

WHEREAS, Section 54.3-5 of the Authority's Regulations Governing Purchase and Sales Transactions provides that competitive bidding is not required in circumstances where the Chicago Transit Board finds it to be disadvantageous; now, therefore:

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

SECTION 1. That the Chicago Transit Board hereby declares that competitive bidding for the lease of the Authority Property located at the 2523-2531 North Kedzie Boulevard and 2529-2559 North Linden Place, Chicago, Illinois, is disadvantageous to the Authority.

SECTION 2. The Authority's lease agreement with Banco Popular North America for the Authority property located at 2423-2531 North Kedzie Boulevard and 2529-2559 North Linden Place, Chicago, Illinois, is hereby amended.

SECTION 3. The Chairman of the Chicago Transit Board, or her designee, is authorized to execute a 1-year lease extension commencing April 1, 2006, substantially in the form attached hereto as Exhibit C, with Banco Popular North America for the Authority Property located at 2523-2531 North Kedzie Boulevard and 2529-2559 North Linden Place, Chicago, Illinois. The annual rental fee for the first year of the lease shall be \$350,000.

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

APPROVED:

PASSED:

Chairman

Assistant Secretary

March 16, 2006

March 16, 2006

EXHIBIT C

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO INDENTURE ("First Amendment") is effective as of the first day of April, 2006, by and between the CHICAGO TRANSIT AUTHORITY, a municipal corporation, as "Landlord," and BANCO POPULAR NORTH AMERICA, a banking corporation, as "Tenant," collectively, the "Parties," and individually, a "Party."

RECITALS

WHEREAS, Landlord and Tenant previously executed a Ground Lease ("Lease") dated April 1, 2002, Lease for certain property owned by Landlord and located at 2523-31 N. Kedzie Boulevard and 2529-2559 North Linden Place, Chicago, Illinois ("Property"); and

WHEREAS, During the term of the Lease, Tenant has used the Property to operate a retail bank; and

WHEREAS, The Lease expires on March 31, 2006; and

WHEREAS, Landlord and Tenant desire to allow Tenant to continue to lease the Property for an additional one (1) year period, commencing April 1, 2006, and terminating March 31, 2007; and

WHEREAS, Tenant has agreed to pay \$350,000 annually (\$29,166.67/monthly) as and for rent for the Property.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the Parties agree as follows:

1. The last paragraph of Section 1 shall be amended to read, "To have and to hold said premises unto Lessee for and during the term beginning the 1st day of April, 2006, and ending the 31st day of March, 2007."

2. Section 2 (a) shall be amended to read, "Lessee agrees to pay to the Lessor as rent for said premises in lawful money of the United States of America without deduction or abatement for any cause whatever at such place in Chicago as Lessor from time to time in writing may appoint and in default of such appointment at the office of Lessor in Chicago, the sum of THREE HUNDRED FIFTY THOUSAND (\$350,000)

dollars per annum, payable in equal monthly installments of TWENTY-NINE THOUSAND ONE-HUNDRED SIXTY-SIX AND SIXTY-SEVEN HUNDREDTHS (\$29,166.67) dollars in advance on the first day of each month and every month of said term."

3. Except as expressly amended herein, all terms and provisions of the Lease shall be and remain in full force and effect.

Executed as of the date first above written.

TENANT:

BANCO POPULAR NORTH AMERICA,
a New York State banking corporation

By: _____

Name: _____

LANDLORD:

CHICAGO TRANSIT AUTHORITY

By: _____

Carole Brown
Chairman

ATTEST:

By: _____

Name: _____

General Partner

By: _____

Gregory Longhini
Assistant Secretary