

CONSERVATION RIGHT

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THIS CONSERVATION RIGHT, dated December 29, 1993, by and between Schema Development Limited Partnership, an Illinois limited partnership, hereinafter "Grantor") and LANDMARKS PRESERVATION COUNCIL OF ILLINOIS, an Illinois not-for-profit corporation ("Grantee");

WITNESSETH:

WHEREAS, Grantor is the owner of the land (the "Real Property") described in Exhibit "A" which Real Property is improved with a structure (the "Building"), more fully described in Exhibit "B", the Real Property and the Building are hereinafter collectively referred to as the "Premises."

WHEREAS, Grantee is an Illinois not-for-profit corporation and is a qualifying recipient of qualified conservation contributions under Section 170(b), (f) and (h) of the Internal Revenue Code of 1986 (the "Code"), and its purposes include the preservation of buildings, structures and sites of historical architecture and cultural significance.

WHEREAS, the Building is one of architectural significance containing features described in greater detail in Exhibit "B." Those portions of the Building specifically listed on the attached Exhibit B are referred to herein as the "Protected Elements." Furthermore, the building is located in a high visibility location at which its unique appearance and scale of construction are important assets to the City of Chicago and its immediate neighborhood. The grantor desires to preserve the Protected Elements, to prevent the destruction of the Building and its replacement with a larger structure, and to prevent the alteration of the profile and silhouette of the Building. The Grantor further desires to preserve the Building in its present design and condition, subject to appropriate necessary maintenance.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and the mutual covenants and terms, conditions, and restrictions hereinafter set forth and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby does grant, give, convey, bargain and sell unto Grantee, its successors and assigns, irrevocably forever, a Conservation Right, in perpetuity, in and to the aforesaid Premises, for the purpose of preserving the Protected Elements and accomplishing the other objectives set forth herein on the following terms and conditions.

1. Demolition. Grantor shall not demolish, remove or raze the Building or any portion of the Protected Elements.

2. Alternating. Without the prior written permission of Grantee, executed by a duly authorized officer, which written permission or refusal to grant such permission, including a statement of reasons for refusal, shall be delivered to Grantor by Grantee within thirty (30) days of receipt of Grantor's written request for such approval, there shall be:

- (a) no partial demolition or removal of the Building;
- (b) No change in the Protected Elements, including (without limitation) any alteration, partial removal, construction, remodeling or physical or structural change, or change in color or surfacing with respect to the appearance or construction of the Protected Elements;
- (c) no addition of signs, fences or awnings to the Protected Elements;
- (d) no expansion of the Building either horizontally or vertically;
- (e) no chemical cleaning or sandblasting of the Protected Elements.

This Instrument was prepared by and should be returned to: Daniel A. Lukas Oppenheimer Wolff & Donnelly 180 North Stetson Suite 4500 Chicago, Illinois 60601

Handwritten signature/initials

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12/30/93 10:15:00  
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3. **Maintenance.** Grantor shall promptly perform all necessary maintenance to the Building and the Protected Elements to preserve their appearance and structural soundness and to prevent their deterioration. Without limiting the foregoing, Grantor shall maintain the Premises in accordance with all applicable building and fire codes and shall keep the Premises free of any violation of such codes. Grantor shall also maintain all mechanical systems in the Building (including electrical, plumbing, heating and air-conditioning) in good repair in order to prevent deterioration of the Building or the Protected Elements.

4. **Specification of Materials.** In providing its written authorization for all work to be performed by Grantor hereunder, Grantee may specify all materials, methods, cleaning substance and colors to be used in any such work.

5. **Casualty Damage or Destruction.** In the event that the Premises or any part thereof shall be damaged or destroyed by casualty, the Grantor shall notify the Grantee in writing within five (5) days of the damage or destruction, such notification including a description of what, if any, emergency work has already been completed. For purposes of this instrument, the term "casualty" is defined as such sudden damage or loss as would qualify for a loss deduction pursuant to Section 165(c)(3) of the Code (construed without regard to the legal status, trade, or business of the Grantor or any applicable dollar limitation). No repairs or reconstruction of any type, other than temporary emergency work to prevent further damage to the Property and to protect public safety, shall be undertaken by Grantor without the Grantee's prior written approval of the work. Within four (4) weeks of the date of damage or destruction, the Grantor shall submit to the Grantee's written report prepared by a qualified restoration architect and an engineer, if required, acceptable to the Grantor and the Grantee which shall include the following:

- (a) an assessment of the nature and extent of its damage;
- (b) a determination of the feasibility of the restoration of the Protected Elements and/or reconstruction of damaged or destroyed portions of the Premises; and
- (c) a report of such restoration or reconstruction work necessary to return the Premises to the condition existing immediately prior to the casualty. If in the opinion of the Grantee, after reviewing such report, the purpose and intent of the Easement will be served by such restoration/reconstruction, the Grantor shall within eighteen (18) months after the date of such damage or destruction complete the restoration/construction of the Premises in accordance with plans and specifications consented to by the Grantee up to at least the total of the casualty insurance proceeds. Grantee has the right to raise funds toward the costs of restoration of partially destroyed premises above and beyond the total of the casualty insurance proceeds as may be necessary to restore the appearance of the Facades, and such additional costs shall constitute a lien on the Premises until repaid by Grantor.

6. **Grantee's Remedies Following Casualty Damage.** The foregoing notwithstanding, in the event of damage resulting from casualty, as defined in Section 5 and subject to the rights of any Mortgagee (as defined in Section 24 hereof), which is of such magnitude and extent as to render repairs or reconstruction of the Buildings impossible using all applicable insurance proceeds, as determined by Grantee by reference to bona fide cost estimates, then

- (a) Grantee may elect to reconstruct the Building using insurance proceeds, donations, or other funds received by Grantor or Grantee on account of such casualty, but otherwise at its own expense (such expense of Grantee to constitute a lien on the Premises until repaid in full); or
- (b) Grantee may elect to choose any salvageable portions of the Protected Elements and remove them from the Premises, extinguish the easement pursuant to Section 23, and this instrument shall thereupon lapse and be of no further force and effect, and Grantee shall execute and deliver to Grantor

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acknowledged evidence of such fact suitable for recording in the land records of Cook County, Illinois, and Grantor shall deliver to Grantee a good and sufficient Bill of Sale for such salvaged portions of the Facade.

7. **Review After Casualty Loss.** If in the opinion of the Grantee, restoration or reconstruction would not serve the purpose and intent of this instrument, then the Grantor shall continue to comply with the provision of this instrument and obtain the prior written consent of the Grantee in the event the Grantor wishes to alter, demolish, remove or raze the Buildings, and/or construct new improvements on the Premises.

8. **Inspection.** Representatives of Grantee shall be permitted to inspect the Building at reasonable times upon reasonable notice for the purpose of determining Grantor's compliance with this Conservation Right.

9. **Delivery to Condominium Purchasers.** Grantor shall deliver a copy of this Conservation Right to each purchaser of any condominium within the Building, should a declaration of condominium ownership ever be filed for the Premises.

10. **Insurance.** The Grantee shall keep the Premises insured by an insurance company rated "A" or better by Best's for the full replacement value against loss from the perils commonly insured under standard fire and extended coverage policies and comprehensive general liability insurance against claims for personal injury, death, and property damage of a type and in such amounts as would, in the reasonable opinion of Grantee, normally be carried on a structure such as the Building. Such insurance shall include Grantee's interest and name Grantee as an additional insured, subject to the rights of any Mortgagee (as defined in Section 24 hereof), and shall provide for at least thirty (30) days' notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to the other insured party. Furthermore, the Grantor shall deliver in the Grantee fully executed copies of such insurance policies evidencing the aforesaid insurance coverage at the commencement of this grant and copies of new or renewed policies at least ten (10) days prior to the expiration of such policy. The Grantee shall have the right to provide insurance at the Grantor's cost and expense, should the Grantor fail to obtain same. In the event the Grantee obtains such insurance, the cost of such insurance shall be a lien on the Premises until repaid by the Grantor.

11. **Real Estate Taxes.** Grantor shall promptly pay before delinquency all real estate taxes and special assessments as assessed and levied against the Premises on or prior to the due date, provided, however, that Grantor may challenge any proposed levy of real estate taxes or special assessments if Grantor complies with all requirements of law necessary to prevent the sale of the Premises during the pendency of such challenge. The Grantee shall have the right to pay such real estate taxes and special assessments at any time that such taxes and assessments may be delinquent. In the event Grantee makes such payment, there shall be a lien in Grantee's favor on the Premises in the amount thereof until such amount is repaid by Grantor.

12. **Accessibility.** Grantor shall make any portion of the Protected Elements located inside the Building publicly accessible not less than 4 days (10:00 am. to 4:00 p.m.) per calendar year, and public access may be in the form of sponsored guided tours.

13. **Indemnity.** Grantor shall indemnify and hold Grantee harmless for any liability, costs, attorneys' fees, judgments or expenses to the Grantee or any officer, employee, agent or independent contractor of the Grantee resulting from actions or claims of any nature by third parties arising from defaults under this Conservation Right by the Grantor, or arising out of the conveyance of, ownership, possession, or exercise of rights under this Conservation Right (including any such costs and expenses incurred by Grantee in connection with preserving the validity or priority of this Conservation Right), excepting any Grantee. In the event that Grantor is obligated to indemnify Grantee hereunder, the amount of such indemnity, until satisfied, shall constitute a lien on the Premises.

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14. Mechanics Liens. Grantor shall keep the Premises free from any mechanics liens. If any such liens are placed against the Premises, Grantor shall promptly cause them to be released or, in the alternative, shall provide Grantee with title insurance reasonably acceptable to grantee insured over said liens.

Grantee shall have the right to pay any lien if Grantor fails to provide Grantee with title insurance over the lien. Grantee shall have a lien on the Premises in the amount of any funds paid by Grantee to discharge such mechanics' lien which such amount has been imposed by Grantor.

15. Grantee's Covenants. In furtherance of this Conservation Right herein granted, Grantee covenants;

(a) Grantee shall periodically, at reasonable intervals in Grantee's discretion, inspect the Protected Elements and the entire Building;

(b) Grantee may, prior to the fortieth anniversary of the receipt of this Conservation Right and at such other times as Grantee deems necessary, record a claim pursuant to the Illinois Code of Civil Procedure, Ill. Rev. Stat. 1922 ch. 110, § 13-11B for the purpose of preserving the lien of this Conservation Right in perpetuity. Nothing contained in this paragraph shall be deemed to constitute an acknowledgement that any such recording is necessary, however.

(c) In exercising any authority created by the Easement to inspect the Premises, the Building, or the Protected Elements: to review any construction, alteration, repair or maintenance; or to review casualty damage or to reconstruct or approve reconstruction of the Building following casualty damage, in addition to such other standards as Grantee may apply, Grantee shall apply the Standards for Rehabilitation and Guidelines for Rehabilitating Historic Building, issued and as may be amended from time to time by the Secretary of the United States Department of the Interior (hereinafter the "Standards") and/or state or local standards considered appropriate by Grantee for review of work affecting historically or architecturally significant structures or for construction of culturally significant areas. Grantor agrees to abide by the Standards in performing all ordinary repair and maintenance work and the minimum maintenance program described in Section 3. In the event the Standards are abandoned or materially altered or otherwise become, in the sole judgment of the Grantee, inappropriate for the purposes set forth above, the Grantee may apply reasonable alternative standards and notify Grantor of the substituted standards.

16. Remedies.

(a) In the event of a violation of any provision of this Conservation Right, in addition to any remedies now or hereafter provided by law Grantee may, following reasonable notice to Grantor, (i) institute a suit for injunctive relief, specific performance or damages, (ii) enter upon the Premises to correct any such violation, and hold Grantor and Grantor's successors, heirs and assigns in title responsible for the cost thereof or (iii) expend such sums as may be necessary to satisfy any lien prohibited hereunder or to pay and discharge any delinquent taxes or assessments, or to redeem from any tax sale, and all funds so paid or expended by Grantee shall, until repaid, constitute a lien on the Premises. Without limiting the generality of the foregoing, in the event that Grantor fails to perform its obligation to maintain the Premises or the Protected Elements, Grantee shall be entitled to damages in the amount reasonably estimated by an architect licensed in the State of Illinois as selected by Grantee as the cost of restoring or repairing the Premises. In the event Grantor is adjudicated to have violated any of Grantor's obligations herein, Grantor shall reimburse Grantee for any costs or expenses incurred in connection with the enforcement of its rights, including court costs and attorneys' fees. The exercise by Grantee of one remedy hereunder shall not have the effect of waiving any other remedy and the failure to exercise any remedy shall not have the effect of waiving the use of such remedy at any other time. All damages, costs and expenses awarded to Grantee hereunder shall constitute a lien against the Premises until repaid by Grantor.

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(b) Grantor's sole remedy in the event of a failure by Grantee to perform any of its covenants herein contained shall be, if such failure shall continue for ten (10) days after written notice thereof to Grantee, to institute a suit for injunctive relief or specific performance. Grantor hereby waives any claim for damages resulting from such failure and expressly acknowledges that any such failure by Grantee shall in no way affect the validity of this Conservation Right or any of the other covenants contained herein.

17. **Assignability.** Grantor agrees that Grantee may, at its discretion, and without prior notice to Grantor, convey and assign this Conservation Right only to an agency of the State of Illinois, to a unit of local government, or a not-for-profit corporation or trust whose primary purposes include the preservation of buildings of historical, architectural or cultural significance, which is an eligible donee under Section 170 of the Internal Revenue Code. The parties further agree that this Conservation Right shall not be released to the Grantor or its successors or assigns without the consent of the Illinois Attorney General, which consent shall be appended to such release.

18. **Duration.** This Conservation Right shall be effective in perpetuity.

19. **Runs with the Land.** The obligations imposed by this Conservation Right shall be deemed to run as a binding servitude with the land. This instrument shall extend to and be binding upon Grantor and all persons hereafter claiming under or through Grantor, and the word "Grantor" when used herein shall include all such persons. Anything contained herein to the contrary notwithstanding, a person shall have no obligation pursuant to this instrument after such person shall cease to have any interest in the Premises by reason of a bona fide transfer for full value, except that such a transfer shall not relieve any person from liability arising from acts or omission committed prior to such transfer.

20. **Eminent Domain.** In the event that eminent domain proceeding is filed against a portion or all the Premises, the Grantor and the Grantee agree that the Grantee may appear as an additional party in the eminent domain proceeding and may participate fully in the litigation for the purposes of proving and recovering the damages caused to the Grantee by the eminent domain action. In the event that an award is entered which assumes that this Conservation Right is not in effect, Grantee shall be entitled to share in the award to the extent provided in Section 21 hereof.

21. **Stipulated Value of Grantee's Interest.** Grantor acknowledges that upon examination and recording of this Conservation Right, Grantee shall be immediately vested with a real property interest in the Premises and that such interest of Grantee shall have a stipulated fair market value for purposes of allocating net proceeds in an extinguishment pursuant to Paragraph 23, equal to the ratio between the fair market value of the Conservation Right and the fair market value of the Premises prior to considering the impact of the Conservation Right (hereinafter the "Conservation Right Percentage") as determined in the Qualified Appraisal provided to the Grantee pursuant to Paragraph 22. Upon submission of the Qualified Appraisal, the Grantor and Grantee shall sign an instrument verifying the Conservation Right Percentage and record it as an amendment to this Conservation Right. In the event Grantor does not claim a charitable gift deduction for purposes of calculating federal income taxes and submit a Qualified Appraisal, the Conservation Right Percentage shall be 50 percent.

22. **Qualified Appraisal.** In the event Grantor claims a federal income tax deduction for donation of a "qualified real property interest" as that term is defined in Section 170(b) of the Internal Revenue Code, Grantor shall provide Grantee with a copy of all appraisals (hereinafter, the "Qualified Appraisal" as that term is defined in Section 170(a)(1) of the Internal Revenue Code) of the fair market value of this Conservation Right. Upon receipt of the Qualified Appraisal, this fully executed Conservation Right, and any endowment requested hereunder by Grantee, Grantee shall sign any appraisal summary form prepared by the Internal Revenue Service and submitted to the Grantee by Grantor.

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23. **Extinguishment.** Grantor and Grantee hereby recognize that an unexpected change in the conditions surrounding the Premises may make impossible the continued ownership or use of the Premises for the preservation and conservation purposes and necessitate extinguishment of the Conservation Right. Such a change in conditions include, but is not limited to, partial or total destruction of the Buildings or the Facades resulting from a casualty of such magnitude that Grantee approves demolition as explained in Sections 5 and 6, or condemnation or loss of title of all or a portion of the Premises, the Buildings, or the Protective Elements. Such an extinguishment must comply with the following requirements.

- (a) The extinguishment must be the result of a final judicial proceeding.
- (b) Grantee shall be entitled to share in the net proceeds resulting from or related to the extinguishment in an amount equal to the Conservation Right Percentage determined pursuant to Section 21 multiplied by the net proceeds.
- (c) Grantee agrees to apply the net proceeds it receives to the preservation and conservation of other buildings, structures or sites having historical, architectural, cultural, or aesthetic value and significance to the people of the State of Illinois.
- (d) Net proceeds shall include, without limitation, insurance proceeds, condemnation proceeds or awards, proceeds from a sale in lieu of condemnation, and proceeds from the sale, financing or exchange by Grantor of any portion of the Premises after the extinguishment, but shall specifically exclude any preferential claim of a Mortgagee under Section 24.

24. **Subordination of Mortgage.** Grantor and Grantee agree that all mortgages and rights in the Premises of all Mortgagees are subject and subordinate at all times to the rights of the Grantee to enforce the purposes of this Conservation Right. Grantor has provided a copy of this instrument to all Mortgagees of the Premises as of the date hereof, and the agreement of each Mortgagee to subordinate its mortgage to the Conservation Right is attached hereto. The following provisions apply to all Mortgagees now existing or hereafter holding a mortgage on the Premises.

- (a) If a mortgage grants to a Mortgagee the right to receive the proceeds of condemnation proceedings arising from any exercise of the power of eminent domain as to all or any part of the Premises or the right to receive insurance proceeds as a result of any casualty, hazard, or accident occurring to or about the Premises, the Mortgagee shall have a prior claim to the insurance and condemnation proceeds and shall be entitled to same in preference to Grantee until the mortgage is paid off and discharged, notwithstanding that the mortgage is subordinate in priority to the Conservation Right.
- (b) If a Mortgagee has received an assignment of the leases, rents, and profits of the Premises as security or additional security for a loan, then the Mortgagee shall have a prior claim to the leases, rents, and profits of the Premises and shall be entitled to receive same in preference to Grantee until said Mortgagee's debt is paid off, notwithstanding that the Mortgage is subordinate to the Conservation Right.
- (c) Until a Mortgagee or purchaser at foreclosure obtains ownership of the Premises following foreclosure of its Mortgage or deed in lieu of foreclosure, the Mortgagee or purchase shall have no obligation, debt, or liability under this Conservation Right.
- (d) Before exercising any right or remedy due to breach of this Conservation Right, except the right to enjoin a violation hereof, Grantee shall give all Mortgagees of record written notice describing the default, and the Mortgagees shall have sixty (60) days thereafter to cure or cause to cure of the default, except where such default poses an imminent threat to the Building or the Protected Elements.

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(c) Nothing contained in the above paragraphs or in this Conservation Right shall be construed to give any Mortgagee the right to extinguish this Conservation Right by taking title to the Premises by foreclosure or otherwise.

(d) For purposes of this instrument, the term Mortgagee shall include only the holders of a bona fide indebtedness secured by a mortgage or trust deed, provided that such holder is an institutional lender or other third party unrelated to Grantor; including but not limited to Mortgagees of individual condominium units to be constructed within the Building.

25. Notice from Government Authorities. Grantor shall deliver to Grantee copies of any notice, demand, letter or bill relating to the Premises received by Grantor from any government authority within five (5) days of receipt by Grantor. Upon request by Grantee, Grantor shall promptly furnish Grantee with evidence of Grantor's compliance with such notice, demand, letter or bill, where compliance is required by law.

26. Notice of Proposed Sale. Grantor shall promptly notify Grantee in writing of any proposed sale of the Premises and provide the opportunity for Grantee to explain the terms of this Conservation Right to potential new owners prior to sale closing.

27. Statutory Authority. This instrument is made pursuant to Public Act 80-584, An Act Relating to Conservation Rights in Real Property, Ill. Rev. Stat. ch. 30, § § 401 et seq. (1987), but the invalidity of such Act or any part thereof shall not affect the validity and enforceability of this instrument according to its terms, it being the intent of the parties that this instrument constitutes a charitable trust, a preservation restriction, a common law easement in gross, and a restrictive covenant.

28. Notices. Any notice called for herein shall be in writing, and shall be mailed postage prepaid by personal delivery or by registered or certified mail with return receipt requested, or hand delivered and receipted. If to Grantor, then at Schema Development Limited Partnership, 53 West Jackson, Suite 1562, Chicago, IL 60604, and if to Grantee, then at Landmarks Preservation Council of Illinois, 53 West Jackson Boulevard, Chicago, Illinois, 60604, Attn: president. With a copy thereof to George M. Covington, Gardner, Carton & Douglas, 221 North Clark Street, Chicago, Illinois, 60610, and Daniel A. Lukas, Oppenheimer Wolff & Donnelly, 180 North Stetson, Suite 4500, Chicago, IL 60601. Each party may change its address as set forth herein by a notice to such effect to the other party. The failure to serve a change of address notice shall not waive the notice requirement. For purposes of this section, delivery by commercial messenger service or overnight courier shall be deemed personal delivery.

29. Compliance with Applicable Ordinances. Nothing contained herein shall be interpreted to authorize or permit Grantor to violate any ordinance relating to building materials, construction methods or use. In the event of any conflict between any such ordinance and the terms hereof, the ordinance shall prevail and the Grantor promptly shall notify Grantee of such conflict and shall cooperate with Grantee and the City of Chicago or offer appropriate authority to accommodate the purposes of both this instrument and such ordinance.

30. Recording. A copy of this Conservation Right shall be recorded with the Cook County Recorder of Deeds and copies shall be furnished by the Grantor to the Illinois Attorney General, Charitable Trust Division and the Illinois Historic Preservation Agency.

31. Plaque. The Grantee shall have the right to install a plaque of suitable design, not larger than 8.5 x 11 on the Protected Elements, at a point easily visible by the public, from a public way, which plaque shall name the architect, the date of construction and state that the Protected Elements is subject to a Conservation Right held by the Landmarks Preservation Council of Illinois. The Grantor further agrees that Grantee shall have the exclusive right to exploit representations of the Protected Elements and Building in a tasteful manner on prints, photos, "T" shirts, literature and three dimensional items.

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32. No Further Alienation. The Grantor acknowledges that the subject matter of this conveyance is a perpetual donation to charity which can no longer be transferred, hypothecated or subjected to liens or encumbrances by the Grantor.

33. Miscellaneous.

(a) In the event that provision of this Conservation Right is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not affect any other provision, and the other provision hereof shall continue in full force and effect.

(b) Any rule of strict construction designed to limit the breadth of restrictions on alienation or use of property shall not apply in the construction or interpretation of this instrument, and this instrument shall be interpreted broadly to effect its preservation and conservation purposes and the transfer of rights and the restrictions on use herein contained as provided in the Act.

(c) Except as expressly provided herein, nothing contained in this instrument grants, nor shall be interpreted to grant, to the public any right to enter on the Premises or into the Building.

(d) To the extent that Grantor owns or is entitled to development rights which may exist now or at some time hereinafter by reason of the fact that under any applicable zoning or similar ordinance the Premises may be developed to use more intensive (in terms of height, bulk, or other objective criteria regulated by such ordinances) than the Premises are devoted as of the date hereof, such development rights shall not be exercisable on, above, or below the Premises during the term hereof, nor shall they be transferred to any adjacent parcel and exercised in a manner that would interfere with the preservation and conservation purposes of this Conservation Right.

(e) For purposes of furthering the preservation of the Protected Elements and Building and of furthering the other purposes of this instrument, and to meet changing conditions, Grantor and Grantee are free to amend jointly the terms of this instrument in writing without notice to any party; provided, however, that no such amendment shall limit the perpetual duration or interfere with the preservation and conservation purposes of the donation. Such amendment shall become effective upon recording among the land records of Cook County, Illinois.

(f) The terms and conditions of this Conservation Right shall be referenced in any transfer of the property by the Grantor, his heirs, successors and assigns.

(g) This instrument reflects the entire agreement of Grantor and Grantee. Any prior or simultaneous correspondence, understandings, agreements and representations are null and void upon execution hereof, unless set out in this instrument.

(h) The captions contained herein are for convenience only and shall not be deemed to be a part of this instrument.



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IN WITNESS WHEREOF, on the date first shown above, the parties have caused this Conservation Right to be executed, sealed and delivered by as of the date first above written.

GRANTOR:

SCHEMA DEVELOPMENT LIMITED PARTNERSHIP,  
an Illinois limited partnership

By: Schema Development Company,  
Its General Partner

By: Daniel Andrews  
General Partner

GRANTEE:

LANDMARKS PRESERVATION COUNCIL OF  
ILLINOIS, an Illinois not-for-profit  
corporation

By: [Signature]  
President

ATTEST:

[Signature]

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EXHIBIT A

## MANDEL BUILDING LEGAL DESCRIPTION

Lots 1, 2 and 3 in Weston's Subdivision of Lots 10, 11 and 12 in Block 1 in Hambleton, Weston and Davis Subdivision of the South 1/2 of the South East 1/4 of the South East 1/4 of Section 20, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

commonly known as 3256 North Halsted, Chicago, Illinois 60657

Property of Cook County Clerk's Office

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## EXHIBIT B

The Mandel Brothers Warehouse Building, designed by Holabird and Roche in 1903, is located at 3254 North Halsted Street, Chicago, Cook County, Illinois, on the southwest corner of Aldine and North Halsted Street. The front of the building faces Halsted Street, a major north-south commercial thoroughfare, located 800W, that extends over twenty miles from the southern boundary of Chicago north to Lawrence. On this stretch of Halsted the buildings are largely two and three-story commercial structures. Many were formerly residences, and a number still have living quarters above first floor store fronts. The north side of the building faces Aldine, a residential street of single-family homes and two and three-flats, two blocks north of Belmont. Immediately to the south on Halsted is a remodeled storefront building that appears to formerly have been a residence. To the west is an alley, then a red brick three flat.

The Mandel Brothers Warehouse Building is a two-story flat-roofed rectangular structure with a flared parapet, measuring 72' on Halsted Street and 151' on Aldine. Although it has two interior floors, the building stands 34' high and appears on the exterior to be the height of a three-story building. It was built in 1903 as a barn and distribution warehouse for Mandel Brothers Department Store and served that purpose until 1924, when the building was bought by the U.S.A. Company. The building was sold in the 1940's to Bryn Mawr Smokers Sundries, Inc. which used the building to manufacture pipe cleaners. The structure, which rests on a limestone foundation, is timber frame, with exterior walls on the east and north facades of deep red and pink face brick. The west facade, that backs on the alley, and the south facade, that opens on a narrow gangway and the yard to the adjacent remodeled storefront, are of common brick. On the primary facades ornamental brickwork and the alternating of red and pink brick create a rich polychromatic surface. Crisply-delineated edges reinforce visually the simple geometry of the building's overall design treatment. There are two large entrances, one in the center of the Halsted Street facade and one in the last bay of the facade on Aldine. The Halsted Street entrance has been infilled with red brick with a door opening surrounded by glass brick. The Aldine Street entrance has been infilled with a roll-steel door to a loading dock. Brickwork surrounding the entrances has not been disturbed. On the interior there are two floors of warehouse loft space. The integrity of the building, in terms of design, materials and craftsmanship, is excellent.

The east facade, with its entrance in the center, is three bays wide, resting on a band of 22 rows of pink brick set in common bond. Above are rows of deep red brick with every 10<sup>th</sup> row projecting so that the surface of the facade is articulated into horizontal bands. The building's corners are framed by quoins formed of five rows of pink brick stretchers alternating with three rows of pink brick stretchers. There is a row of red bricks between each quoin. The quoins extend around each corner. The building is capped by a parapet, which is made up of an intricate brick pattern that flares outward. Extending upward is a row of headers, two rows of stretchers, five rows of brick in a checkerboard pattern, a row of headers, a row of stretchers, dentils two rows deep, another row of headers, then of stretchers. At the very top is a shallow lip formed by the roof. All the parapet brickwork is pink. Above the first floor is a pink brick band five stretchers wide and a string course; above that are alternating bands of pink and red brick that are five rows of stretcher wide. Centered in the facade is a limestone band with "Mandel Brothers, flanked by shields, cut in the stone." The window treatment on this facade is as simple and geometric as the overall facade treatment. On the first floor are two double windows flanking the entrance. Each opening is 1/1, topped by a semicircular arch of pink brick the width of one header. There is a circle of headers between these arched lintels. The circular patterns project slightly from a red brick infill. Each pair of windows rests on a limestone sill and is topped by a semicircular pair of windows, is a band of four small square deeply recessed openings. Set in the wall of brickwork that is variegated in color and brick design, is the tall 20' wide front entrance. The entry stands the equivalent of two stories and is topped by a segmental arch four shallow rows of brick deep with a row of dentils forming one of the bands. Inside this arched entry is the red brick c. 1941 infill and a small front door framed in glass brick--both slated for removal. These will be replaced with a garage entry design that will conform to the Secretary of the Interior's standards. The wall surface will be pushed back and a design for the entrance will be created that is sympathetic to the building in scale in materials.

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The north facade resembles the east elevation in the treatment of the brickwork and windows though the window alignment is different. On the first floor of this 151'-wide wall are six pairs of windows identical to those on the east front of the building. Slightly further to the west is a 14'-wide opening. Like the east entrance, it stands two stories and is topped by a segmental arch four shallow rose of brick deep with a row of dentils forming on of the bands. Inside this arched opening is a c.1970 rolled metal screen leading to a loading dock--both of which are slated for removal. The replacement entrance will conform to the Secretary of the Interior's Standards and will, like the front entrance, be sympathetic to the building in scale and materials. On the second floor, the small square windows alternate with 2/2 windows. The single 2/2 windows are original; they have limestone sills and are surrounded by pink brick. The windows that are grouped in pairs and have sills replaced some of the square windows and were added by Holabird and Roche in 1917, sympathetically changing the window configuration to admit more light and meet company needs.

The secondary facades, which have the face brick quoins that wrap around the corners, are of common brick. On the alley side, the several windows topped by segmental arches are bricked in. Use of a slightly different color brick reveals shadows of the original windows. On the south elevation first floor there are no windows on the east side of the building where there is a building. On the first floor of the west side are four pairs of 1/1 windows. On the second floor are 21 windows set in a long band. They resemble those on the second floor primary elevations but are rectangular rather than square in shape. In the west bay of the second floor are two 4/4 windows.

Stylistically the primary facades most closely resemble those of an early Italian Renaissance palace such as Alberti's Palazzo Rucellai, 1446-51. This is seen in the Mandel Brothers Building's textured surface and similar window treatment. Rows of paired arched windows with a circular opening between them topped by a semicircular arch and rows of square openings are both found in this Renaissance palazzo.

The interior of the building has two open floors of loft space. The building is of mill construction with timber columns, reinforced at the top with steel, supporting the ceiling joists on the first floor and unreinforced timber columns on the second floor, which has a lower ceiling. A plan shows that there are no center columns in the first two bays on the east side of the building. Floors are of concrete on the first floor and maple that has been patched on the second. There is some dry wall and panelled partitioning in the center of the east side of the building to create a foyer and in the northeast corner of the first floor to create office space to accommodate the needs of the small factory that occupies the building. There is a stairway off the foyer to the second floor. This was a later addition. Despite alterations, most of the building is open loft space, and the visible timber frame construction reflects the building's original use as barn and merchandise distribution warehouse for one of Chicago's largest and most prominent department stores. Most of the heavy timber framework will remain exposed when the building is converted to condominiums and all interior alterations will conform to the Secretary of the Interior's Standards.

All faces of the Building, the roof and all windows and window frames therein, subject to the renovation and rehabilitation to be performed as shown in the architectural drawings and specifications prepared by Schema Design Group, Ltd., dated December 9, 1993 (collectively referred to herein as the "Protected Elements").



