

UNOFFICIAL COPY



Doc#: 0719933026 Fee: \$234.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 07/18/2007 07:26 AM Pg: 1 of 106

AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

(The Above Space For Recorder's Use Only)

This **AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND** ("Agreement") is made on or as of the 16th day of July, 2007, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Planning and Development ("DPD"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 and **STATE LAKE, LLC**, an Illinois limited liability company ("Developer") whose offices are located at 55 E. Jackson, Suite 500, Chicago, IL 60604, Attention: Marc Realty, c/o Gerald Lee Nudo.

RECITALS

WHEREAS, the Developer desires to purchase from the City the real property located within a redevelopment area known as the Central Loop Tax Increment Financing District Area ("Area") which is legally described on Exhibit A attached hereto and made a part hereof ("Property"); and

WHEREAS, the seven-story office building located on the Property ("Building") has been designated as a Chicago Landmark pursuant to an ordinance approved by the City Council of the City of Chicago ("City Council") on January 28, 1983; and

WHEREAS, the Developer intends to rehabilitate the Building, which rehabilitation will include the restoration of the historic façade of the Building, as more fully described on Exhibit B attached hereto ("Project"), which Project is consistent with the Central Loop Tax Increment Financing District Area Plan ("Plan") and the Chicago Landmarks Ordinance; and

WHEREAS, the City Council by ordinance adopted March 17, 2007 authorized the sale

Box 400-CTCC

2/2
WPT
D1
G# 8383205

106
J

UNOFFICIAL COPY

of the Property to the Developer, subject to the execution, delivery and recording of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. INCORPORATION OF RECITALS.

The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION 2. SALE AND PURCHASE PRICE.

Subject to the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to the Developer and the Developer agrees to purchase the Property from the City for the sum of One Million Six Hundred Twenty Five Thousand and 00/100 Dollars (\$1,625,000.00) ("Purchase Price"), to be paid to the City at the Closing by cashier's or certified check or wire transfer of immediately available funds or such other form of payment as acceptable to the City at its sole discretion, less the Earnest Money (as defined in Section 3.A). Except as specifically provided herein to the contrary, the Developer shall pay all closing costs.

SECTION 3. EARNEST MONEY AND PERFORMANCE DEPOSIT.

A. Earnest Money. The Developer has deposited with the City the amount of One Hundred Eleven Thousand Two Hundred Fifty and 00/100 Dollars (\$111,250.00) which will be credited against the Purchase Price ("Earnest Money") at the Closing (as defined in Section 4.D. below).

B. Performance Deposit. The Developer has deposited with the City the additional amount of Eighty One Thousand Two Hundred Fifty and 00/100 Dollars (\$81,250.00) as security for the performance of its obligations of this Agreement ("Performance Deposit") which will be retained by the City until a Certificate of Completion (as described in Section 9 below) has been issued by the City for the Project.

C. Interest. The City will pay no interest to the Developer on the Earnest Money or Performance Deposit. Notwithstanding the foregoing, the Developer, at its sole expense, may deposit the Performance Deposit into a City-approved interest-bearing escrow account with the Title Company, as defined in Section 4.B below, over which the City shall have the sole right of direction. The Performance Deposit and any interest accrued shall be returned to the Developer pursuant to Section 3.B above. In the event of a default by the Developer under the terms of this Agreement which has not been cured by the Developer, the Performance Deposit as well as any interest derived from the same shall be retained by the City as per Section 15.H below.

UNOFFICIAL COPY

SECTION 4. CONVEYANCE OF PROPERTY.

A. **Form of Deed.** The City shall convey the Property to the Developer by quitclaim deed ("Deed"), subject to the terms of this Agreement and the following:

- (i) the Plan for the Area;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) general real estate taxes and any special assessments or other taxes;
- (iv) easements, encroachments, covenants and restrictions of record and not shown of record; and
- (v) such other title defects as may exist.

B. **Title Commitment and Insurance.** The Developer acknowledges that the City has delivered to the Developer a commitment for an owner's policy of title insurance ("Commitment") from Greater Illinois Title Company ("Title Company") showing the City in title to the Property. Any updated title commitment shall be obtained at the Developer's expense. The Developer shall be solely responsible for and shall pay all costs associated with obtaining any title insurance, extended coverage or other endorsements it deems necessary. A copy of the Commitment is attached hereto as Exhibit C.

C. **Survey.** The Developer shall be responsible for obtaining, at its sole cost and expense, any survey it deems necessary; provided, however, that in the event such survey discloses any title matters other than the Permitted Exceptions which the Title Company will not remove or insure over to the Developer's reasonable satisfaction prior to the Closing (as defined in Section 4.D below), the Developer may terminate this Agreement by delivery of written notice to the City, in which event the City shall return the Earnest Money and Performance Deposit to the Developer and this Agreement shall be null and void and, except as otherwise specifically provided herein, neither party shall have any further right, duty or obligation hereunder.

D. **Closing.** The closing of the transaction contemplated by this Agreement shall take place at the downtown offices of the Title Company, located at 120 North LaSalle Street, Chicago, Illinois 60602, on July 16, 2007, or on such later date and at such place as the parties mutually agree to in writing ("Closing"); provided, however, notwithstanding the parties' execution of this Agreement, in no event shall the Closing occur (i) unless and until the conditions precedent set forth in Sections 4, 5 and 8 are all satisfied, and (ii) any later than October 31, 2007 (the "Outside Closing Date"). Failure by the Developer to close by the aforementioned date shall be considered an "Event of Default" as defined in Section 15 below. Notwithstanding the foregoing, the Commissioner of DPD, in her sole discretion, shall have the right to unilaterally extend the Closing in accordance with Section 8 below.

E. **Extension of Closing.** In the event that the Developer fails to close by July 16, 2007, the Developer may elect to extend the Closing for a period not to exceed five (5) months. The

UNOFFICIAL COPY

Developer's election to extend the Closing shall be in writing and shall be delivered to the City not less than ten (10) business days prior to the date of the then scheduled Closing. Such election may be made on more than one occasion, provided the extensions of the Closing does not exceed five (5) months in total. In consideration for the extension or extensions of the Closing, the Developer shall pay to the City the sum of Eight Thousand One Hundred Twenty Five Dollars (\$8,125.00) for each month that the Closing is extended beyond July 16, 2007, which sum shall be prorated for partial month extensions. The foregoing extension fee shall be paid at Closing and shall be reflected on the closing statement executed by the parties. Notwithstanding the foregoing, the Closing shall be extended without payment of an extension fee if the cause of the delay of the Closing is the result of acts of the City not caused by the Developer or the inability of the City to close the subject transaction in accordance with the provisions of this Agreement ("City Delays"). In such event, the Developer shall be permitted to extend the Closing for the period of the City Delays. If the Developer fails to close on the Outside Closing Date (as extended, if applicable, due to City Delays), the City shall have the right to declare the Developer in default of its obligations under this Agreement and retain any sums collected from the Developer as liquidated damages.

F. Existing Leases/Agreements. The Developer agrees to assume all outstanding leases in effect for the Building as of the Closing. A list of all outstanding leases has been attached hereto as Exhibit D ("Leases"). At Closing, the City shall assign all of its right, title and interest in any leases currently affecting the Property. To that effect, the parties agree to enter into an Assumption and Assignment of Lease Agreement, substantially in the form attached hereto and made a part hereof as Exhibit E. In addition, in the event that the City has not entered into an Extension of Lease Agreement with World Business Chicago, the Developer agrees to extend said lease through May 3, 2011, with an option to extend for an additional five (5) years under the terms existing in the current lease with the City. Evidence of such extension in the form of a Lease Agreement between the Developer and World Business Chicago shall be presented to the City within ninety (90) days of the Closing. At the Closing, the Developer shall receive a credit for any pro-rated rent receipts, security deposits and interest that may be held by the City, if and as required by the Lease(s) and as described in Exhibit D attached hereto and made a part hereof. The Developer shall also receive at the Closing a credit against the Purchase Price in the amount of \$17,000.00 representing fees for the removal of all satellite dishes on the roof of the Building. The Developer agrees that it shall be responsible for the removal of said dishes.

Other than as specified herein, between the date of execution of this Agreement and the Closing, the City shall not enter into any contracts, leases or other agreements affecting the Property which will survive the Closing and be binding upon the Developer. Any existing service or employment contracts shall be terminated prior to the Closing.

G. Chicago Theater. The parties acknowledge that the Building shares certain interior and mechanical elements with the abutting building located at 175 North State Street, Chicago, Illinois and legally described on Exhibit F attached hereto and made a part hereof which is commonly referred to as the Chicago Theater. The maintenance and use of those certain common elements of the Building and the Chicago Theater are the subject of a Reciprocal Easement and Operating Agreement ("City-CTRA Easement Agreement") dated December 8, 1999 and recorded as document #09156150, as amended by that First Amendment to Reciprocal Easement and Operating Agreement ("Amendment") dated April 16, 2004 and recorded as document #0411832109.

UNOFFICIAL COPY

At the Closing, the City agrees to deliver to the Developer a Release and Termination of Easement Agreement ("Termination Agreement") extinguishing those easements and terminating those obligations contained in the City-CTRA Easement Agreement and the Amendment. The Termination Agreement shall be executed by the City and TheatreDreams Chicago, owner of the Chicago Theater, and will be recorded at the Closing before the recordation of the Deed to the Developer. In the event that the City fails to obtain a Termination Agreement, the Developer may terminate this Agreement by delivery of written notice to the City, in which event the City shall return the Earnest Money and Performance Deposit to the Developer and this Agreement shall be null and void.

Prior to the Closing, the Developer shall enter into a new Reciprocal Easement Agreement ("Marc-TheaterDreams Easement Agreement") with TheatreDreams Chicago governing the maintenance and use of the Building and the Chicago Theater. The Marc-TheaterDreams Easement Agreement shall be delivered to the City at the Closing and will be recorded immediately after the recordation of the Deed to the Developer. In the event that, despite a commercially reasonable effort, evidence of which shall be presented to the City by the Developer, Developer fails to enter into the Marc-TheaterDreams Easement Agreement, the Developer may terminate this Agreement by delivery of written notice to the City, in which event the City shall return the Earnest Money and Performance Deposit to the Developer and this Agreement shall be null and void.

H. Building Permits. At the Closing, the Developer shall submit to the City confirmation of a signed contract with their consultant, WJE, to prepare permit drawings. The Developer shall apply for all initial necessary building permit, and zoning approvals for the Project no later than three months after the Closing.

I. Real Estate Taxes, Utilities, Building Contracts, Fixtures. The City shall use reasonable efforts to obtain the waiver of any delinquent real estate tax liens on the Property prior to the Closing, to the extent such tax liens can be waived or released by the City's writing of an abatement letter to the Cook County Treasurer or a motion to vacate a tax sale. If the City is unable to obtain the waiver of any such tax liens, the Developer shall have the option to do one of the following: (i) accept title to the Property subject to the tax liens, without reduction in the Purchase Price; or (ii) terminate this Agreement by delivery of written notice to the City, in which event the City shall return the Earnest Money and Performance Deposit to the Developer and this Agreement shall be null and void. If the Developer elects to close, the Developer shall assume the responsibility for any such delinquent real estate taxes. The Developer shall also be responsible for all taxes accruing after the Closing. Until the City issues a Certificate of Completion (as defined in Section 9), the Developer shall notify the City that the real estate taxes have been paid in full within ten (10) days of such payment.

The City shall be responsible for obtaining a full payment certificate for the Property from the Department of Water to be presented at Closing. The following shall be adjusted ratably as of the date of Closing: payments under building contracts assigned to the Developer; rent payments; fuels, water and utility bills; and other similar items. Any deposits made by the City with utility companies shall be returned to the City. The Developer shall be responsible for making all arrangements for the continuation of all utility services. The City shall convey the personalty, equipment and fixtures set forth in Exhibit G attached hereto and made a part hereof in the same condition as such property shall have existed as of the date of this Agreement, reasonable wear and

UNOFFICIAL COPY

tear expected.

J. Recording Costs. The Developer shall pay to record the Deed and this Agreement and any other documents incident to the conveyance of the Property to the Developer. The parties acknowledge that there will be no transfer taxes due by the Developer at the Closing due to the fact that the City is a governmental entity and the transfer of the Property is therefor exempt from said transfer taxes.

K. Escrow. If the Developer requires conveyance through escrow, the Developer shall pay all escrow fees.

L. Insurance. The Developer shall procure and maintain or cause to be maintained by its contractors, subcontractors, agents, and/or employees, at all times throughout the term of this Agreement, the following insurance coverages:

- (i) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability. Coverages shall include the following: all premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the Project. In addition to the above-referenced insurance, the Developer will also provide evidence of a \$25,000,000.00 umbrella and \$15,000,000.00 excess umbrella policy.
- (ii) Automobile Liability Insurance (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Developer shall provide automobile liability insurance with limits of not less than \$1,000,000.00 per occurrence, for bodily injury and property damage. The City shall be named as an additional insured on a primary non-contributory basis. Any contractors doing environmental remediation work shall endorse their automobile liability insurance policy to include the MSC90 Endorsement.
- (iii) Workers Compensation and Employers Liability Insurance. Workers compensation and employers liability insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and employers liability coverage with limits of not less than \$500,000.00 each accident or illness.
- (iv) Replacement Value Insurance governing the replacement value of the Building, with a reasonable stated value of \$10,500,000. If, however, the Building is destroyed to such an extent that the parties reasonably agree that the Building shall not be rebuilt, the City understands and agrees that (i) the facade shall not be reconstructed on the Property; and (ii) the City shall not be entitled to any insurance proceeds related to the Building.
- (v) Contractor's Pollution Liability. When any remediation work is performed which may

UNOFFICIAL COPY

cause a pollution exposure, contractor's pollution liability insurance shall be provided with limits of not less than \$1,000,000.00 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with, or precede, the execution date of this Agreement and the commencement of the Project. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year.

Evidence of such insurance, in the form of an Accord 27 Certificate or actual insurance policy or binder, shall be provided to the City. Renewal Certificates of Insurance or such similar evidence shall be provided to the City if the coverages for the above-referenced policies have expiration or renewal dates occurring prior to the issuance by the City of a Certificate of Completion as defined in Section 9 below. The receipt of any certificate does not constitute an agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the insurance certificates are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement and the City retains the right to stop work or suspend this Agreement until evidence of insurance is provided. The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within this Agreement or by law. This Section 4.L shall survive the Closing.

M. Due Diligence. The Developer shall deliver to DPD at least fourteen (14) days prior to the Closing due diligence searches in its name (UCC, state and federal tax lien, pending litigation and judgment in Cook County and N.D. Ill., and bankruptcy in Cook County and U.S. Bankr. Ct.) showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel.

N. Organization and Authority Documents. The Developer shall deliver to DPD at least fourteen (14) days prior to the Closing the certified articles of organization, including any amendments thereto, of the Developer, as furnished and certified by the Secretary of State of the State of Illinois; operating agreement, and such other organizational documents as the City may reasonably request. The Developer shall also provide a Certificate of Good Standing dated no more than thirty (30) days prior to the Closing Date issued by the Office of the Secretary of State of the State of Illinois as to the good standing of the Developer.

O. Casualty. In the event that the Property is damaged by fire or other casualty before the Closing Date, and the cost to repair it (as determined by an insurance adjuster selected by the insurance carriers) exceeds \$100,000, the Developer may terminate this Agreement by written notice to the City given on or before the earlier of (i) 20 days following the casualty and the Developer's receipt from the City of the cost to repair the damage (as determined by an insurance adjuster selected by the insurance carriers) or (ii) the Closing Date. If the Developer terminates this Agreement, then, except for the obligations designated as surviving the Closing or any termination of this Agreement, neither party shall have any further obligation under this Agreement, and the City

UNOFFICIAL COPY

shall return the Earnest Money and Performance Deposit to the Developer.

SECTION 5. PROJECT BUDGET; PROOF OF FINANCING.

The total project budget, attached hereto and made a part hereof as Exhibit H, is currently estimated to be Five Million Three Hundred Seventy Two Thousand Eight Hundred Seventy Two and 00/100 Dollars (\$5,372,872.00) (the "Preliminary Project Budget"). Not less than thirty (30) days prior to the Closing, the Developer shall submit to the City for approval a project budget materially consistent with the Preliminary Project Budget ("Budget"). The Developer shall also submit to the DPD, not less than thirty (30) days prior to the Closing, a description of financing ("Financing") which shall indicate the amount of the Developer's equity and evidence of: (a) a commitment for adequate financing for the acquisition of the Property ("Commitment") obtained from a financial institution or lender, specifying the source and the amount of the loan and length of the term, or (b) evidence of a line of credit or other funding source necessary to fund the purchase of the Property and construction of the Project. The Financing shall be subject and subordinate to the terms and conditions of this Agreement provided that the City shall agree to give the holder of any mortgage authorized by this Agreement written notice of any defaults and an additional thirty (30) days to cure. The City agrees to attorn to the holder of any mortgage authorized by this Agreement in the event such party acquires title to the Property. The acquiring party shall be bound by the terms of this Agreement.

Within ten (10) days of receipt, DPD shall review and approve the Financing with regard to its adequacy in providing sufficient funds for the acquisition of the Property, and further, approve the Commitment.

If the Developer fails to provide the DPD with a Budget or Financing as required herein to the DPD's reasonable satisfaction, the City may declare this Agreement null and void and retain the Earnest Money and Performance Deposit; provided, however, the City shall first notify the Developer in writing of any deficiency in either the Budget or Financing and the Developer shall have thirty (30) days to cure same.

SECTION 6. ARCHITECTURAL DRAWINGS/SCOPE OF PROJECT.

A. Site Plans. The Developer shall carry out the Project in accordance with Section 6.B below, those preliminary renderings prepared by InterActive Design dated May 7, 2007, and the architectural drawings prepared pursuant thereto, which have been approved by DPD and which are listed on Exhibit I attached hereto and incorporated herein by reference ("Preliminary Drawings"). Not less than sixty (60) days after the Closing, the Developer shall submit to the City for approval Final Drawings materially consistent with the Preliminary Drawings ("Final Drawings"). No material deviation from the Final Drawings may be made without the prior written approval of DPD, which shall be in DPD's sole discretion. A deviation that changes the basic use of the Property shall be deemed material. Prior to the Closing, the City must also approve other project elements, including, but not limited to, materials and finishes, lighting, signage, landscape plans and screening of mechanical equipment. In the event the Developer submits and DPD approves revised site plans and/or architectural drawings after the date of this Agreement, the term "Final Drawings" as used herein shall refer to the revised site plans and/or architectural drawings upon DPD's written approval

UNOFFICIAL COPY

of the same.

B. **Scope of Project.** The Project will entail the rehabilitation of the Building. The Developer will restore the historic façade of the Building (per the recommendations of the "Page Building Critical Examination" by WJE, dated April 26, 2006 which is attached hereto and made a part hereof as Exhibit J) and create a new lobby entrance for the Building, as well as make select repairs to the roof system. In addition, the Developer shall install a 50% net green roof on the Building. In the event that the installation of a green roof is not feasible, the Developer shall provide documentation to this effect and request a written waiver from DPD from this requirement. Upon issuance of the written waiver from DPD, the Developer shall instead install an energy-star roof coating over the entire roof of the Building.

All exterior work to the Building shall be in conformance with the Building's landmark designation and all interior and exterior work must be reviewed and approved by DPD, including DPD's landmarks division. Any architects, engineer and contractors for the exterior façade work must demonstrate experience with cast iron or historic metal facades and must be approved by DPD. The scope of work for façade improvement and lobby creation is contained in the WJE report which has been attached hereto as Exhibit J.

The Developer shall, at its sole cost and expense, erect and maintain such temporary construction signs as the City may reasonably require identifying the Property as a City redevelopment project. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state and local laws, ordinances and regulations. The City shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all temporary signage and barricades, which approval shall not be unreasonably withheld or delayed. The Developer must also submit to DPD for approval the final design and location of signs identifying tenants of the retail space located within the Building and any other Building signage ("Sign Plans") as preliminarily reflected in Exhibit K attached hereto and made a part hereof. The Developer may revise its Sign Plans as part of the Project consistent with the Property's landmark status and signage for similar properties, which signs shall be subject to the review and approval of DPD.

C. **Permitted Uses.** Permitted retail uses for the Building are set forth in Exhibit L attached hereto. Only retail and restaurant uses shall be permitted on the first floor space of the Building. The Developer understands and agrees that certain retail uses may be inappropriate for inclusion in the retail area of the Project as are more fully described on Exhibit M attached hereto. The Developer covenants and agrees for itself and its successors and assigns that such retail uses shall not be included within the Project.

D. **Relocation of Utilities, Curb Cuts and Driveways.** The Developer shall be solely responsible for and shall pay all costs associated with: (i) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with or damaged as a result of the Developer's redevelopment; (ii) the termination of existing water or other services. The City shall have the right to approve any streetscaping, including any paving of sidewalks, landscaping and lighting provided by the Developer as part of the Project.

UNOFFICIAL COPY

E. Inspection by the City. During the construction of the Project, the Developer shall permit any duly authorized representative of the City to enter onto the Property for the purpose of determining whether the work is being performed in accordance with the terms of this Agreement and all applicable laws and codes.

F. Barricades and Signs. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state and local laws, ordinances and regulations. The City shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all signage and barricades, which approval shall not be unreasonably withheld or delayed.

G. Survival. The provisions of this Section 6, except for Section 6.C, shall survive the Closing until the issuance of a Certificate of Completion, as defined in Section 9 below, at which time these provisions shall automatically terminate. The provisions of Section 6.C shall expire as set forth in Section 10.C below.

SECTION 7. LIMITED APPLICABILITY.

DPD's approval of the Drawings is for the purposes of this Agreement only and does not constitute the approval required by the City's Department of Construction and Permits ("DCAP") or any other City department; nor does the approval by DPD pursuant to this Agreement constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the Property. DPD's approval shall be only for the benefit of the Developer and any lienholder authorized by this Agreement.

SECTION 8. COMMENCEMENT AND COMPLETION OF PROJECT/TERM OF AGREEMENT.

The Developer's preliminary schedule ("Schedule") for the commencement and completion of the work constituting the Project has been approved by DPD and is attached hereto and make a part hereof as Exhibit N. The Schedule shall be subsequently revised by the Developer during the construction of the Project and submitted to the DPD on a quarterly basis commencing with the execution date of this Agreement.

The Closing shall not occur unless and until the Developer is prepared to immediately commence construction of the Project. In no instance shall (a) construction commence later than one hundred twenty (120) days after the Closing, or (b) construction be completed later than eight months from the Closing for interior work to the Building and thirty (30) months for the exterior work to the Building. DPD shall have discretion to extend the dates in by up to twelve (12) months by issuing a written extension letter. The Developer shall give written notice to the City within five (5) days after it commences construction. The Project shall be constructed in accordance with the Drawings and all applicable laws (including, without limitation, Chapters 7-28 and 11-4 of the Municipal Code), regulations, codes, and recorded encumbrances and restrictions. Notwithstanding the foregoing, the Commissioner of DPD, at her sole discretion, shall have the right to unilaterally extend the dates contained herein.

UNOFFICIAL COPY

For purposes of this Agreement, the "Term of the Agreement" shall be defined as commencing on the date of the Closing, and unless otherwise terminated by law or in accordance with the terms and provisions hereof, expiring on the tenth (10th) anniversary of the date of the Closing.

SECTION 9. CERTIFICATE OF COMPLETION.

The Developer shall request from the City a certificate of completion ("Certificate of Completion") upon the completion of the Project in accordance with this Agreement. Recordation of the Certificate of Completion shall constitute a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the Developer's obligations to construct the Project. Within forty-five (45) days after receipt of a written request from the Developer for a Certificate of Completion, the City shall provide the Developer with either the Certificate of Completion or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole opinion of the City, for the Developer to take or perform in order to obtain the Certificate of Completion. If the City requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form. The Certificate, however, shall not constitute evidence that the Developer has complied with any applicable provisions of federal, state and local laws, ordinances and regulations with regard to the completion of any portion of the Project, nor shall it serve as any "guaranty" of the structural soundness or quality of the construction of said Project, nor shall it serve to release the Developer, its successors and assigns, from its other contractual obligations as described in Section 6.C and 10 of the Agreement. Upon issuance of the Certificate of Completion, the City shall return the Performance Deposit to the Developer.

Upon the expiration of the Term of the Agreement, as defined in Section 8 above, the City, so long as the Developer has complied with its other contractual obligations as described in this Agreement, including, without limitation, the use provisions contained in Section 6.C above and the maintenance of the green roof, shall issue to the Developer an appropriate release of this Agreement in recordable form.

SECTION 10. RESTRICTIONS ON USE.

A. The Developer and its successors and assigns shall devote the Property to a use approved by the Plan until December 31, 2008.

B. The Developer and its successors and assigns agrees that it shall not discriminate based upon race, color, religion, sex, national origin or ancestry, military status, sexual orientation, source of income, age or handicap, in the sale or lease of the Property. The Developer shall also comply with provisions of the Landmarks Ordinance concerning the Building. This covenant shall have no expiration date.

C. Throughout the Term of the Agreement, the Developer and its successors and assigns shall utilize the Building in accordance with the uses described in Section 6.C above and the terms

UNOFFICIAL COPY

and conditions of the Agreement, including, without limitation, the maintenance of the green roof.

SECTION 11. PROHIBITION AGAINST TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate of Completion, the Developer may not, without the prior written consent of DPD, which consent shall be in DPD's sole discretion: (a) directly or indirectly sell or convey the Property or any part thereof or any interest therein or the Developer's controlling interests therein; or (b) directly or indirectly assign this Agreement. If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the Developer prior to the issuance of the Certificate of Completion to anyone other than another principal party of the Developer without the prior written consent of DPD, which consent shall be in DPD's sole discretion. The Developer must disclose the identity of all members to the City at the time such members obtain an interest in the Developer. In the event of a proposed sale of the Property, the Developer shall provide DPD copies of any and all sales contracts, legal descriptions, descriptions of intended use, certifications from the proposed buyer regarding this Agreement and such other information as the City may reasonably request. The proposed buyer must be qualified to do business with the City (including, without limitation, the anti-scofflaw requirement).

SECTION 12. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Except as otherwise provided herein, prior to the issuance of the Certificate of Completion, the Developer shall not, without DPD's prior written consent, which shall be in DPD's sole discretion, engage in any financing or other transaction which creates an encumbrance or lien on the Property, except for the initial construction financing approved by DPD pursuant to Section 5.

SECTION 13. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.

Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage on the Property authorized by Section 12 of this Agreement shall not itself be obligated to construct or complete the Project but shall be bound by the covenants running with the land specified in Section 14. If any such mortgagee succeeds to the Developer's interest in the Property prior to issuance of a Certificate of Completion, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party, such transferee shall be obligated to complete the Project, and shall also be bound by the other covenants running with the land specified in Section 14.

SECTION 14. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants provided in Sections 8, 10, 11 and 12 will be covenants running with the land, binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 13 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. The covenants provided in Sections 6.A and B, 6.D through G, 8, 11, 12 and 19 shall terminate upon the issuance of a Certificate of Completion. The covenants provided in Sections 6.C and 10 shall expire as set forth in Section 10.

UNOFFICIAL COPY

SECTION 15. PERFORMANCE AND BREACH.

A. **Time of the Essence.** Time is of the essence in the Developer's performance of its obligations under this Agreement.

B. **Permitted Delays.** The Developer shall not be considered in breach of its obligations under this Agreement in the event of a delay due to unforeseeable causes beyond the Developer's control and without the Developer's fault or negligence, including, without limitation, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, strikes, embargoes and unusually severe weather or delays of subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the Developer requests an extension in writing within twenty (20) days after the beginning of any such delay.

C. **Cure.** If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have sixty (60) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk to the Project or to persons using the Project). If the default is not cured in the time period provided for herein, the City may institute such proceedings at law or in equity as may be necessary or desirable in its sole discretion to cure and remedy the default, including, without limitation, proceedings to compel specific performance. Notwithstanding the preceding two sentences, no notice or cure period shall apply to defaults under Sections 15.D.(iv), (vi) and (ix). Any default under Sections 15.D.(iv), (vi), and (ix) shall constitute an immediate "Event of Default" and shall entitle the City to terminate this Agreement and retain the Earnest Money and Performance Deposit.

D. **Default.** The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

- (i) The Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under this Agreement; or
- (ii) The Developer makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Form, or another document) which is not true and correct; or
- (iii) A petition is filed by or against the Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing, which is not vacated, stayed or set aside within thirty (30) days after filing; or
- (iv) The Developer abandons or substantially suspends construction of the Project; or
- (v) The Developer fails to timely pay real estate taxes or assessments affecting the Property or suffers or permits any levy or attachment, material suppliers' or mechanics' lien, or any other lien or encumbrance unauthorized by this Agreement

UNOFFICIAL COPY

to attach to the Property unless bonded over; or

- (vi) The Developer makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement; or
- (vii) There is a change in the Developer's financial condition or operations that would materially affect the Developer's ability to complete the Project; or
- (viii) The Developer fails to comply with the terms of any other written agreement entered into with the City with respect to the Project; or
- (ix) The Developer fails to close by the Outside Closing Date.

E. **Prior to Closing.** If an Event of Default occurs prior to the Closing, the City may terminate this Agreement and retain the Earnest Money and Performance Deposit as liquidated damages.

F. **After Closing.** If an Event of Default occurs after the Closing but prior to the issuance of the Certificate of Completion for the Project, and the default is not cured in the time period provided for herein, the City may exercise any and all remedies available to it at law or in equity, including, without limitation, the right to re-enter and take possession of the Property, terminate the estate conveyed to the Developer, and revest title to the Property in the City; provided, however, the revesting of title in the City shall be subject to, limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. The Commissioner of DPD, at her sole discretion, may amend the terms of this Section 15.F.

G. **Resale of the Property.** Upon the revesting in the City of title to the Property as provided in Section 15.F., the City shall employ its best efforts to convey the Property (subject to any first mortgage lien described in this Section 15) to a qualified and financially responsible party (reasonably acceptable to the first mortgagee) who shall assume the obligation of completing the construction of the Project or such other improvements as shall be satisfactory to the City, and complying with the covenants that run with the land, as specified in Section 14.

H. **Disposition of Resale Proceeds.** If the City sells the Property as provided for in Section 15.G., the proceeds from the sale shall be utilized to reimburse the City for:

- (i) costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and
- (ii) all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and
- (iii) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent

UNOFFICIAL COPY

encumbrances or liens due to obligations, defaults or acts of the Developer; and

- (iv) any expenditures made or obligations incurred by the City with respect to construction or maintenance of the Project; and
- (v) the fair market value of the land comprising the Property as determined by such sale, less the Purchase Price previously paid to the City on the Closing Date;
- (vi) any other amounts owed to the City by the Developer.

The Developer shall be entitled to receive any remaining proceeds up to the amount of the Developer's equity investment in the Property.

In addition to, and without in any way limiting the City's rights under this Section 15, the City shall have the right to retain the Performance Deposit in the event of a default by the Developer.

I. Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by the Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of the Developer.

SECTION 16. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement or the Property, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any entity or association in which he or she is directly or indirectly interested. No agent, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement.

SECTION 17. INDEMNIFICATION.

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with: (a) the failure of the Developer to perform its obligations under this Agreement; (b) the failure of the Developer or any contractor to pay contractors, subcontractors or material suppliers in connection with the construction of the Project; (c) any material misrepresentation or omission in the Plan which is the result of information supplied or omitted by the Developer or agents, employees, contractors or other persons acting under the control or at the request of the Developer; (d) the failure of the Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (e) any activity undertaken

UNOFFICIAL COPY

by the Developer on the Property prior to or after the Closing. This indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 18. ENVIRONMENTAL MATTERS.

A. "As Is" Sale. The City makes no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any purpose whatsoever, and the Developer agrees to accept the Property "as is."

B. Right of Entry. It shall be the responsibility of the Developer, at its sole cost and expense, to investigate and determine the soil and environmental condition of the Property. The Developer shall have the right to request a right of entry for the purpose of conducting environmental tests on the Property. If the Developer makes such a request within thirty (30) days after the date of this Agreement, the City shall grant the Developer the right to enter the Property for a period of thirty (30) days (the "Inspection Period") pursuant to a Right of Entry Agreement in form and substance acceptable to the City. The granting of the right of entry shall be contingent upon the Developer obtaining all necessary permits and the following types and amounts of insurance: (i) commercial general liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured; (ii) automobile liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury and property damage; and (iii) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to do any work on the Property. All insurance policies shall be from insurance companies authorized to do business in the State of Illinois, and shall remain in effect until completion of all environmental testing activity on the Property. The Developer shall deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the Property. The Developer expressly understands and agrees that any coverage and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities set forth in this Agreement.

The Developer agrees to carefully inspect the Property prior to the commencement of any activity on the Property to make sure that such activity shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Developer shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the Property. The Developer's activities on the Property shall be limited to those reasonably necessary to perform the environmental testing. Upon completion of the work, the Developer agrees to restore the Property to its original condition. The Developer shall keep the Property free from any and all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the Developer, and agrees to indemnify and hold the City harmless against any such liens. The foregoing indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property within fourteen (14) days after receipt. If, prior to the Closing, the Developer's environmental consultant determines that contamination exists on the Property to such an extent that the parties agree that the estimated cost of remediation (such estimated cost being determined by the consultant) is too excessive for the

UNOFFICIAL COPY

Developer, the Developer may declare this Agreement null and void by giving written notice thereof to the City within thirty (30) days after the expiration of the Inspection Period, whereupon the City shall return the Earnest Money and Performance Deposit to the Developer. The Developer agrees that it will not exercise its right to terminate this Agreement until the City has reviewed all reports concerning the condition of the Property and the parties have had an opportunity to try to resolve the issue. If the Developer elects not to terminate this Agreement pursuant to this Section 18, the Developer shall be deemed satisfied with the condition of the Property.

If, after the Closing, the environmental condition of the Property is not in all respects entirely suitable for its intended use, it shall be the Developer's sole responsibility and obligation to take such action as is necessary to put the Property in a condition which is suitable for its intended use. The Developer hereby waives, releases and indemnifies the City from any claims and liabilities relating to or arising from the environmental condition of the Property, including, without limitation, claims arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and shall undertake and discharge all liabilities of the City arising from any environmental condition which existed on the Property prior to the Closing, including, without limitation, liabilities arising under CERCLA. The provisions of this paragraph shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

The Developer hereby acknowledges that, in purchasing the Property, the Developer is relying solely upon its environmental due diligence activities and not upon any information (including, without limitation, environmental studies or reports of any kind) provided by or on behalf of the City or its agents or employees with respect thereto.

SECTION 19. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

A. Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any affiliate of the Developer operating on the Property (collectively, the "Employers" and individually, an "Employer") to agree that with respect to the provision of services in connection with the construction of the Project or occupation of the Property during the construction period:

- (i) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code of Chicago, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including, without limitation: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer and each Employer

UNOFFICIAL COPY

agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

- (ii) To the greatest extent feasible, the Developer and each Employer shall present opportunities for training and employment of low and moderate income residents of the City, and provide that contracts for work in connection with the construction of the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the City.
- (iii) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance, and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.
- (iv) The Developer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.
- (v) The Developer and each Employer shall include the foregoing provisions of subparagraphs (i) through (iv) in every contract entered into in connection with the construction of the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.
- (vi) Failure to comply with the employment obligations described in this Section 19.A. shall be a basis for the City to pursue remedies under the provisions of Section 15.

B. **City Resident Employment Requirement.** The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, it and they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 3-92-330 of the Municipal Code of Chicago (at least fifty percent of the total worker hours worked by persons on the construction of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

UNOFFICIAL COPY

The Developer and the Employers may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Purchasing Agent of the City of Chicago.

“Actual residents of the City of Chicago” shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Developer and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of the Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of the City of Chicago Department of Housing (“DOH”) in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name.

The Developer and the Employers shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years from and after the issuance of the Certificate of Completion.

At the direction of DOH, the Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 15.C., the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer and for the Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful

UNOFFICIAL COPY

falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

The Developer shall cause or require the provisions of this Section 19.B. to be included in all construction contracts and subcontracts related to the construction of the Project.

C. Developer's MBE/WBE Commitment. Excepting the rehabilitation of the historic facade of the Building, as further described on Exhibit J, the Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the general contractor to agree that during the construction of the Project:

- (i) Consistent with the findings which support, as applicable, (a) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (b) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 19.C., during the course of the Project, the following percentages of the MBE/WBE Budget (as set forth in Exhibit O hereto) shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"): (1) At least 24% by MBEs; and (2) At least 4% by WBEs.
- (ii) For purposes of this Section 19.C. only:
 - (a) The Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.
 - (b) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.
 - (c) The term "women-owned business" or "WBE" shall mean a business

UNOFFICIAL COPY

identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

- (iii) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (a) the MBE or WBE participation in such joint venture, or (b) the amount of any actual work performed on the Project by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Project by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 19.C. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DPD.
- (iv) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, *inter alia*, the name and business address of each MBE and WBE solicited by the Developer or the general contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five business days notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.
- (v) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (v), the disqualification procedures

UNOFFICIAL COPY

are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

- (vi) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 19.C. shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.
- (vii) Prior to the commencement of the Project, the Developer shall meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 19.C. The general contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 19.C., the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 19.C. to the City's monitoring staff, including the following: (a) MBE/WBE utilization plan and record; (b) subcontractor's activity report; (c) contractor's certification concerning labor standards and prevailing wage requirements; (d) contractor letter of understanding; (e) monthly utilization report; (f) authorization for payroll agent; (g) certified payroll; (h) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (i) evidence of compliance with job creation requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 19.C., shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any city funds to the Developer or the general contractor, or (3) seek any other remedies against the Developer available at law or in equity.

Notwithstanding the foregoing, due to the unique nature of the facade improvements, costs associated with the repair/restoration on the historic facade of the Building shall be excluded from the MBE/WBE budget.

D. **Prevailing Wage Requirements.** The Developer covenants and agrees to pay, and to contractually obligate and cause its general contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor ("Department") to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contracts. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts to evidence compliance with this Section 19.D. Provided that any monetary amounts payable under the Prevailing Wage Act, 820 ILCS 130/0.01, *et seq.*, for any violation of such statute are paid, nothing in this Agreement shall be construed to give the City any remedies with respect to prevailing wage violations beyond those provided for in the statute. Scaffolding-related expenses shall be

UNOFFICIAL COPY

exempted from the prevailing wage budget.

SECTION 20. PROVISIONS NOT MERGED WITH DEED.

The provisions of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the provisions of this Agreement.

SECTION 21. HEADINGS.

The headings of the various sections of this Agreement have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions hereof.

SECTION 22. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties and supersedes and replaces completely any prior agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the parties.

SECTION 23. SEVERABILITY.

If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

SECTION 24. NOTICES.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy, provided that there is written confirmation of such communications; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City: City of Chicago
 Department of Planning and Development
 121 North LaSalle Street, Room 1000
 Chicago, Illinois 60602

With a copy to: City of Chicago
 Department of Law
 30 North LaSalle Street, Suite 1610
 Chicago, Illinois 60602
 Attn: Real Estate Division

UNOFFICIAL COPY

If to the Developer: State Lake, LLC
55 E. Jackson, Suite 500
Chicago, IL 60604
Marc Realty, c/o Gerald Lee Nudo

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, respectively, provided that such electronic dispatch is confirmed as having occurred prior to 5:00 p.m. on a business day. If such dispatch occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

SECTION 25. ORGANIZATION AND AUTHORITY.

The Developer represents and warrants that it is a duly organized and validly existing limited liability company under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and that the person signing this Agreement on behalf of the Developer has the authority to do so.

SECTION 26. SUCCESSORS AND ASSIGNS.

Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

SECTION 27. RECORDATION OF AGREEMENT.

This Agreement shall be recorded at the Office of the Cook County Recorder of Deeds prior to or as part of the Closing. The Developer shall pay the recording fees.

SECTION 28. EXHIBITS.

All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

SECTION 29. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original instrument.

SECTION 30. PATRIOT ACT CERTIFICATION.

Neither the Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the

UNOFFICIAL COPY

Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List

As used in the above paragraph, an "Affiliate" shall be deemed to be a person or entity related to the Developer that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Developer, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

SECTION 31. BUSINESS RELATIONSHIPS.

The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it has read such provision and understands that pursuant to such Section 2-156-030 (b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transaction contemplated hereby.

SECTION 32. PROHIBITION ON CERTAIN CONTRIBUTIONS - MAYORAL EXECUTIVE ORDER NO. 05-1.

Consistent with the intent of Mayoral Executive Order No. 05-1, compliance with the substance of which is intended by this Section 32, the Developer hereby agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent, the General Partner or Managing Member, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Partner or Managing Member of more than 7.5 percent, Owner, any person or entity who directly or indirectly has an ownership, beneficial or other controlling interest in Owner of more than 7.5 percent (collectively, "Controlling Owners"), spouses and domestic partners of such Controlling Owners, (collectively, all the preceding classes of persons and entities are hereinafter referred to as the "Ownership Parties") shall not make a contribution of any amount to the Mayor of the City ("Mayor") or to his political fundraising committee (i) after execution of this Agreement by the Developer, and (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between the Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

UNOFFICIAL COPY

The Developer hereby agrees to require that the General Contractor, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Contractor of more than 7.5 percent, any Subcontractor, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent (collectively, "Interested Parties"), and spouses and domestic partners of such Interested Parties (collectively, all the preceding classes of persons and entities are hereinafter referred to, together with the Ownership Parties, as the "Identified Parties") shall not make a contribution of any amount to the Mayor or to his political fundraising committee (i) after execution of this Agreement by the Developer, and (ii) while the Construction Contract or any Subcontract is executory, (iii) during the term of the Construction Contract or any Subcontract, or (iv) during any period while an extension of the Construction Contract or any Subcontract is being sought or negotiated.

The Developer represents and warrants that as of the later of (i) February 10, 2005, or (ii) the date that the City approached the Developer, or the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

The Developer agrees that it shall not and it shall require all other Identified Parties to not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Developer agrees that it must not and it shall require all other Identified Parties to not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1. The Developer shall impose the restrictions of this Section 32 in the Construction Contract and shall specifically require the General Contractor to impose the restrictions of this Section 32 in all Subcontracts.

The Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source that are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City to which the Developer is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (ii) entered

UNOFFICIAL COPY

into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

SECTION 33. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, the Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of the following sections of the Code (collectively, the "Waste Sections"):

- 7-28-390 Dumping on public way;
- 7-28-440 Dumping on real estate without permit;
- 11-4-1410 Disposal in waters prohibited;
- 11-4-1420 Ballast tank, bilge tank or other discharge;
- 11-4-1450 Gas manufacturing residue;
- 11-4-1500 Treatment and disposal of solid or liquid waste;
- 11-4-1530 Compliance with rules and regulations required;
- 11-4-1550 Operational requirements; and
- 11-4-1560 Screening requirements.

During the period while this Agreement is executory, the Developer's, general contractor's

UNOFFICIAL COPY

or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole discretion of the Chief Procurement Officer. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit the Developer, general contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

SECTION 34. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on or as of the date first above written.

CITY OF CHICAGO,
an Illinois municipal corporation,
acting by and through its
Department of Planning and Development

By: _____
Kathleen Nelson
First Deputy Commissioner

STATE LAKE, LLC,
an Illinois limited liability company

By: *Ronald Lee Med*
Its: MANAGER

Property of Cook County Clerk's Office

This instrument was prepared by,
and after recording, please return to:

Maria E. Hoffman
Senior Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
(312) 744-6927

C:\Documents and Settings\ssong\Local Settings\Temporary Internet Files\OLK1D2\RDA.06.wpd

UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on or as of the date first above written.

CITY OF CHICAGO,
an Illinois municipal corporation,
acting by and through its
Department of Planning and Development

By: Kathleen Nelson
Kathleen Nelson
First Deputy Commissioner

STATE LAKE, LLC,
an Illinois limited liability company

By: _____

Its: _____

This instrument was prepared by,
and after recording, please return to:

Maria E. Hoffman
Senior Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
(312) 744-6927

H:\DOCS\Page\RDA.06.wpd

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)

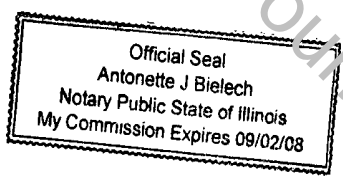
) SS.

COUNTY OF COOK)

I, Antonette J. Bielech, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Kathleen Nelson, personally known to me to be the First Deputy Commissioner of Planning and Development of the City of Chicago, an Illinois municipal corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as the First Deputy Commissioner, she signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as her free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 16th day of July, 2007.

Antonette J. Bielech
NOTARY PUBLIC



Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Christina L. Masters, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Gerald Lee Nudo, personally known to me to be the manager of State Lake LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by State Lake LLC, as his free and voluntary act and as the free and voluntary act and deed of State Lake LLC for the uses and purposes therein set forth.

GIVEN under my notarial seal this 16th day of July, 2007.

Christina L. Masters
NOTARY PUBLIC



Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LOTS 1 TO 3 IN BLOCK 9 IN FORT DEARBORN ADDITION TO CHICAGO (EXCEPT THE SOUTH 60 FEET OF EACH OF SAID LOTS) IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 17-10-305-001-0000

Address: 177 North State Street
Chicago, Illinois 60601

Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT B

NARRATIVE DESCRIPTION OF THE PROJECT

Project will entail the rehabilitation of portions of the existing partially-occupied seven-story office building. Developer will restore the historic façade of the building within first three years of ownership and create a new lobby entrance at the Page Building, as well as make select repairs to the roof system. The Property is being sold "as-is"; Developer is responsible for all building work and tenant improvements.

All interior and exterior work shall be in conformance with the building's landmark designation, and must be approved by DPD's landmarks division. The architect/engineer and contractor for the exterior façade work must demonstrate experience with cast iron or historic metal facades and must be approved by DPD.

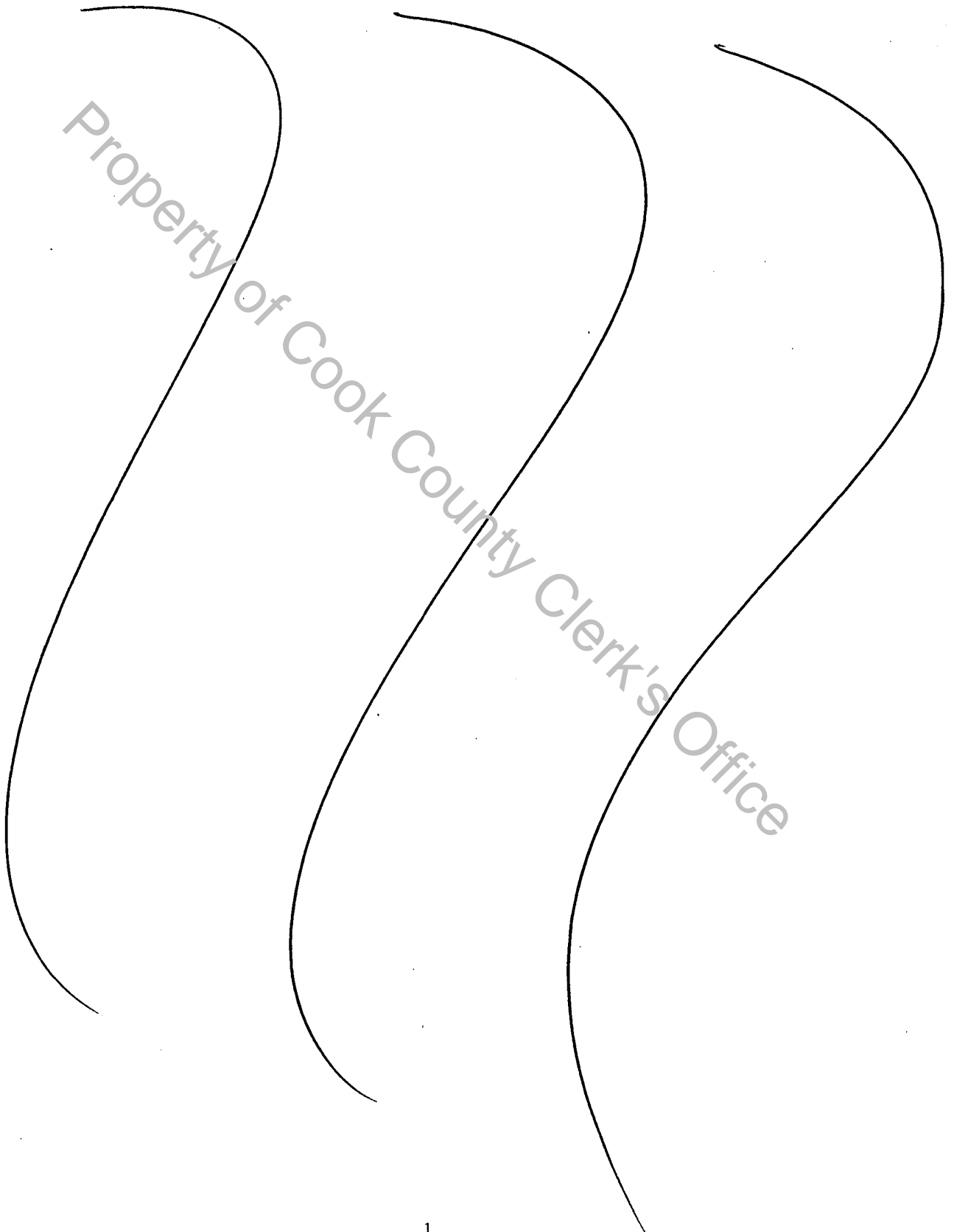
Additionally, the Developer shall improve the first floor with retail/restaurant uses. These uses shall be subject to the approval of DPD (see Section 11 for prohibited uses).

1. The site is zoned DX-6 and contains office tenants.
2. Project includes façade repair of the existing Lake and State Street elevations and creation of a new State Street lobby entrance to the Page Brothers Building. All work to be completed per section K of Exhibit I, "Description of Recommended Repair Work".
3. OTB vacated the first through third floors space in February 2007.
4. The first floor will be occupied by a restaurant/retail use.
5. Floors 4 and 5 will be occupied by existing business tenants whose leases will be honored. World Business Chicago occupies the 5th floor and their lease expired in 2006. As part of this deal, their lease will be extended until 2011 under the same terms of the existing lease.
6. Floors 2, mezzanine, 3 and 7 will be leased to new commercial business/office tenants.
7. Parking will not be involved with the project.
8. Developer shall enter into a lease agreement (at minimum, for ninety nine-years) with TheatreDreams, LLC for use of certain spaces within portions of the basement, first floor, 2nd floor 7th floor, and the entire 6th floor of Page Building.

UNOFFICIAL COPY

EXHIBIT C

TITLE COMMITMENT



UNOFFICIAL COPY

COMMITMENT FOR TITLE INSURANCE



Chicago Title Insurance Company

CHICAGO TITLE INSURANCE COMPANY ("Company"), for valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the Land described or referred to in Schedule A, upon payment of the premium, and charges and compliance with the Requirements; all subject to the provisions of Schedule A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Chicago Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Issued By:

CHICAGO TITLE INSURANCE COMPANY
171 N. CLARK STREET
CHICAGO, IL 60601

Refer Inquiries To:

(312)223-3005

CHICAGO TITLE INSURANCE COMPANY

By

Henry S. Gery

Authorized Signatory



Commitment No.: 1401 008383205 D2

UNOFFICIAL COPY
CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

YOUR REFERENCE: PAGE BUILDING

ORDER NO.: 1401 008383205 D2

EFFECTIVE DATE: JUNE 11, 2007

1. POLICY OR POLICIES TO BE ISSUED:

OWNER'S POLICY: ALTA OWNERS 2006
AMOUNT: \$5,500,000.00
PROPOSED INSURED: STATE LAKE LLC

Property of Cook County Clerk's Office

2. THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT IS FEE SIMPLE, UNLESS OTHERWISE NOTED.
3. TITLE TO THE ESTATE OR INTEREST IN THE LAND IS AT THE EFFECTIVE DATE VESTED IN: CITY OF CHICAGO, A MUNICIPAL CORPORATION

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A (CONTINUED)

ORDER NO.: 1401 008383205 D2

4A. LOAN POLICY 1 MORTGAGE OR TRUST DEED TO BE INSURED:

NONE

4B. LOAN POLICY 2 MORTGAGE OR TRUST DEED TO BE INSURED:

NONE

Property of Cook County Clerk's Office

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A (CONTINUED)

ORDER NO. : 1401 008383205 D2

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS :

LOTS 1, 2 AND 3 IN BLOCK 9 IN FORT DEARBORN ADDITION TO CHICAGO (EXCEPT THE SOUTH 60 FEET OF EACH OF SAID LOTS) IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B

ORDER NO.: 1401 008383205 D2

SCHEDULE B OF THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING MATTERS UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

GENERAL EXCEPTIONS

1. RIGHTS OR CLAIMS OF PARTIES IN POSSESSION NOT SHOWN BY PUBLIC RECORDS.
2. ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE LAND.
3. EASEMENTS, OR CLAIMS OF EASEMENTS, NOT SHOWN BY PUBLIC RECORDS.
4. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.
5. TAXES OR SPECIAL ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE PUBLIC RECORDS.
6. IF EXTENDED COVERAGE OVER THE FIVE GENERAL EXCEPTIONS IS REQUESTED, WE SHOULD BE FURNISHED THE FOLLOWING:
 - A. A CURRENT ALTA/ACSM OR ILLINOIS LAND TITLE SURVEY CERTIFIED TO CHICAGO TITLE INSURANCE COMPANY;
 - B. A PROPERLY EXECUTED ALTA STATEMENT;

MATTERS DISCLOSED BY THE ABOVE DOCUMENTATION WILL BE SHOWN SPECIFICALLY.

NOTE: THERE WILL BE AN ADDITIONAL CHARGE FOR THIS COVERAGE.

7. NOTE FOR INFORMATION: THE COVERAGE AFFORDED BY THIS COMMITMENT AND ANY POLICY ISSUED PURSUANT HERETO SHALL NOT COMMENCE PRIOR TO THE DATE ON WHICH ALL CHARGES PROPERLY BILLED BY THE COMPANY HAVE BEEN FULLY PAID.

- V
8.
 1. TAXES FOR THE YEARS 2006 AND 2007
2007 TAXES ARE NOT YET DUE OR PAYABLE.

NOTE: 2006 FINAL INSTALLMENT NOT YET DUE OR PAYABLE

PERM TAX#	PCL	YEAR	1ST INST
17-10-305-001-0000	1 OF 1	2006	NOT BILLED

- R
9. NOTE FOR INFORMATION:

BECAUSE OF PROCEDURES INSTITUTED BY THE COOK COUNTY TREASURER, THE COMPANY REQUESTS THAT ORIGINAL TAX BILLS BE FURNISHED WHENEVER THE COMPANY IS REQUESTED TO PAY TAXES. IF ORIGINAL TAX BILLS ARE NOT FURNISHED, THE COMPANY WILL COLLECT ADDITIONAL FEES FOR EACH TAX NUMBER TO PAY CHARGES IMPOSED BY THE COOK

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE**SCHEDULE B (CONTINUED)**

ORDER NO. : 1401 008383205 D2

COUNTY TREASURER FOR THE PRODUCTION OF DUPLICATE TAX BILLS, FURTHER, BECAUSE OF DELAYS BY THE COOK COUNTY TREASURER IN PRODUCING DUPLICATE TAX BILLS. THE COMPANY WILL HOLD BACK FROM CLOSING ADDITIONAL FUNDS TO PAY INTEREST THAT WILL ACCRUE BECAUSE OF THE TREASURER'S PROCEDURE

A 10. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES.

Q 11. INFORMATIONAL NOTE:
TO SCHEDULE A RESIDENTIAL CLOSING IN OUR CHICAGO LOOP OFFICE, OR TO RECEIVE CLOSING FIGURES, PLEASE CALL OUR AUTOMATED INFORMATION LINE AT (312)223-2800.

TO FAX FIGURES TO OUR CHICAGO LOOP OFFICE FOR RESIDENTIAL CLOSINGS, PLEASE DIAL (312)223-2815.

TO SCHEDULE COMMERCIAL CLOSINGS IN DIVISION 1 OF OUR CHICAGO LOOP OFFICE PLEASE CALL (312)223-2065.

TO SCHEDULE COMMERCIAL CLOSINGS IN DIVISION 2 OF OUR CHICAGO LOOP OFFICE PLEASE CALL (312)223-2707.

B 12. TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS OF THE ORDINANCE RECORDED SEPTEMBER 15, 1980 AS DOCUMENT 25583825.

C 13. TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS OF THE ORDINANCE DESIGNATING THE PAGE BROTHERS BUILDING AS A CHICAGO LANDMARK, A COPY OF WHICH WAS RECORDED FEBRUARY 17, 1983 AS DOCUMENT 26510538.

G 14. ENCROACHMENTS AS DISCLOSED BY AND AS SET FORTH ON PLAT OF SURVEY BY CHICAGO GUARANTEE SURVEY COMPANY, ORDER NUMBER 8508015, DATED OCTOBER 23, 1985, AS FOLLOWS:

(A) COPING AT ROOF OF BUILDING ON PARCEL 2 IS 3.22 FEET WEST AT THE SOUTHWEST CORNER ON STATE STREET.

(B) COPING OVER THE NORTH LINE OF PARCEL 2 BY AN AMOUNT VARYING FROM 2.88 FEET TO 2.97 FEET.

H 15. CONSERVATION RIGHT GRANTED BY LA SALLE NATIONAL BANK, UNDER TRUST AGREEMENT DATED SEPTEMBER 1, 1985, AND KNOWN AS TRUST NUMBER 110441, TO LANDMARKS PRESERVATION COUNCIL OF ILLINOIS, RECORDED OCTOBER 30, 1985, AS DOCUMENT NUMBER 85260335.

J 16. EXISTING UNRECORDED LEASE TO INTERTRACK PARTNERS FOR A TERM OF YEARS BEGINNING NOVEMBER 1, 1988 AND ENDING SEPTEMBER 30, 2003, AND ALL RIGHTS THEREUNDER OF THE LESSEES AND OF ANY PERSON OR Party CLAIMING BY, THROUGH OR UNDER THE

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B (CONTINUED)

ORDER NO.: 1401 008383205 D2

LESSEES, AS DISCLOSED BY ALTA STATEMENT DATED DECEMBER 8, 1999.
SATISFACTORY EVIDENCE SHOULD BE FURNISHED WHETHER SAID LEASE IS STILL IN FULL
FORCE AND EFFECT

- K 17. TERMS, PROVISIONS AND CONDITIONS CONTAINED IN THAT CERTAIN CHILLED WATER SERVICE AGREEMENT DATED AS OF AUGUST 6, 1996 MADE BY AND BETWEEN UNICOM THERMAL TECHNOLOGIES INC., A CORPORATION OF ILLINOIS, AND CHICAGO THEATER RESTORATION ASSOCIATES, AN ILLINOIS LIMITED PARTNERSHIP, A MEMORANDUM OF WHICH AGREEMENT WAS RECORDED JUNE 17, 1997 AS DOCUMENT 97432395.

(AFFECTS OUR PROPERTY WITH OTHER PROPERTY)

- L 18. EASEMENTS, TERMS, CONDITIONS AND PROVISIONS OF THE "PAGE BUILDING-CHICAGO THEATER RECIPROCAL EASEMENT AND OPERATING AGREEMENT" EXECUTED BY AND BETWEEN THE CITY OF CHICAGO AND THE CHICAGO THEATER RESTORATION ASSOCIATES, DATED DECEMBER 8, 1999 AND RECORDED DECEMBER 13, 1999 AS DOCUMENT 09156150.

(AFFECTS OUR PROPERTY WITH OTHER PROPERTY)

- M 19. EXISTING UNRECORDED LEASES AND ALL RIGHTS THEREUNDER OF THE LESSEES AND OF ANY PERSON OR PARTY CLAIMING (BY, THROUGH OR UNDER THE LESSEES).

- N 20. WE SHOULD BE FURNISHED A STATEMENT THAT THERE IS NO PROPERTY MANAGER EMPLOYED TO MANAGE THE LAND, OR, IN THE ALTERNATIVE, A FINAL LIEN WAIVER FROM ANY SUCH PROPERTY MANAGER.

- O 21. IN ORDER FOR THE COMPANY TO INSURE TITLE COMING THROUGH THE SALE OR TRANSFER OF LAND FROM THE MUNICIPALITY IN TITLE, WE SHOULD BE FURNISHED A CERTIFIED COPY OF THE ORDINANCE OR RESOLUTION AUTHORIZING THE CONVEYANCE, TOGETHER WITH THE NUMBER OF AYES AND NAYS FOR ITS PASSAGE, AND EVIDENCE OF ANY REQUIRED PUBLICATION.

IF SAID MUNICIPALITY IS A "HOME RULE UNIT" PURSUANT TO ARTICLE 7, SECTION 6 OF THE ILLINOIS CONSTITUTION, WE SHOULD BE FURNISHED EVIDENCE OF COMPLIANCE WITH THE MUNICIPALITY'S ORDINANCE(S) WHICH RELATE TO THE SALE OR TRANSFER OF MUNICIPAL PROPERTY.

THIS COMMITMENT IS SUBJECT TO SUCH ADDITIONAL EXCEPTIONS, IF ANY, AS MAY BE DEEMED NECESSARY AFTER OUR REVIEW OF THESE MATERIALS.

- P 22. MUNICIPAL REAL ESTATE TRANSFER TAX STAMPS (OR PROOF OF EXEMPTION) MUST ACCOMPANY ANY CONVEYANCE AND CERTAIN OTHER TRANSFERS OF PROPERTY LOCATED IN CHICAGO. PLEASE CONTACT SAID MUNICIPALITY PRIOR TO CLOSING FOR ITS SPECIFIC REQUIREMENTS, WHICH MAY INCLUDE THE PAYMENT OF FEES, AN INSPECTION OR OTHER APPROVALS.

- W 23. AGREEMENT DATED MARCH 6, 1873 AND RECORDED MAY 8, 1873 IN BOOK 175, PAGE 556, AS DOCUMENT 100941 MADE BY LEGRAND BURTON, CONSERVATOR, WITH MARY E. INGALLS AND GEORGE A. INGALLS HER HUSBAND RELATING TO A PARTY WALL BETWEEN LOTS 3 AND 4 IN BLOCK 9 AFORESAID.

AMENDED BY AGREEMENT DATED FEBRUARY 26, 1920, AND RECORDED FEBRUARY 27, 1920,

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B (CONTINUED)

ORDER NO.: 1401 008383205 D2

AS DOCUMENT 6747122 MADE BETWEEN BALABAN AND KATZ AND JAMES F. PORTER.

- X 24. AGREEMENT DATED MARCH 4, 1898, AND RECORDED SEPTEMBER 11, 1902, AS DOCUMENT 3293415 MADE BY SOPHIA B. GAGNON WITH VIRGINIA B. HOLMES RELATING TO A PARTY WALL ON THE NORTH LINE OF THE SOUTH 60 FEET OF LOTS 1, 2 AND 3 AFORESAID.

AMENDED BY AGREEMENT DATED FEBRUARY 26, 1920, AND RECORDED FEBRUARY 27, 1920, AS DOCUMENT 6747122 MADE BETWEEN BALABAN AND KATZ AND JAMES F. PORTER.

** END **

Property of Cook County Clerk's Office

UNOFFICIAL COPY

CHICAGO TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

ORDER NO. : 1401 008383205 D2

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 or these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alt.org/>>.

UNOFFICIAL COPY

Fidelity National Financial Group of Companies' Privacy Statement
July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We may also disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability To Correct Errors Or Request Changes Or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

UNOFFICIAL COPY

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF
POLICY NUMBER: 1401 - 008383205 - D2

ISSUED BY
CHICAGO TITLE INSURANCE COMPANY

SPECIAL ENDORSEMENT

THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS OR DAMAGE IN THE EVENT THAT:

1. THERE ARE ANY PRESENT VIOLATIONS OF THE AGREEMENTS NOTED AT EXCEPTION LETTERS W AND X;
2. ANY OF SAID AGREEMENTS PROVIDE FOR FORFEITURE OR REVERSION OF TITLE IN THE EVENT OF FUTURE VIOLATION OF THE AGREEMENTS.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

UNOFFICIAL COPY

EXHIBIT D

LEASES

TENANT NAME	ORIGINAL LEASE START DATE	AMENDMENT DATE	LEASE EXPIRATION DATE	SECURITY DEPOSITS
Civic Federation	June 13, 2001	None	June 30, 2011 with two, 5-year renewal terms	\$4,315.00
Economic Club of Chicago	April 16, 2001	May 21, 2002	April 30, 2011	\$2,887.50
Economic Club of Chicago (132 soft storage room lease)	April 2007	None	May 31, 2011	
World Business Chicago	February 2001	(A) Undated 2002 (B)	March 31, 2006 with two 5-year renewal options. Lease extended by City in 2006 until 2011	\$13,535.00

UNOFFICIAL COPY

EXHIBIT E

ASSUMPTION AND ASSIGNMENT OF LEASE AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT (LEASES)

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into and effective as the ___ day of _____, 2007 by and between the City of Chicago, an Illinois municipal corporation, (the "Seller"), and State Lake, LLC, an Illinois limited liability company (the "Purchaser").

RECITALS

Whereas, the City is the owner of that certain parcel of real estate located at 177 North State Street legally described on Exhibit A attached hereto and made a part hereof ("Property"); and

Whereas, pursuant to that certain Agreement for the Sale and Redevelopment of Land dated as of _____ (as amended, restated, supplemented or otherwise modified from time to time, the "Redevelopment Agreement") by and between Seller and the Purchaser and for the consideration of Ten (\$10.00) Dollars in hand paid by Purchaser and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell and assign to Purchaser, and Purchaser agrees to assume, all of Seller's right, title and interest in, to and under all Leases and rental agreements in respect of the Property, as listed on Exhibit B attached hereto and made a part hereof;

NOW, THEREFORE, pursuant to the terms of the Redevelopment Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser and Seller hereby agree as follows:

ASSIGNMENT AND ASSUMPTION

1. Defined Terms. Capitalized terms used and not otherwise defined herein shall have the respective meanings provided for in the Redevelopment Agreement.
2. Assignment. Seller hereby assigns, sells, transfers, conveys and sets over to Purchaser all rights, title and interests of Seller in, to and under all Leases and rental agreements in respect of the Property (including, without limitation, any rights and obligations in respect of security deposits together with any interest required to be accrued thereon pursuant to applicable law or the applicable Leases) as listed in Exhibit B, in each case on and from the date hereof for and during the term of each Lease and rental agreement, subject to the terms, covenants, conditions, obligations and provisions therein and herein contained.
3. Assumption. Purchaser hereby assumes all rights, title and interest of Seller in, and full responsibility for all obligations under, all Leases and rental agreements in respect of the Property (including, without limitation, any rights and obligations in respect of security deposits, together with any interest required to be accrued thereon pursuant to applicable law or the applicable Leases), in each case on and from the date hereof, subject to the terms, covenants, conditions, obligations and provisions therein and herein contained. Purchaser agrees to indemnify, defend and hold Seller harmless from any claims, liabilities or costs (including reasonable attorneys' fees) that are incurred by Seller in respect of Purchaser's obligations or liabilities under all Leases and rental agreements, in each case to the extent such claims, liabilities or costs pertain to any such obligations or liabilities arising on or after the Closing Date.
4. Third Parties. The assumption by Purchaser of the Leases and rental agreements in respect of the Property as herein provided is not intended by the parties to expand the rights or remedies of any third

UNOFFICIAL COPY

party against Purchaser as compared to the rights and remedies which such third party would have had against Seller had Purchaser not consummated the transactions contemplated by the Redevelopment Agreement. Nothing herein contained shall, or shall be construed to, prejudice the right of Purchaser to contest any claim or demand with respect to any obligations or liability assumed hereunder, and Purchaser shall have all rights which Seller may have, or have had, to defend or contest any such claim or demand.

5. Subject to the Redevelopment Agreement. Nothing herein contained shall itself change, amend, extend or alter (nor shall it be deemed or construed as changing, amending, extending or altering) the terms or conditions of the Redevelopment Agreement in any manner whatsoever. This Agreement does not create or establish liabilities or obligations not otherwise created or existing under or pursuant to the Redevelopment Agreement, except as expressly set forth herein.

6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Illinois.

7. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, Purchaser and Seller and their respective successors and assigns, but shall not create any right of subrogation or other right on the part of any other person.

8. Amendment, Waiver and Termination. This Agreement cannot be amended, waived, or terminated except by a writing signed by the parties hereto.

9. Headings. The headings in this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning thereof.

10. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by, and delivered to, each of the parties hereto. This Agreement may be executed by virtue of transmission of facsimile signature pages, each of which shall for all purposes be deemed as fully effective as the original thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF CHICAGO,
an Illinois municipal corporation,
acting by and through its
Department of Planning and Development

By: _____
Kathleen Nelson
First Deputy Commissioner

STATE LAKE, LLC,
an Illinois limited liability company

By: _____

Its: _____

UNOFFICIAL COPY

EXHIBIT F

LEGAL DESCRIPTION OF CHICAGO THEATER

THE SOUTH 60 FEET OF LOTS 1 TO 3 AND ALL OF LOTS 4 TO 10 IN BLOCK 9 IN FORT DEARBORN ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 17-10-305-002-000

Addresses: 175 N. State Street
Chicago, Illinois 60601

Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT G

PERSONALTY, EQUIPMENT, FIXTURES

The following Personalty, Equipment and Fixtures shall be transferred to the Developer at closing.

- (A) All unused construction materials located on the 6th and 7th floors of the Page building.
- (B) The escalator between the 1st and 2nd floors.
- (C) Cast Iron Façade Materials stored at WJ Maguire's off-site facility.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT H

BUDGET

Project will be financed by debt (75%) and equity (25%).

Sources of Funds:

Equity	\$ 1,343,216
Conventional Financing	<u>\$ 4,029,647</u>
TOTAL:	\$ 5,377,862

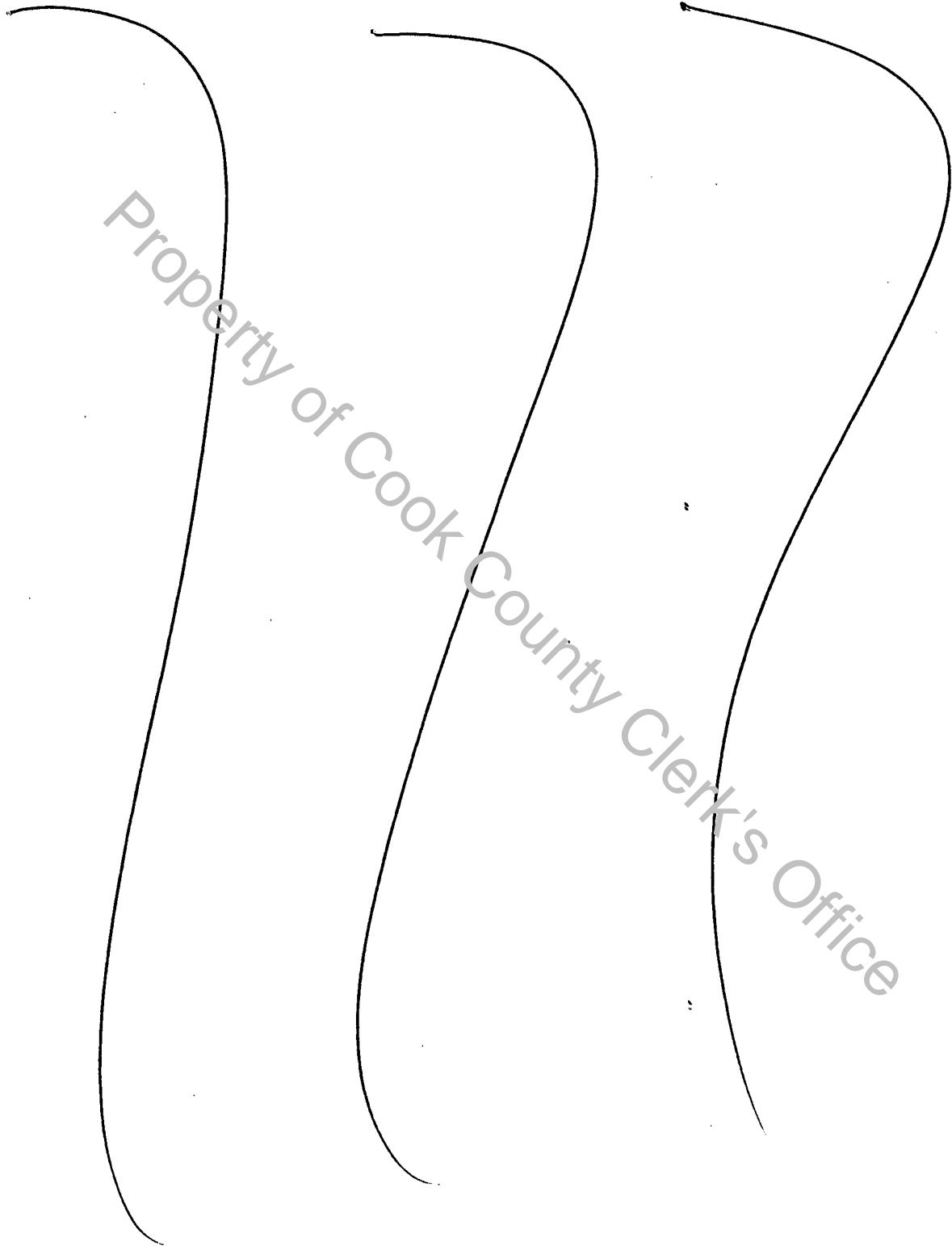
Uses of Funds:

Land Acquisition	\$ 1,625,000
Site Clearance / Preparation	\$ 0
Engineering (soft cost/fees)	\$ 792,765
Construction (hard costs)	\$ 2,291,938
Tenant Allowances	\$ 382,850
Contingency Allowance	<u>\$ 280,309</u>
TOTAL:	\$ 5,372,872

UNOFFICIAL COPY

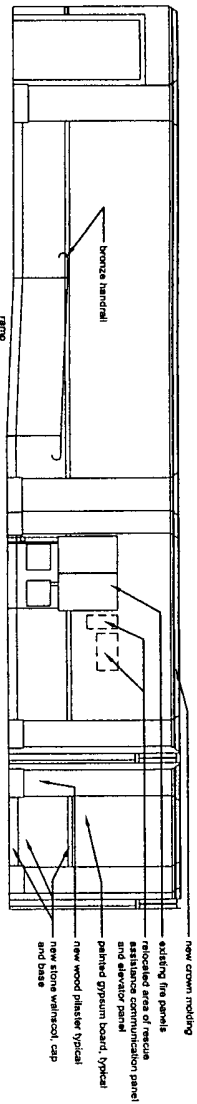
EXHIBIT I

PRELIMINARY DRAWINGS

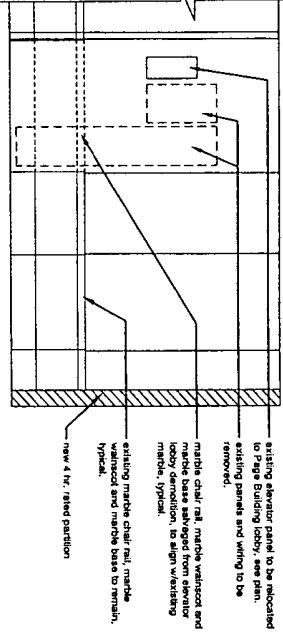


Property of Cook County Clerk's Office

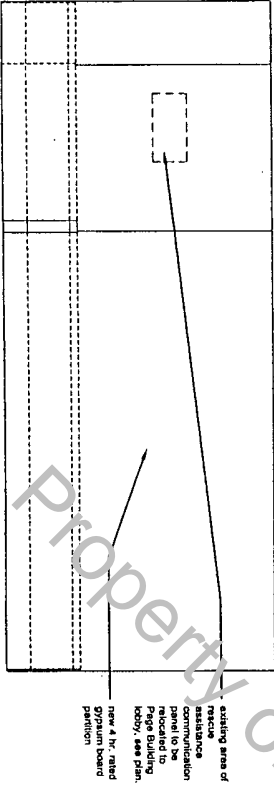
UNOFFICIAL COPY



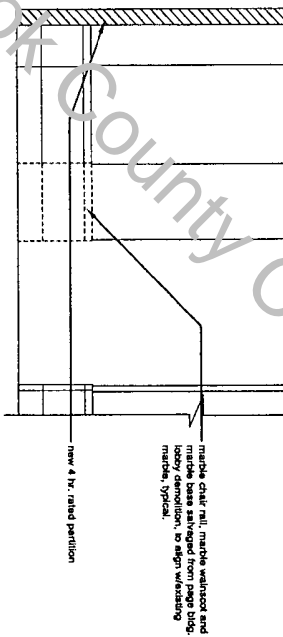
3 - Proposed Interior Elevation



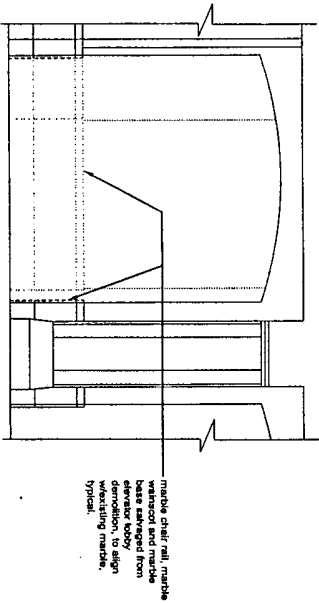
2 - Existing Interior Elevation



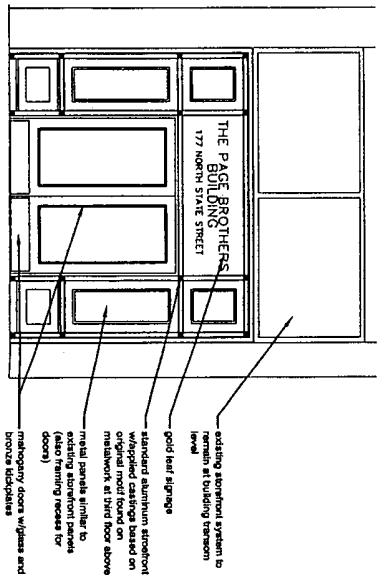
1 - Existing Interior Elevation



5 - Existing Interior Elevation



4 - Existing Interior Elevation



6 - Proposed exterior elevation

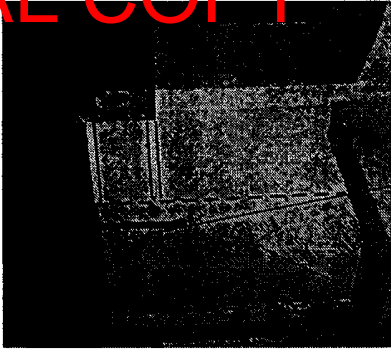
PAGE BROTHERS BUILDING - 177 NORTH STATE STREET
 drawing title: RENOVATION OF CHICAGO THEATRE and PAGE BROTHERS BUILDING LOBBY
 date: 7 MAY 2007

scale: N.T.S.

InterActive Design, Inc.
 IAD ASK 3
 reference no: 0509

UNOFFICIAL COPY

demo existing partition, continue arch from theatre side -
lift floor with salvaged marble (this match color pattern and
existing layout, align joints with existing joints typical where
partitions have been removed)



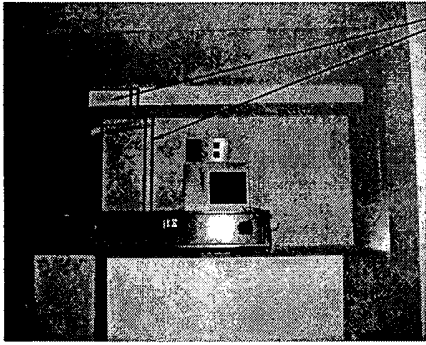
A - Existing lobby

demo existing partition, continue arch thru, see photo A -
salvage existing marble, chair rail, marble wainscot
and marble base, reuse in Chicago theatre lobby.
typical
relocate equipment as per owner's direction



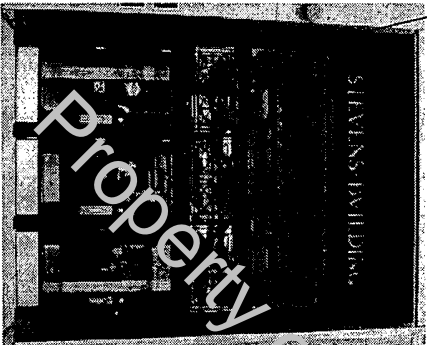
B - Existing lobby

lift wall with salvaged marble chair rail, marble wainscot and
marble base from Page Brothers lobby demolition, material to
lift wainscot marble. Typical, see plan for location.



C - Existing lobby

proposed mahogany doors in elevator system
(w/custom ceilings (16 ft. wainscot))



D - Mahogany doors

existing historic metalwork at Page
Brothers Building, State Street elevation
corner of building



E - Metalwork

custom painted aluminum panels at door returns
(16 ft. wainscot)



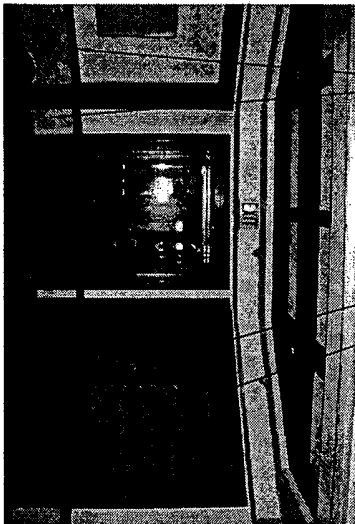
F - Aluminum panels

decorative ceiling system with
marble (17 ft. wainscot)



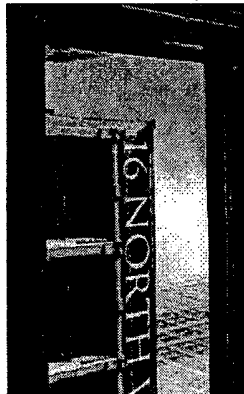
G - Proposed decorative ceiling

salvage existing marble floor tiles, chair rail, marble wainscot
and marble base from elevator lobby demolition, reuse in
Chicago theatre lobby. typical



H - Existing lobby

I - Backpainted gold leaf signage



PAGE BROTHERS BUILDING - 177 NORTH STATE STREET
drawing title: RENOVATION OF CHICAGO THEATRE and PAGE BROTHERS BUILDING LOBBY
date: 7 MAY 2007

scale: N.T.S.

Interactive Design, Inc.
IAD ASK 4
reference no: 0509

UNOFFICIAL COPY

EXHIBIT J

SCOPE OF WORK-WJE REPORT

Project will entail the rehabilitation of the existing occupied seven-story office building. Developer will:

- (A) Restore the historic façade of the building (per the recommendations of the “Page Building Critical Examination” by WJE, dated 4/26/06, included as Exhibit J) within the first three years of ownership.
- (B) Create a new lobby entrance at the Page Building.
- (C) Make select roof repairs consisting of repairing the roof when the OTB satellites are removed after OTB vacates the building. The Developer may choose, at its discretion, to either:
 - a. Provide the Chicago Theatre with monies to make select repairs to the roof system noted above, or
 - b. Make such repairs itself.
- (D) All interior and exterior work shall be in conformance with the building’s landmark designation and must be approved by DPD.
- (E) Architect/Engineer and contractor for the exterior façade work must demonstrate experience with cast iron or historic metal facades and must be approved by DPD; however such consultants and contractors need not comply with the MBE/WBE and employment guidelines.
- (F) Developer will enter into at minimum, a ninety nine-year lease with TheatreDreams for floor 6 of Page Building.
- (G) Developer shall extend World Business Chicago’s lease from 2006 to 2011 (complying with existing lease terms which includes one 5-year renewal option).
- (H) Improve the first floor with retail/restaurant uses. These uses shall be subject to the approval of DPD to assure prohibited uses are not included.

The Property is being sold “as-is”; Developer is responsible for all building work.

UNOFFICIAL COPY J

WJE

**PAGE BROTHERS BUILDING
Critical Examination**

**177 North State Street
Chicago, Illinois**



26 April 2006
WJE No. 2006.1185

Prepared for:
MB Real Estate, LLC

Prepared by:
Wiss, Janney, Elstner Associates, Inc.

UNOFFICIAL COPY

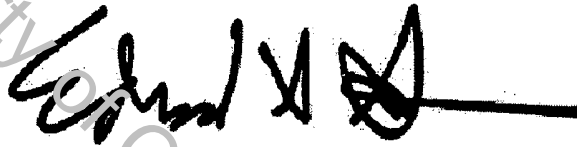
WJE

PAGE BROTHERS BUILDING Critical Examination

177 North State Street
Chicago, Illinois



Lisa M. Chan
Senior Associate



Edward A. Gerns
Project Manager

26 April 2006
WJE No. 2006.1185

Prepared for:
MB Real Estate, LLC
1615 West Chicago Avenue
Chicago, Illinois 60622

Prepared by:
Wiss, Janney, Elstner Associates, Inc.
120 N. LaSalle Street, Suite 2000
Chicago, Illinois 60602
312.372.0555 tel | 312.372.0873 fax

Property of Cook County Clerk's Office

UNOFFICIAL COPY



TABLE OF CONTENTS

INTRODUCTION.....	1
A. NAME AND ADDRESS OF BUILDING.....	1
B. SITE PLAN.....	1
C. BUILDING OCCUPANCY.....	1
D. NAME, ADDRESS, AND PHONE NUMBER OF THE OWNER.....	1
E. NAME, ADDRESS AND PHONE NUMBER OF THE PROFESSIONAL.....	1
F. DESCRIPTION OF BUILDING.....	2
Original Construction.....	2
1898 Alterations.....	2
1901-1902 Renovation.....	3
1919 Alterations.....	3
1975 to 1985.....	4
1986 Renovation.....	4
G. PHOTOS OR DRAWINGS OF BUILDING ELEVATIONS.....	4
H. NARRATIVE WITH START AND FINISH DATE.....	5
2002 Investigation.....	5
2003-2005 Restoration Work.....	5
I. DRAWINGS OR PHOTOGRAPHS SHOWING LOCATION OF DEFECTS.....	5
Sheet Metal.....	5
Cornice and Frieze.....	6
Sixth Story Cladding.....	6
Cast Iron.....	6
Brick Masonry.....	7
Corner Settlement.....	8
Brick Headers/Lateral Anchorage System.....	8
Brick.....	9
Mortar Joints.....	9
Decorative Brick.....	10
Windows.....	10
Store Fronts.....	10
J. DESCRIPTION AND LOCATION OF OBSERVED UNSAFE AND IMMINENTLY HAZARDOUS CONDITIONS.....	10
K. DESCRIPTION OF RECOMMENDED REPAIR WORK.....	10
Sheet Metal.....	11
Cast Iron.....	11
Brick Masonry.....	12
Corner Settlement.....	12
Brick Headers/Lateral Anchorage System.....	12
Brick.....	12
Mortar Joints.....	13
Decorative Brick.....	13
Windows.....	13
Store Fronts.....	13
K1. URGENCY OF REPAIR.....	14
L. COMPARISON OF BUILDING CONDITION FROM PAST REPORTS, WHERE APPROPRIATE ..	14

UNOFFICIAL COPY



M. RECOMMENDATION FOR FUTURE EXAMINATION, IF EARLIER THAN OTHERWISE
REQUIRED BY CODE 14

N. SIGNATURE AND SEAL OF PROFESSIONAL 14

O. DATE OF REPORT 15

P. OTHER DOCUMENTS PERTINENT TO CRITICAL EXAMINATION..... 15

Q. CATEGORIZATION OF BUILDING..... 15

R. SKETCHES OR STATEMENT SHOWING THAT NO LESS THAN 50 PERCENT OF EACH NON-
TERRA COTTA FACADE, INCLUDING CORNERS, WAS INSPECTED ACCORDING TO THE
RULES AND REGULATIONS..... 15

S. STATEMENT REFERENCING DETAILS OR OPENINGS REQUIRED BY THE RULES AND
REGULATIONS, OR DESCRIBING REASON NOT REQUIRED. 15

Property of Cook County Clerk's Office

UNOFFICIAL COPY



PAGE BROTHERS BUILDING Critical Examination

**177 North State Street
Chicago, Illinois**

INTRODUCTION

At the request of MB Real Estate, LLC, Wiss, Janney, Elstner Associates, Inc. (WJE) performed a close up inspection of the exterior facade of the Page Brothers Building located at 177 North State Street in Chicago, Illinois, to fulfill the professional requirements of the Chicago Facade Ordinance for 2006. The close up inspection included 100 percent of the street facades, which face Lake and State Streets.

A. NAME AND ADDRESS OF BUILDING

The Page Brothers Building
177 North State Street
Chicago, Illinois

B. SITE PLAN

The building is located on the southeast corner of North State Street and Lake Street and is bounded by State Street to the west and Lake Street to the north. The Chicago Theatre building abuts the Page Brothers Building to the south and east. See Figure 1 for a site plan of the building.

C. BUILDING OCCUPANCY

The building occupancy consists of commercial space and a lobby at grade level and office space above the ground floor.

D. NAME, ADDRESS, AND PHONE NUMBER OF THE OWNER

Mr. Rafael Avila
Property Manager
MB Real Estate, LLC
1615 West Chicago Avenue
Chicago, Illinois 60622
Telephone: (312) 742-8424

E. NAME, ADDRESS AND PHONE NUMBER OF THE PROFESSIONAL

Mr. Edward A. Gerns
Wiss, Janney, Elstner Associates, Inc.
120 North LaSalle, Suite 2000
Chicago, Illinois 60602
Telephone: (312) 372-0555

UNOFFICIAL COPY



F. DESCRIPTION OF BUILDING

The building is approximately 90 feet tall and is rectangular in plan with overall dimensions of approximately 110 feet in the north-south direction and 65 feet in the east-west direction. The Page Brothers Building is the last remaining example of the Italianate cast iron buildings that typically lined Lake Street at the end of the nineteenth century. It also is unique in its representation of both its Lake Street and State Street exterior walls as prominent facades, each dating from different eras. In addition, the cast iron facade represents an excellent example of a system unique to the age of the building.

Original Construction

Located at 177-191 North State Street, the Page Brothers Building is located on the former site of the City Hotel. After the fire of 1871 destroyed Stiles Burton's City Hotel, Burton immediately redeveloped this lot on the southeast corner of State and Lake Streets. For this task, Burton hired John Mills Van Osdel, among Chicago's first professional architects, to design the Page Brothers Building. Van Osdel (1811-1891) was responsible for designing many buildings in nineteenth century Chicago. Originally arriving from Baltimore, he moved to Chicago in 1837 to design the Ogden Mansion for William Butler Ogden, the mayor of Chicago from 1837 to 1838. After opening his first office in 1844, he was responsible for designing many government, commercial, and residential buildings. Van Osdel hired Daniel D. Badger's Architectural Ironworks of New York to fabricate the cast iron pieces of the Page Brothers Building. Van Osdel had previously worked with Badger to design cast iron buildings prior to the fire of 1871.

Constructed in 1872, the Page Brothers Building was originally five stories in height, clad with cast iron on the north facade, and brick masonry on the remaining facades. The west facade faces State Street and the north facade faces Lake Street. At the time of construction, Lake Street was the predominate commercial street in Chicago, and the architecture of the building illustrated this by having the north facade much more ornate than the utilitarian west facade. As originally designed, the building was of semi-mill construction consisting of load bearing masonry walls and cast iron interior columns supporting a heavy timber floor structure.¹ The building interior was divided into three distinct sections by brick firewalls. Originally, the rectangular footprint of the building measured approximately 170 feet in the north-south direction and 68 feet in the east-west direction. A cornice, frieze and ornamentation accented both the west and north facades. The Page Brothers leased a portion of the building from Burton where they sold leather goods. An engraving also shows the building occupied by Swain, Barnard & Co wine and liquor importers, and Crofoot, Stelle & Cass Shoe Manufacturers. By October 1872, six other cast iron facade buildings were built on Lake Street between State and Wabash Streets.² These buildings also served a variety of commercial interests.

1898 Alterations

In 1898, the heirs of Burton Stiles divided the building into two separately owned portions by extending the interior east-west bearing wall located 109 feet south from Lake Street to the eastern rear wall of the building. The result was the division of the building into two portions, a 68 foot by 105 foot portion to the north containing two units fronting on Lake Street and a 109 foot section to the south containing two separate units on State Street and Benton Court. Records indicate that a portion of the building was demolished to

¹ Daniel Coffee Associates LTD and Chicago Theatre Preservation Group. Ltd., "Survey of Structural Alterations to the Page Brothers Building," In *Chicago Theatre Complex Historic Preservation Certification Application Part-2* (August 1985), 2.

² National Register Nomination.

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 3

create a light well in the southeast corner of the building to allow daylight to illuminate the interior of the building. Architect Frank V. Newell was in charge of this renovation work.³

1901-1902 Renovation

In 1901–1902, both portions of the building were remodeled by the architecture firm Hill & Woltersdorf. These alterations of the Page Brothers Building included the addition of a sixth floor and a redesigned west facade. The building changed from commercial to office uses and was reoriented to make the State Street facade its primary facade.

Although the building was divided into two halves under separate ownerships in 1898, both halves underwent simultaneous alterations under the direction of Hill & Woltersdorf in 1901–1902. A new cornice and frieze was installed so that it extended over both the north and west facades. The windows on the west facade were significantly enlarged. It is unclear if the buff colored bricks date from the original construction or this modification; however, WJE's previous investigation tends to indicate that the original face brick was removed and replaced during the 1901–1902 modifications. A large light well was introduced along the east side of the building. This shift reflected the emergence of State Street as the primary commercial street, replacing Lake Street's dominance. The northern portion of the building became known as the Burton Building and the southern portion was renamed the Cosmopolitan Building. Both halves were remodeled for office use and increased by one story in height, but the alterations to the Burton Building were by far the most extensive. An entirely new facade supported by steel framing was constructed on State Street along with extensive interior alterations. A contemporary advertisement described the Burton Building as a "newly erected building."

In addition to the exterior work, significant structural alterations were made to the internal structure of the building. A new office entry and lobby was installed at the extreme southern end of the State Street facade, and a central elevator and staircase was installed. All original wood staircases from the original construction were probably removed during the 1901–1902 renovation work and replaced.

Little is known about the extent of remodeling executed on the south portion of the building (Cosmopolitan Building) as the work was apparently too modest to be included in contemporary newspaper or architectural journals. This portion of the building was demolished within twenty years for the construction of the Chicago Theatre. Business directories from the period indicate that the Cosmopolitan Building contained general office use.⁴

1919 Alterations

The Burton Building was sold during the late 1910s and renamed the Loop End Building. In 1919, prior to building the Chicago Theatre Building, the southern 61 feet of the Page Brothers Building (known as the Cosmopolitan Building since 1901–1902) was demolished. The Chicago Theatre abuts the south and east walls of the remaining portion of the Page Brothers Building.⁵

³ Daniel Coffee Associates LTD.

⁴ Daniel Coffee Associates LTD.

⁵ Daniel Coffee Associates LTD.

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 4

1975 to 1985

By 1975, the Commission on Chicago Historical and Architectural Landmarks had proposed designating the Page Brothers Building as a local landmark because of its architectural and historic significance. Also in 1975, the Page Brothers Building was placed on the National Register of Historic Places. By this date, the corner brackets, the stringcourse between the floors, and the decorative brackets below the arched window frames were no longer present on the north facade. The first floor of the Lake Street Facade had been boarded-up. In 1982, both the Page Brothers Building and the Chicago Theatre were threatened when the owners, Plitt Theatres, Inc., applied for a demolition permit. The request for the demolition permit was supported by a real estate appraisal that recommended "demolition of the existing improvements and development of an office building with retail facilities." A lengthy court proceeding and public debate ensued. Eventually, the Chicago Theatre Restoration Associates, aided by the City of Chicago, gained control of the properties for future rehabilitation. The buildings were designated Historic Landmarks by the City of Chicago in 1983.⁶

1986 Renovation

A major rehabilitation of the Page Brothers Building was performed in 1986 in conjunction with the rehabilitation of the Chicago Theatre that adjoins the south and east facades of the Page Brothers Building. Chicago Theatre Preservation Group, Ltd. served as the developer for the project with Daniel P. Coffey & Associates, Ltd. as the lead architectural firm. The rehabilitation of the buildings was facilitated by financial incentives including the donation of a preservation facade easement to the Landmarks Preservation Council of Illinois. The drawings indicate that the work on the Page Brothers Building included cleaning, repairing, and repainting the existing cornice, frieze and cast iron; cleaning; repairing and repointing all masonry surfaces; installing new window sashes into the existing frames; and adding a mechanical penthouse above the sixth floor. It also called for new cast iron replications to match missing elements, although it is unclear which pieces, if any, were actually replaced. The first floor was also significantly altered with the installation of new large storefront windows. New Corinthian column capitals were made to replace the existing or missing capitals, and metal clad wood panels were installed at various areas. A new 16 gauge metal fascia was also added between the floors. This work also included replacement of the remaining heavy timber floor framing elements with a new cast-in-place reinforced concrete floor system supported by reinforced concrete columns. The new concrete system was placed directly on the original structure using the original wood framing as a formwork for the concrete. The original timber members were subsequently removed. The new structural system consists of 7 inch thick reinforced concrete slabs spanning 12 feet in the north-south direction and 20 feet in the east-west direction. A mechanical penthouse was also added to the building. The east facade of the penthouse extends above the adjacent building, and the north and west facades are set back from the main facades of the building approximately four feet. In its current configuration, the building contains retail/commercial and lobby space on the ground floor, and office space on second through sixth floors.

G. PHOTOS OR DRAWINGS OF BUILDING ELEVATIONS

Figure 2 is a photo of the building's north and west facades. The east and south facades abut the adjacent Chicago Theatre.

⁶ Chicago Theatre Restoration Committee Folders. Chicago Historical Society.

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 5

H. NARRATIVE WITH START AND FINISH DATE

The 2006 critical inspection of the exterior walls was performed between 20 March and 30 March 2006. WJE personnel including Edward Gerns, Joshua Freedland, and Lisa Chan performed a close up inspection from swingstage scaffolding provided by W. J. McGuire (WJM). A total of six (6) inspection drops were performed to inspect 100 percent of the exterior walls close up.

WJE observed the condition of externally visible surfaces and components of the facade. The windows were observed for damaged frames and broken glass. Sealant was observed for splits and adhesive failures. Brick was observed for cracks, spalls, displacements and overall stability. Cast iron was observed for cracks, holes and extent of corrosion. Sheet metal was observed for cracks, missing anchors, open joints and general condition of individual components.

2002 Investigation

In late 2002, following submission of the 2002 Critical Examination Program Report, WJE performed an investigation of the exterior facades of the Page Brothers Building. The investigation included a close up inspection from a suspended scaffolding system of the west and north facades of the building. The visual survey was supplemented by inspection openings made by Berglund Masonry, Inc. at locations identified by WJE. The west facade masonry inspection openings included areas that exhibited distress as well as others without distress. On the north facade, inspection openings were created to evaluate the condition of the underlying substrate and to determine the configuration and construction of the cast iron components. Inspection openings were also made from the interior of the north facade to determine the construction of the cast iron components. In order to observe concealed conditions on the cornice at the roof perimeter, one section was partially dismantled by Berglund on the north facade. A metal detector was used to look for ferrous anchors in the masonry facade.

2003-2005 Restoration Work

In 2003 WJE prepared contract documents for the first phase of the exterior facade repairs on the building. The repairs included repair of the salvageable cast iron keystone and column capital elements and repair of the spandrels in the end bays of the west facade. This work was performed by W. J. McGuire Company between October 2003 and August 2005 in conjunction with the first phase of the restoration of the exterior facade of the Chicago Theatre building.

I. DRAWINGS OR PHOTOGRAPHS SHOWING LOCATION OF DEFECTS

Figures 3 through 36 are photographs showing conditions observed during the critical inspection of the exterior walls. The following are the conditions observed during the 2006 facade inspection, the 2003-2005 restoration work, the 2002 investigation, and the inspection openings, with a discussion of the cause of the observed distress:

Sheet Metal

The sheet metal work including the sixth story of the north facade and the decorative cornice and frieze atop the north and west facades dates from the 1901-1902 renovations when the sixth floor was added and the west facade was redesigned.

UNOFFICIAL COPY



Cornice and Frieze

During the current inspection as well as the facade inspection conducted in 2002, the anchors that attached some decorative elements of the cornice and frieze were observed to be corroded or had failed. WJE determined that these fasteners no longer had sufficient integrity to support the cornice elements, and these pieces were removed or supplemental fasteners were installed.

The inspection opening made in late 2002 at the cornice was located on the north facade from the roof area. The inspection opening revealed that supplemental wood and steel framing was added to the cornice, presumably during the 1980s renovation. No significant deterioration was observed on the interior of the cornice; however, no consistent load path was observed that would transfer wind and gravity loads from the cornice to the main building structure.

The galvanized metal used to form the cornice and frieze was found to be 26-gauge hot galvanized sheet steel. Numerous holes were observed in the sheet metal cornice. In addition, several pieces were severely corroded, missing, loose, or had failed joints between the sheet metal pieces. Loose or missing sheet metal ornamental pieces were originally installed with solder or rivets that had failed. Since these elements are decorative, they do not affect the overall structural integrity of the cornice.

Photographs of the sheet metal cornice and frieze are shown in Figures 3 through 10.

Sixth Story Cladding

Conditions of the sheet metal cladding at the sixth floor of the north facade are similar to those of the cornice and frieze and include holes, open joints, loose pieces, and varying levels of corrosion. The sheet metal at some of the sixth story window sills was severely deteriorated with extensive holes, and the east edge of the sheet metal cladding is significantly deteriorated.

Photographs of the sheet metal cladding at the sixth story are shown in Figures 11 through 12.

Cast Iron

During the facade inspection conducted in June 2002, many of the bolts that attached certain cast iron elements of the facade were significantly corroded, and it was determined that they no longer had sufficient integrity to support these elements. During the 2002 inspection and 2003 restoration work, many of the keystone and column capital components that had previously not been strapped were removed. During the 2006 inspection, some additional cast iron elements were removed. In addition, cracked areas of cast iron were removed to prevent them from falling. The majority of these fragments had previously been held in place with sealant, had only partially cracked or had been held in place by adjacent sheet metal, masonry or cast iron components. As much as possible, the portion of cast iron was retained such that it could be reinstalled, if possible, or used as a template for replacement pieces. Areas where pieces were removed were covered with a peel-and-stick waterproof membrane to minimize water infiltration. Other areas were strapped using stainless steel straps and anchors attached into the adjacent cast iron. Some of these areas were also covered with the peel-and-stick membrane, but, some areas were not covered or strapped if the piece removed did not create a void.

Originally the large cast iron pieces on the north facade were attached to the heavy timber frame with a variety of iron bolts, anchors, and straps as was typical for this type of construction. Smaller cast iron pieces then were attached directly to the larger pieces with bolts. The second through fifth floors have similar repetitive cast iron pieces. Above each window is an arched piece of cast iron. This piece is composed of two

UNOFFICIAL COPY

half-arches that meet at the pilasters between each window. The next piece is the cast iron pilasters between each window. Finally, under each pilaster is a horizontal cast iron piece. Each of these pieces is individually attached to the frame of the building with different bolts and angles. At the junction of each of these pieces is a decorative piece of cast iron that covers the joint. Between the arched pieces above the windows is a two-piece "keystone," a top and vertical portion and a lower horizontal portion. A fluted cast iron capital covers the junction between the cast iron pilasters and the arched pieces.

WJE also observed the accumulation of a significant amount of corrosion scale in the joint between cast iron components and supporting steel brackets. Water that enters the cast iron wall assembly leads to corrosion of the steel bolts and anchors. The metal bolts, angles, and anchors are more susceptible to corrosion than the cast iron portions of the building.

Previous inspection openings on the cast iron facade could not identify the lateral anchorage system that attached the cast iron facade to the new concrete frame. Inspection openings were created on the interior of the fourth floor to identify and assess the condition of any lateral anchors. Except for splice plates between the larger pieces, no anchors were identified. There were not any observable signs of failure, however, of the 1980s anchorage system. The cast iron facade appears to be anchored to and span between cast iron columns and is intermittently supported by bent iron straps which engage to arched pieces and the horizontal members that span between columns at the floor levels. It is likely that when the concrete floor was placed during the 1986 restoration, the cast iron facade was used as an end formwork for the concrete. This would have resulted in the cast iron anchors being encapsulated within the concrete and unobservable.

The coatings on many areas of the cast iron facade are deteriorating, and corrosion was observed on the exposed surfaces of many of the components on the interior and exterior. Several of the cast iron components are cracked or have holes. Some of these cracks and holes had previously been repaired with sealant and other fillers and patch materials, including duct tape.

Photographs of the cast iron are shown in Figures 13 through 29.

Brick Masonry

Minor brick masonry distress was observed adjacent to window head locations on the west facade of the building. This includes cracking and spalling of the brick and cracking of the mortar joints. The distress was the result of the build up of corrosion scale on the supporting steel angle lintels spanning the window openings in combination with a lack of an effective flashing system and subsequent freeze thaw damage.

The steel lintels in the wall were fabricated from carbon steel, and the wall was constructed without flashings to collect and divert water to the exterior. This was consistent with construction standards of the time the facade was built. Without flashings, moisture that penetrates into the wall is not collected and diverted to the exterior. Corrosion of the embedded steel is increased due to extended contact with water. The corrosion process converts the original steel material into corrosion product that has no structural capacity and occupies four to ten times the volume of the noncorroded steel. The increased volume of the corrosion and its confinement within the wall result in compressive forces within the wall itself. These forces result in distress such as cracking, spalling, localized crushing, and displacement of the brick masonry and adjacent building materials.

Carbon steel is highly susceptible to corrosion in the presence of moisture and oxygen within the wall system, particularly when the steel is not protected with an effective coating. The source of moisture within the wall system is rain, snow, and ice. The moisture is absorbed through the brick masonry or penetrates

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 8

through openings, such as cracks, open joints, and deficient sealant joints in the wall. The degree to which the moisture penetrates the wall depends on the quantity and duration of the precipitation, wind velocity, permeability of the stone or brick, and the opening size.

Previous inspection openings made at steel shelf angle locations and observations made during the 2003-2005 restoration work indicated that the underlying steel is in good condition with only limited areas of surface corrosion and no significant loss of cross-sectional area. Some of the brick units at the shelf angles were "soaped." This term is used to describe bricks that are cut parallel to the face of the brick and set in mortar in front of the toe of the steel lintel. These soaped units are particularly susceptible to spalling since relatively small amounts of corrosive scale at the toe of the angle is sufficient to cause spalling of the units, particularly if the masonry units are confined by adjacent materials.

Corner Settlement

Cracking in the brick masonry was observed at building corners and at a few brick masonry pier locations. Cracked brick masonry observed at the northwest corner is also displaced downward and is consistent with building settlement. The majority of cracking observed in the brick masonry is due to the inability of the wall construction to accommodate movements of the building wall system. The lack of expansion joints in the wall is consistent with construction standards of the times. In addition, brick masonry typically expands during the first several years after construction due to the absorption of moisture. Brick masonry is also subjected to expansion and contraction due to thermal changes. Cracks typically occur at building corners due to the build up of forces between intersecting walls. The cracking observed at the northwest corner is likely the result of a combination of unaccommodated thermal expansion and building settlement.

Similar cracking occurs at the southwest corner, although it is not extensive relative to the northwest corner. Cracking at the southwest corner possibly occurred during the construction of the Chicago Theatre in the 1920s when the soil adjacent to the southwest corner was disturbed for installation of the foundations for the new building. A representative example of cracking resulting from settlement is shown in Figure 30.

Evidence of differential foundation settlement was also observed near the northwest corner of the building on the cast iron facade of the building. The settlement appears to have occurred within the last bay, between the last window and the corner. Variations in the sill configuration indicate that the problem has existed since at least the 1986 renovation and likely prior to that renovation. No recent movement was evident during our inspection.

Brick Headers/Lateral Anchorage System

Header bricks used to tie the face brick to the backup wall were found intermittently throughout the facade with no pattern evident. An inspection opening made during the 2002-2003 work at a paired header location revealed that the headers were not cracked. The spacing and placement of the headers was inconsistent and variable.

It appears that during the 1902 modifications to the west facade, the original outer wythe of brick was removed and replaced with new face brick. Drawings of the original configuration of the west facade show the wall to be essentially flat with regularly spaced punched arched window openings. In its current configuration the piers extend beyond the plane of the spandrels and the windows are much wider and paired together. The brick masonry above the openings was originally self-supporting since the top of the openings were arched. Currently, the openings are flat at the top, and the brick masonry above the openings is supported by steel shelf angles. There appears to be no correlation between the configuration of the original openings and the current openings. Furthermore, observations of areas of backup brick were consistent with

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 9

typical backup walls observed at other buildings of similar vintage and not a common brick wall as might be expected if the original west facade had been modified without removing the original outer wythe of brick. This further suggests that the original outer wythe of brick was removed. Lateral connection of the new face brick to the original backup wall was therefore likely accomplished by removing areas of the back up and setting header bricks into the voids. It is also likely that the difficulty of installing header bricks in to an existing wall resulted in a minimum number of the headers being installed.

Load bearing walls of the vintage of the Page Brothers Building would likely have been constructed with regularly spaced courses of header bricks, probably every sixth to seventh course. The course of header bricks may have been continuous or every 16 to 24 inches. Alternatively, a blind header system could have been used if the architect wanted a uniform appearance of the brick masonry. Blind headers are created by cutting one embedded corner of the face brick and a corner of a backup brick and then installing the backup brick such that it extends into the plane of the outer wythe of face brick. Another possible lateral anchorage system is the use of metal ties. The headers used to connect the face brick to the backup brick masonry at the Page Brothers Building are not consistent with any of the systems described; therefore, it is reasonable to assume that the outer wythe of brick was added to the backup brick probably during the 1901-1902 renovation.

Brick

In general the exposed surface of the brick is highly textured with exposed aggregate and a mottled appearance. Other surfaces of the brick, which were observed while creating the inspection openings, revealed that the other surfaces of the brick were much smoother than the exposed surface. A spall was removed from a brick on the west facade for preliminary microscopic examination. The surface appeared to be abraded, likely the result of an abrasive cleaning technique such as high pressure water blasting (power washing) or grit blasting (sand blasting). This observation was consistent with the overall appearance of the brick, which exhibited striping down the center of each brick that often corresponds to inappropriate abrasive cleaning techniques. Brick masonry cleaned by abrasive techniques is more susceptible to moisture infiltration because the protective fire skin (the hard surface that forms during original firing of the brick units) is damaged. This damage is not reversible and may significantly impact the long term durability of the wall. A representative area of brickwork is shown in Figure 31.

Mortar Joints

Numerous mortar joints are deteriorated with missing, cracked or debonded mortar within the joint as shown in Figure 32. Also many joints have been previously repointed with a mortar that likely has a very high proportion of portland cement. Mortar joints typically measured between 1/8 inch and 1/4 inch. The repointing mortar is not likely an appropriate formulation for this building, being too strong, lacking elasticity, and with too low a porosity. Given the age and region where the building was constructed, the original mortar likely was very high in lime. As a result of the presence of this repointing mortar, stresses build up in the brick and could potentially cause spalling or cracking. Additionally, water that enters the wall will exit through the brick face and increase damage due to cyclic freezing and thawing and potentially cyclic salt crystallization damage.

Furthermore, the pointing mortar only extends approximately at most 1/4 inch into the joint or was only smeared over deteriorated mortar joints. Typically the mortar joints should be raked back 2-1/2 times the width of the joint, or a minimum of 3/4 inch, depending on the width of the joint. Preparing the joints to the appropriate depth creates a joint that helps to prevent water penetrating the wall. In addition, the color of the repointing mortar is not the same as the historic color and significantly impacts the aesthetics of the building. Proper repointing of the brick masonry will improve the long-term durability of the wall system and

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 10

minimize the potential for moisture related problems such as freeze thaw damage, spalling, and corrosion of underlying steel elements.

Decorative Brick

A few of the specialty decorative brick units at the intersection of the jamb and head within the end bays at the third through sixth floor were found to be loose during our 2002 inspection. These units were removed and reset with stainless steel anchors during the 2003 restoration work.

Windows

The building's primary window openings contain wood framed sash with insulated glazing units that were installed in the 1980s. These replaced the previous wood window sashes. Limited areas of deteriorated wood were observed in the replacement window sashes throughout the building. The most severe deterioration was observed on the north facade.

Peeling and general deterioration of the paint on the wood glazing stops exists at all windows. Limited areas of distress, such as chipped paint and deteriorated sealant, were observed at some of the wood window frames.

The worst condition observed in the windows is shown in Figure 33.

Store Fronts

The store fronts include many elements which were replaced during the 1980s rehabilitation. This work reportedly included uncovering portions of the remaining historic store front on the north facade. Currently, cast iron columns that appear to be historic are topped with composite column capitals that date from the 1980s. Several of the decorative leaves are broken off, and one entire capital that was loose was removed during our inspection as shown in Figure 34. The performance of this composite material has not been satisfactory and is not consistent with current preservation practice. Surface corrosion and deterioration of the paint coating was observed on the cast iron components at the first floor store fronts. Representative conditions are shown in Figures 35 and 36.

On the north facade, the spandrels below the first floor storefront windows are painted wood, and the paint is peeling. On the west facade, the spandrel panels are sheet metal-clad wood. In some areas the paint is missing, or the cladding is torn or missing. Some of the anchors used to fasten the sheet metal cladding to the wood blocking substrate are no longer engaged.

J. DESCRIPTION AND LOCATION OF OBSERVED UNSAFE AND IMMINENTLY HAZARDOUS CONDITIONS

None exist following our 2006 inspection.

K. DESCRIPTION OF RECOMMENDED REPAIR WORK

Based on WJE's 2002 investigation, WJE prepared an investigative report which included a list of observed distress conditions and a preliminary scope of repair work. The report also included prioritized conservation and repair items for the building exterior. Priority 1 repairs were those that were recommended to begin in

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 11

2002. Priority 2 repairs are those that should be implemented in 2003 and 2004. Priority 3 repairs were recommended to be implemented following the completion of Priority 1 and 2 repairs. Priority 3 items included some repairs and treatments other than those outlined in the observations made during the inspection, but which were recommended to be considered for the long-term preservation and maintenance of the building.

The following is a summary of the scope of work recommended to address the conditions described above. The repair recommendations are based on information obtained during the 2006 facade inspection, the 2003-2005 restoration work, the 2002 investigation, and the inspection openings. The general approach for these recommendations is stated below for each area of the building.

Sheet Metal

The scope of recommended sheet metal repair work on the cornice, frieze, sixth story, and storefront areas is intended to repair damaged areas and replace missing or significantly damaged elements. All repairs should be installed on a trial repair basis prior to full implementation to evaluate aesthetic implications and construction-related issues. Recommended repairs include the following:

1. Repair cracks, holes and significantly corroded sheet metal components
2. Re-install decorative elements
3. Replace significantly deteriorated components
4. Replace clad wood elements at the first floor with a new metal panel system
5. Clean and paint sheet metal facade elements following repair work

Given the historical significance of the sheet metal components, extreme care should be taken if repair or restoration of missing or severely deteriorated elements is performed at the cornice and frieze and other sheet metal elements. If appropriate repairs are undertaken at this time and these elements are properly maintained, they should have many years of service with only minimal annual maintenance costs following the restoration.

Cast Iron

The scope of recommended cast iron repair work on the main walls is intended to repair existing areas of distress, repair damaged areas, and replace missing or significantly damaged elements. All repairs should be installed on a trial repair basis prior to full implementation to evaluate aesthetic implications and construction related issues. Recommended repairs include the following:

1. Repair cracks, holes and significantly corroded cast iron components
2. Re-install decorative elements
3. Replace fiberglass column capitals with new cast iron capitals
4. Clean and paint cast iron facade elements following repair work

In 2003 the remaining two-piece keystones and column capitals were removed from the building due to deterioration. Replica units were fabricated with new cast iron. A trial installation of the keystone and capital was performed to verify installation techniques and materials. At this time the remaining keystones and capitals are being stored off-site for later installation.

UNOFFICIAL COPY

Given the historical significance of the cast iron facade, however, extreme care should be taken if repair or restoration of missing or severely deteriorated elements is performed. If appropriate repairs are undertaken at this time and the facade is properly maintained, it should have many years of service with only minimal annual maintenance cost following the restoration.

Brick Masonry

While the distress observed at this time is not significant, WJE recommended installation of flashing above the remaining windows between the end bays to minimize future distress related to water infiltration and subsequent corrosion of the embedded steel components. Although there is no existing cavity in the masonry wall where the benefits of a flashing system would be most advantageous, flashing will help to protect the underlying steel and allow whatever moisture that reaches the steel to be diverted out of the wall. The long-term repair for the areas of brickwork should also include installation of supplemental lateral anchorage throughout the west facade to establish lateral anchorage of the face brick to the backup wall.

The scope of recommended masonry repair work on the main walls is intended to repair existing areas of distress; repoint mortar joints; install new stainless steel anchors in selected areas of the exterior wall to supplement existing anchors; and improve the long-term performance of the facade. All repairs should be installed on a trial repair basis prior to full implementation to evaluate aesthetic implications and construction related issues. Recommended repairs include the following:

1. Install new supplemental lateral anchors in the masonry facade
2. Rout and point cracks in selected areas of the masonry facade
3. Install protection system for the carbon steel lintel members over windows
4. Repoint/reconstruct brick masonry on the west facade

In 2003 the steel lintel at the end bays of the west facade were repaired. During the repairs all exposed steel surfaces were treated with a high quality protective coating system, and a flashing system was installed to protect the angle and direct moisture to the exterior of the building.

Corner Settlement

The observed cracks related to building settlement are probably stable since no indication of new movement was observed during our investigation. The cracks should be repointed and subsequently monitored to insure that no new movements are occurring.

Brick Headers/Lateral Anchorage System

While there is no distress observed at this time related to the lateral anchorage system, WJE recommends installation of a consistent and reliable lateral anchorage system throughout the masonry facade. Therefore, the long-term repair for the areas of brickwork should also include installation of supplemental stainless steel lateral anchorage throughout the west facade to establish lateral anchorage of the face brick to the backup wall.

Brick

Applying a surface sealer to the brick masonry is an option that is generally not recommended by WJE. These sealers may change the appearance of the brick masonry by streaking or discoloration. In addition, they must be reapplied on a 3 to 5 year cycle to be effective.

UNOFFICIAL COPY

Mortar Joints

Proper repointing of the brick masonry will help prolong the service life of the wall. During the 2003 restoration work, repointing was attempted at the spandrel areas of the end bays. General deterioration of the mortar and application of the original mortar only on the perimeter of the brick units resulted in the need to disassemble and reconstruct the spandrels in the end bays. It is likely that similar conditions exist at the remaining areas of brickwork. Therefore, an alternative to repointing should be performed on the remaining areas of brickwork. Options include installation of alternative lateral anchorage systems such as epoxy anchors, grout injection or reconstruction of the walls.

Given the variability of the brickwork due to previous aggressive cleaning techniques, reconstruction would result in a non-uniform appearance of the brickwork which would require staining of the brickwork to achieve a uniform appearance. Staining was necessary during the reconstruction of the end bay spandrels due to this condition. Installation of epoxy anchors or grout injection techniques should be evaluated on a trial basis prior to full implementation to determine the efficacy of the technique.

In 2003, lime putty mortar was used in the reconstruction of the spandrels and repointing of remaining areas of the end bays.

Decorative Brick

A few of the specialty decorative brick units at the intersection of the jamb and head within the end bays at the third through sixth floor were found to be loose during our 2002 inspection. These units were removed and reset with stainless steel anchors during the 2003 restoration work.

Also in 2003, the decorative brick at the corners of the windows at the end bays was removed and reinstalled with concealed stainless steel straps. The straps were anchored to the backup material and engage the decorative pieces on each side of the piece.

Windows

The long-term repair of this condition is to remove the deteriorated area of wood and to repair the wood with a pre-engineered wood epoxy repair system that will maintain the structural integrity of the deteriorated piece. In addition, the wood stops should be replaced with new mahogany stops or putty and points.

Limited areas of deterioration of the original wood frames should be repaired as necessary using an epoxy wood repair system. In general, the frames were in good condition with only limited areas of deterioration and the scope of repairs is minimal.

Recommended repairs for windows are limited to conservation of existing ornamental features of the building exterior. Replacement of the existing window perimeter sealant and painting of the windows should be included as a maintenance item.

Store Fronts

Since no drawings or close up photographs were located that show the first and second floors after the major changes that took place in 1901–1902, it would be very difficult to replicate the original elements and configuration of that facade. While the current configuration is architecturally sympathetic to the original design of the building, the materials used are not appropriate. The composite capitals, the wood, and the metal clad wood are not consistent with the materials that historically were used in this context and have a

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 14

much shorter service life than the original materials. Given the high wear that these materials get from being at the street level, WJE recommends that these elements be removed and replaced with appropriate substitute materials such as cast iron, cast aluminum, or aluminum panels.

K1. Urgency of Repair

All of the repairs listed above should be completed within two years of the date of this report. The first priority should be the cast iron facade, followed by the sheet metal cornice, and finally the brickwork. The sidewalk canopy on the north facade and the northwest corner should remain in place until all of the cast iron and sheet metal cornice repairs have been completed or until a protective netting system has been installed. The sidewalk canopy on the west facade should remain in place until the sheet metal cornice has been repaired or a protective netting system has been installed.

L. COMPARISON OF BUILDING CONDITION FROM PAST REPORTS, WHERE APPROPRIATE

In 2002, WJE performed a critical examination, including 100 percent close up inspection of the exterior wall of the north and west facades of the Page Brothers building. During the inspection all unsafe and imminently hazardous conditions observed were removed at the time of the inspection and other conditions were observed that were classified as 'safe with a repair and maintenance program.' These conditions were identified in our 2002 report along with a prioritization of repair work to be performed. Priority 1 work was included in contract documents which were prepared in 2003, and the Priority 1 work was performed between 2003 and 2005. This Phase 1 work included removal of the keystones and column capitals on the north facade and reconstruction of the end bay brick spandrel areas on the west facade. Phase 2 and 3 work was recommended to be performed following completion of Phase 1. To date, the Phase 2 and 3 work has not been completed.

The condition of the masonry and sheet metal components of the facades has deteriorated at a rate consistent with four years of exposure for a 135-year-old building. The condition of the windows has deteriorated consistent with four years of exposure of 20-year-old restored windows.

The condition of the cast iron has reached a point that restoration should begin to insure that the facade can be retained without extraordinary means of repair and restoration. Additional cracking, corrosion of anchorage, water infiltration and exposure is likely the result of deterioration of the various temporary measures which have been implemented over the service life of the building.

M. RECOMMENDATION FOR FUTURE EXAMINATION, IF EARLIER THAN OTHERWISE REQUIRED BY CODE

WJE recommends annual close up inspection of representative areas of the facades as well as 100 percent close up inspection every four years.

N. SIGNATURE AND SEAL OF PROFESSIONAL

The signature and seal of the professional can be found on the cover of this report.

UNOFFICIAL COPY



Page Brothers Building
Critical Examination
26 April 2006
Page 15

O. DATE OF REPORT

The date can be found on the cover of this report.

P. OTHER DOCUMENTS PERTINENT TO CRITICAL EXAMINATION

1. In 2002 a critical inspection and investigation of the facades of the building was performed by WJE. The investigation included inspection openings and the inspection included 100 percent close up inspection of all facade areas. Our reports included recommendations to address the conditions found as well as a recommended repair schedule.
2. Based on the 2002 critical inspection, in 2002 WJE performed an investigation of the facades of the building. The investigation included additional inspection openings and materials testing. Our report included recommendations for preservation approaches to address the conditions found as well as recommended repairs.
3. In 2003 WJE prepared contract documents for the first phase of the exterior facade repairs on the building. The repairs included repair of the salvageable cast iron keystone and column capital elements and repair of the spandrels in the end bays of the west facade. This work was performed by W. J. McGuire Company between October 2002 and August 2005 in conjunction with the first phase of the restoration of the exterior facade of the Chicago Theatre building. Representative photographs from the restoration project are included in Figures 37 through 43. The repair work was also used as the inspection openings for this report. The work was performed in 2004 and 2005.

Q. CATEGORIZATION OF BUILDING

According to the Ordinance this building is classified as Category III with components "in direct contact with corrodible metal," which requires critical examinations to be completed on a four year cycle, with ongoing inspections every two years.

R. SKETCHES OR STATEMENT SHOWING THAT NO LESS THAN 50 PERCENT OF EACH NON-TERRA COTTA FACADE, INCLUDING CORNERS, WAS INSPECTED ACCORDING TO THE RULES AND REGULATIONS

WJE inspected 100 percent of the two street facades. The other sides of the building about the Chicago Theatre building.

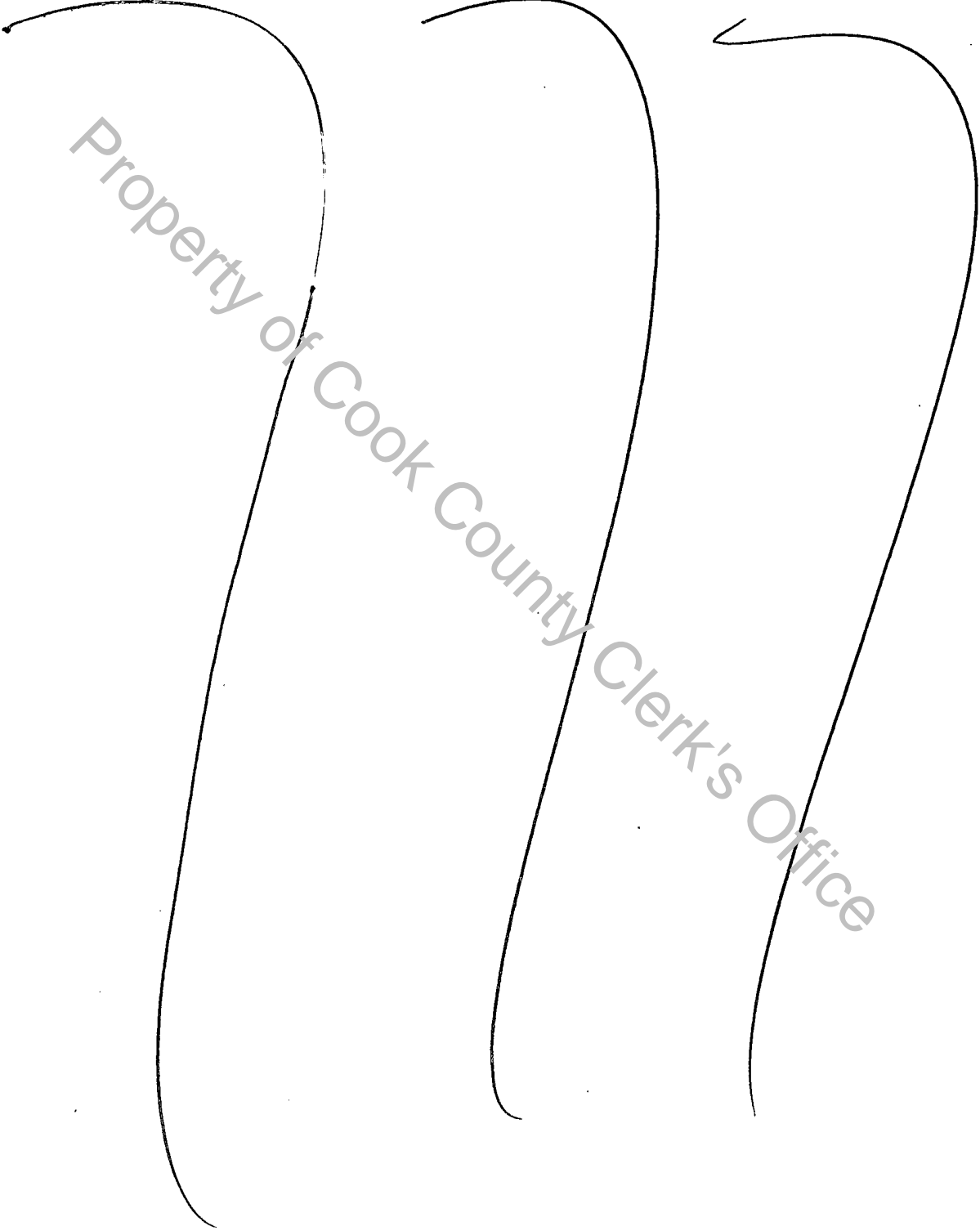
S. STATEMENT REFERENCING DETAILS OR OPENINGS REQUIRED BY THE RULES AND REGULATIONS, OR DESCRIBING REASON NOT REQUIRED.

The Page Brothers building at 177 North State Street was constructed in 1873; therefore exploratory openings were performed to comply with Ordinance requirements. A minimum of two inspection openings were made on each facade. Inspection openings were made at locations of observed distress conditions, as well as at location of previous repairs to observe and document the ongoing condition of the as-built construction. The inspection openings were made in the brick work in 2004 and 2005 as part of the first phase of the ongoing facade restoration project. Additional inspection openings were made during the 2006 inspection at distressed cast iron locations of the facade.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

Page Brothers Building
Critical Examination
26 April 2006
Page 16



Property of Cook County Clerk's Office

UNOFFICIAL COPY

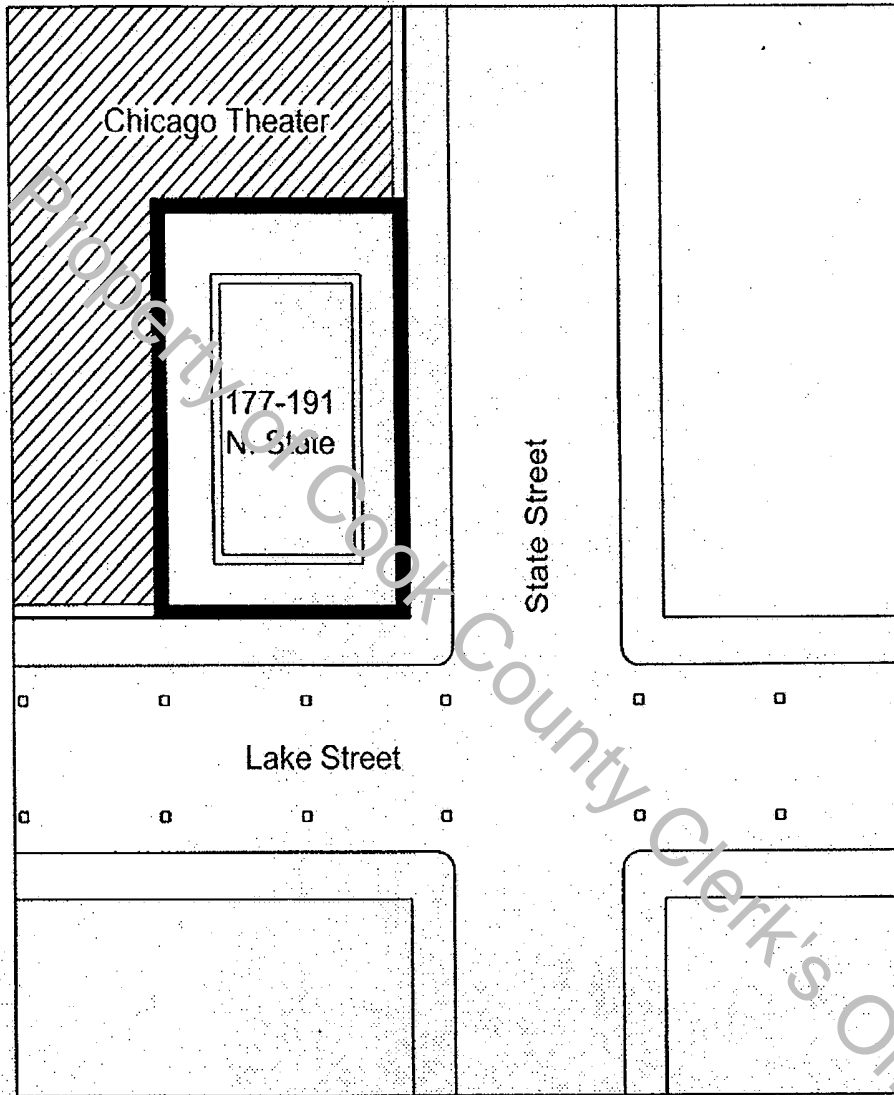


FIGURES

Property of Cook County Clerk's Office

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS



1 SITE PLAN
SCALE: NONE



Figure 1 - Site plan

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

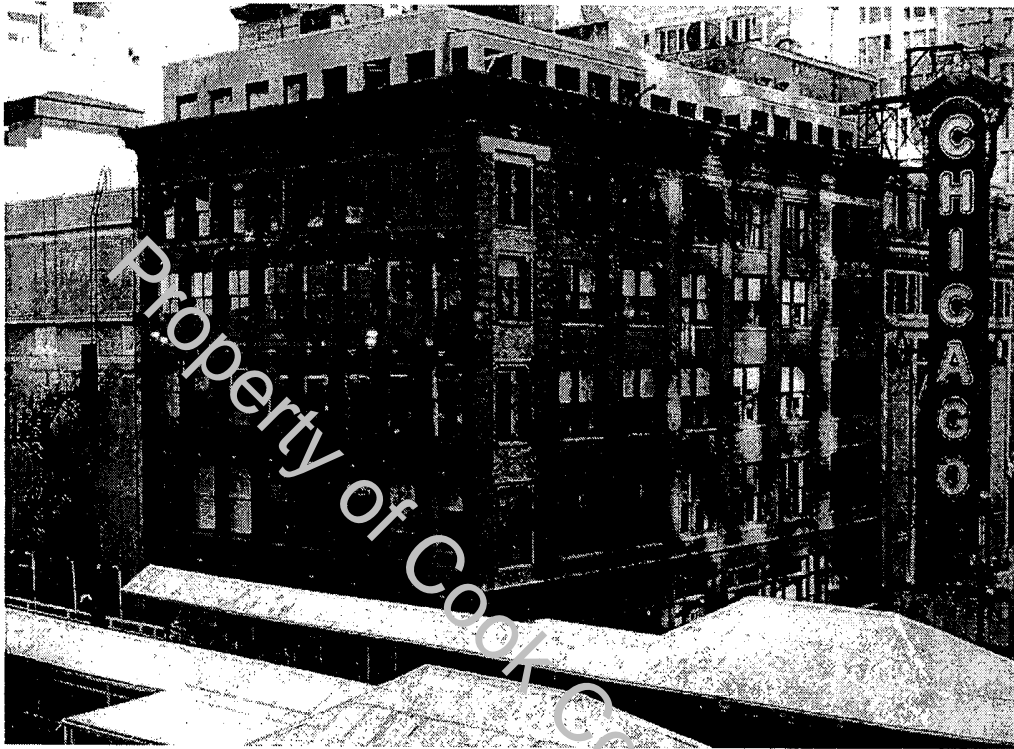


Figure 2 - North and west facades of the Page Brothers Building. This photograph was taken in 2005 during the first phase of the restoration.



Figure 3 - Hole in soffit panel between brackets in sheet metal cornice on north facade. These areas were found to be secure, but should be repaired to reduce water infiltration and minimize further deterioration.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

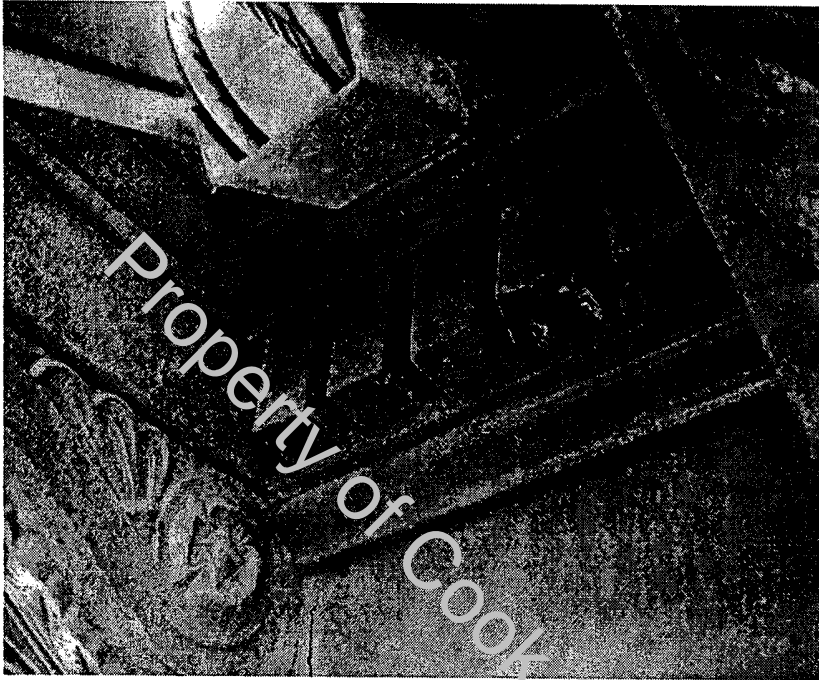


Figure 4 - Damaged sheet metal dentil on north facade. Loose dentils were removed at the time of our inspection.

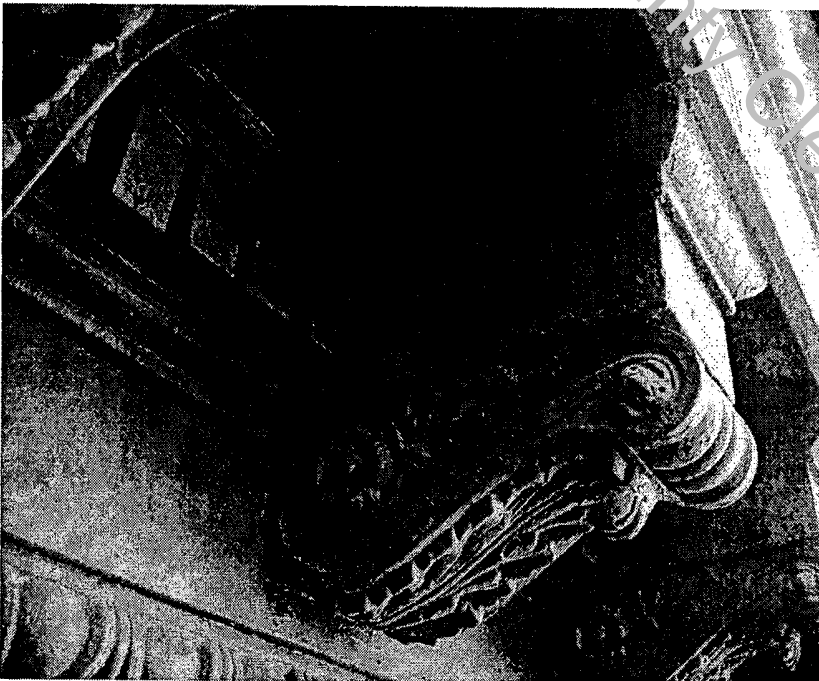


Figure 5 - Sheet metal dentils and brackets on north facade. The perimeter edges of the brackets were typically covered with sealant. All brackets were found to be secure at the time of our inspection.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

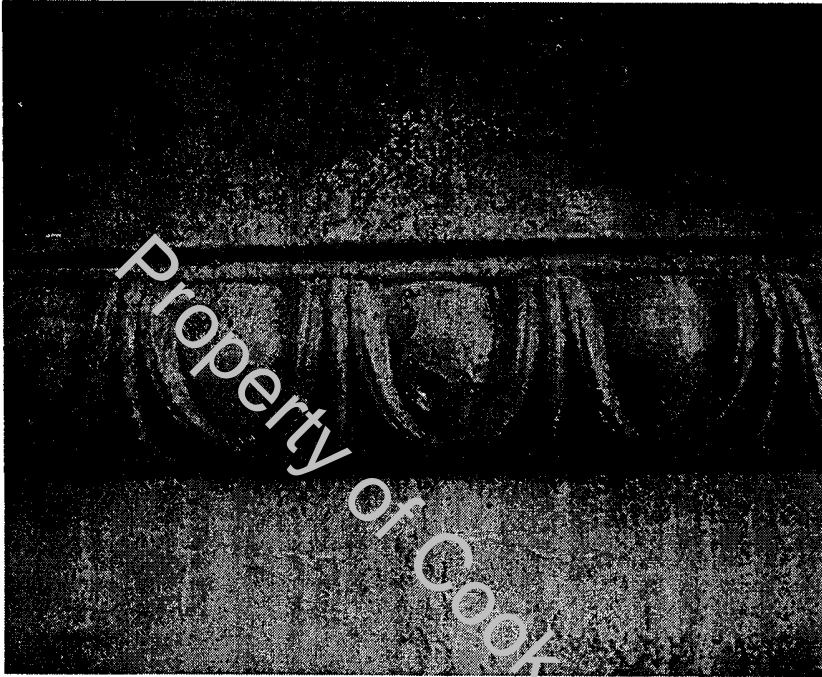


Figure 6 – Sheet metal egg and dart molding on sheet metal cornice. Note hole in ornamental piece which appears to be related to impact. The sheet metal components are easily damaged by impact. Loose sections of the molding were removed at the time of our inspection. The perimeter of the molding was typically sealed to the adjacent sheet metal with sealant.



Figure 7 - Section of sheet metal egg and dart molding removed at northwest corner of building

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

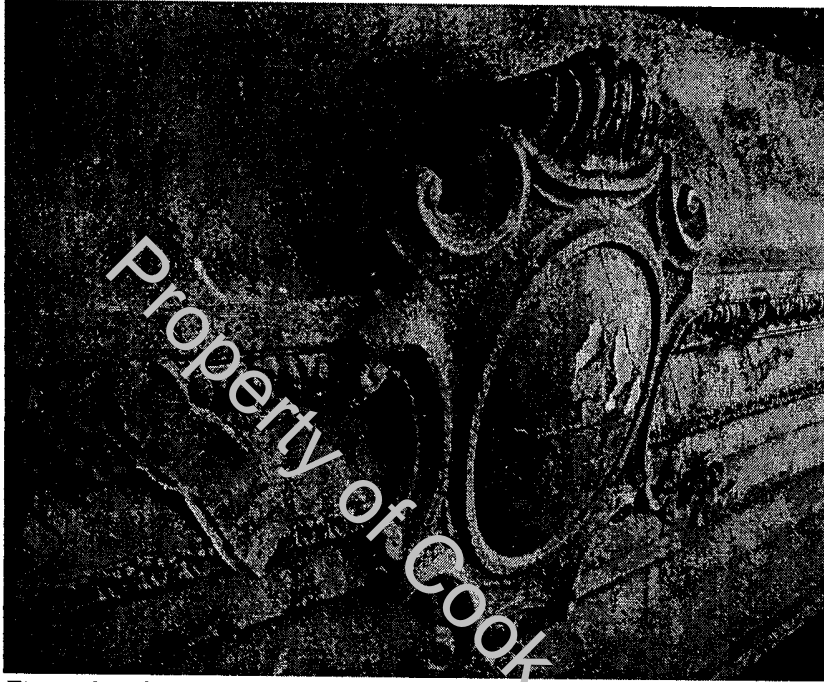


Figure 8 - Sheet metal medallion with ribbons screwed into substrate sheet metal. Numerous supplemental fasteners have been previously added to the various components which comprise the medallions. Loose pieces were removed and retained.



Figure 9 - Sheet metal medallion and ribbons on west facade. Numerous supplemental fasteners have been previously added to the various components which comprise the medallions. Loose components were removed at the time of our inspection.

UNOFFICIAL COPY

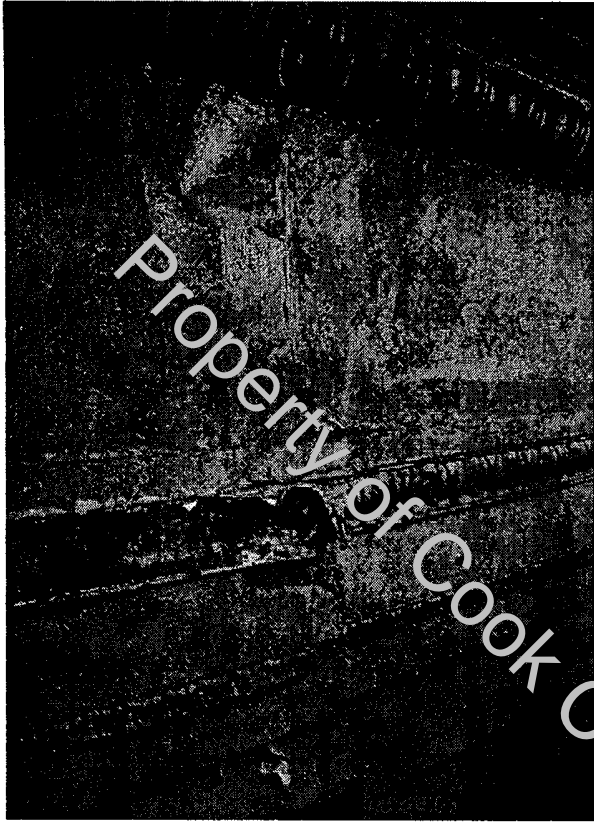


Figure 10 - Missing sheet metal ornamental piece on north facade. Piece had previously been held in place with sealant. Remaining areas of molding were found to be secure at the time of the inspection.

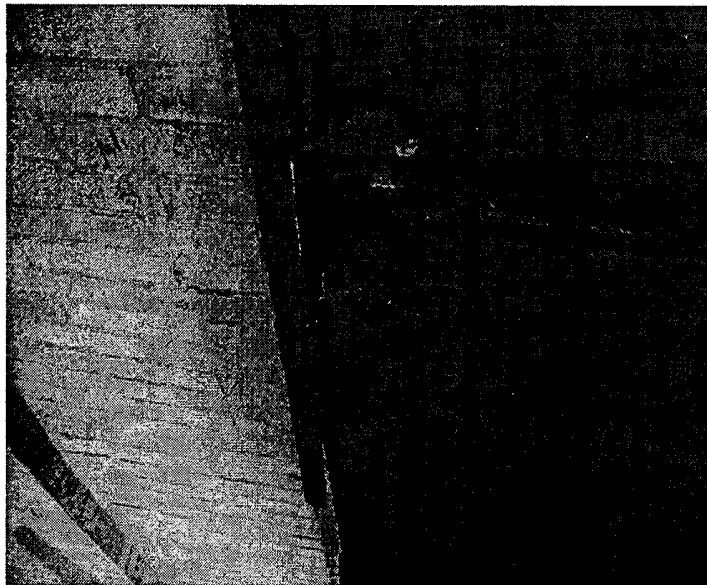


Figure 11 - Sheet metal quoins at northeast corner. Supplemental metal piece was added presumably during previous renovations. Note deterioration of edge of sheet metal resulting from corrosion. Pieces were found to be secure at the time of our inspection, but numerous openings exist as a result of the corrosion.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS



Figure 12 - Transition between 6th floor sheet metal and cast iron at 5th floor. Sheet metal sill laps over top edge of cast iron. Note corrosion of sheet metal sill at edges. This condition allows significant amount of water to enter the facade behind the cast iron.

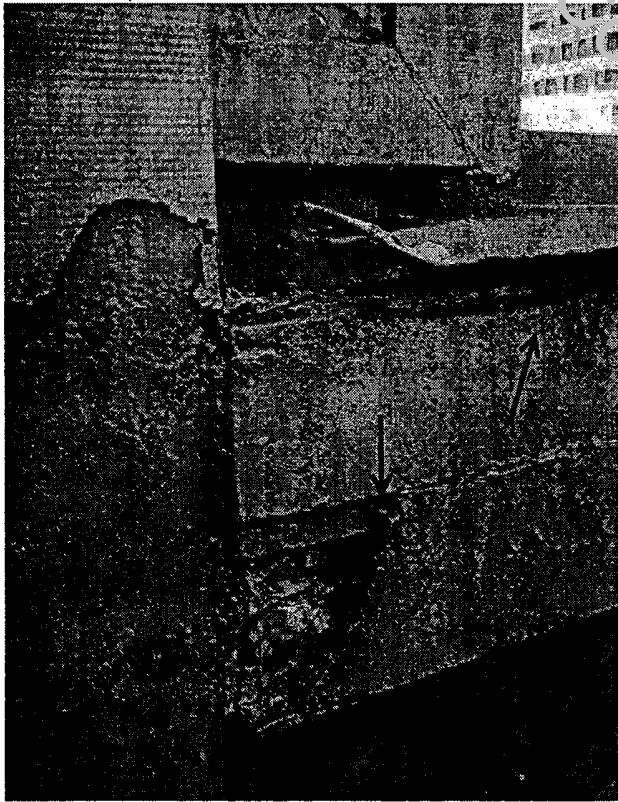


Figure 13 - Transition between 6th floor sheet metal and cast iron at 5th floor. Sheet metal sill laps over top edge of cast iron. Same area as shown in figure 12. Note that top section of cast iron laps behind bottom section. Arrow indicates location of fasteners. In general fasteners were found to be significantly corroded.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

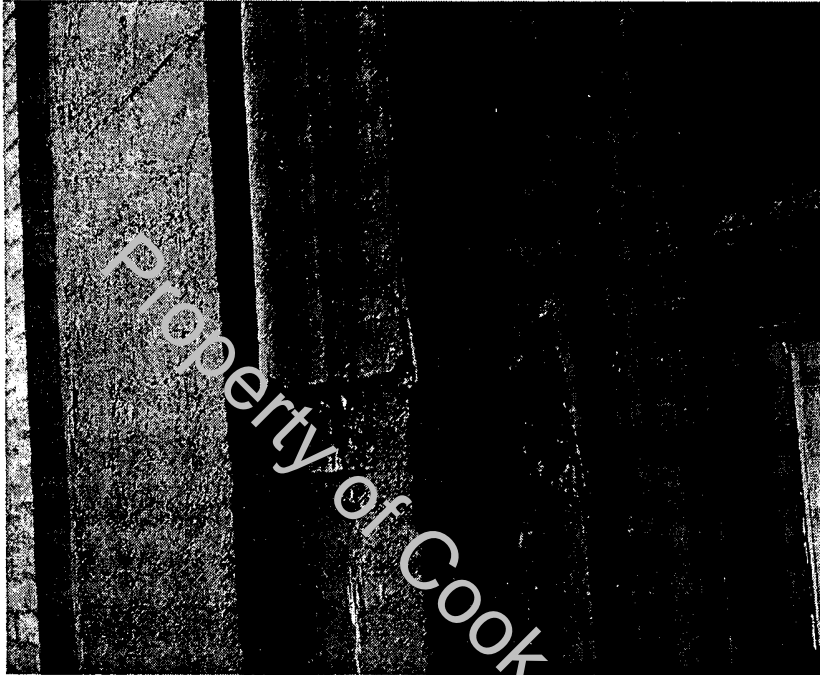


Figure 14 - Previous repairs including metal plates bolted (arrows) over openings in the cast iron facade components. At this location the edges of the repair plates have corroded.



Figure 15 - Cracking in area between arches over windows. Cracks have been previously filled with sealant. Note also portion of cast iron section above (arrow) which has been previously removed.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

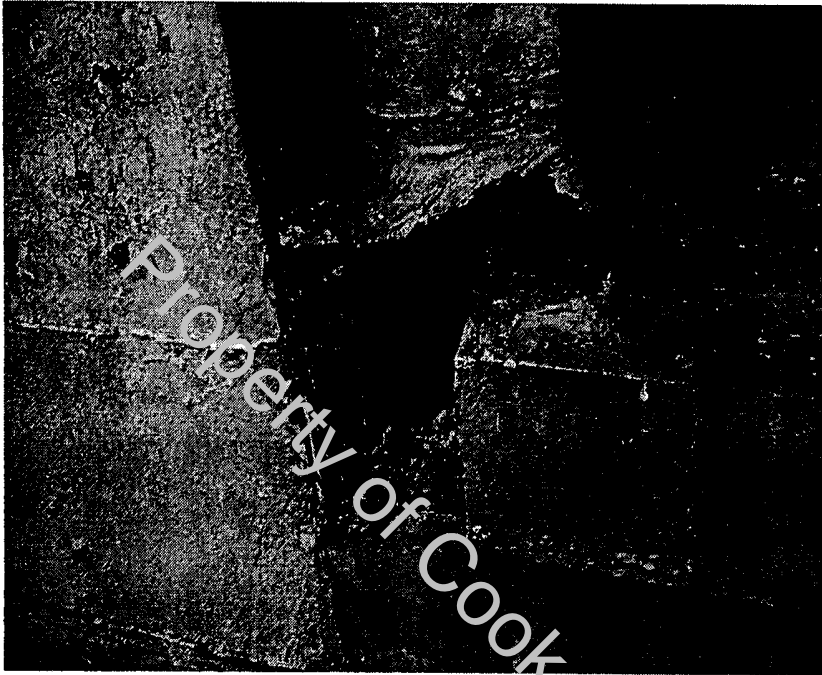


Figure 16 - Hole in cast iron following removal of cast iron fragment which had been held in place with sealant. Note wood blocking which was installed presumably to act as a sealant stop when the area was previously covered.



Figure 17 - Cracks in cast iron at bottom of arch piece at transition to column. Cracks had previously been coated. Cracked portions were found to be secure.

UNOFFICIAL COPY

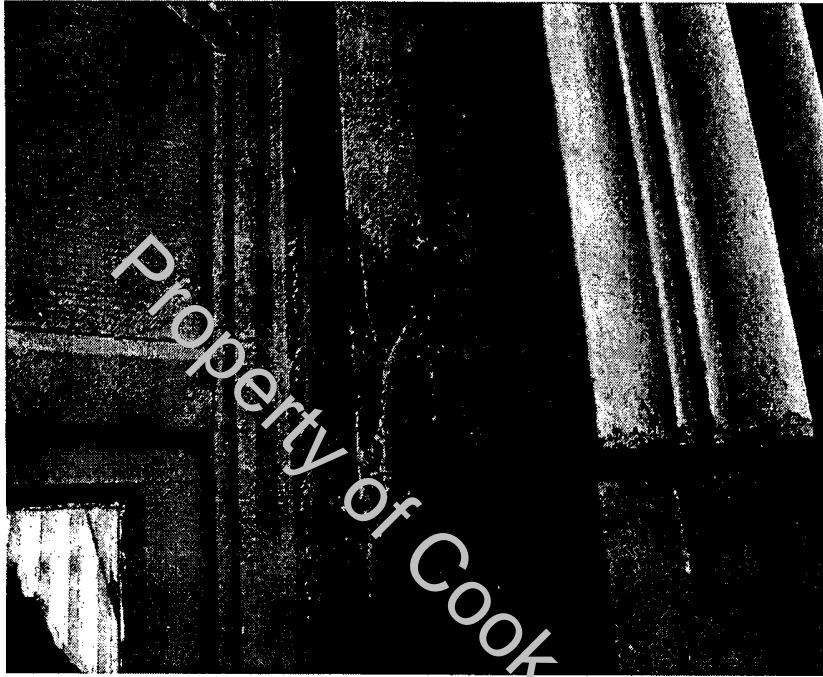


Figure 18 - Crack in cast iron at base of arch piece. The cracked piece is wedged in place behind the front arch piece. Where cracked pieces were potentially loose, stainless steel straps were installed.



Figure 19 - Hole in cast iron at floor line return soffit.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

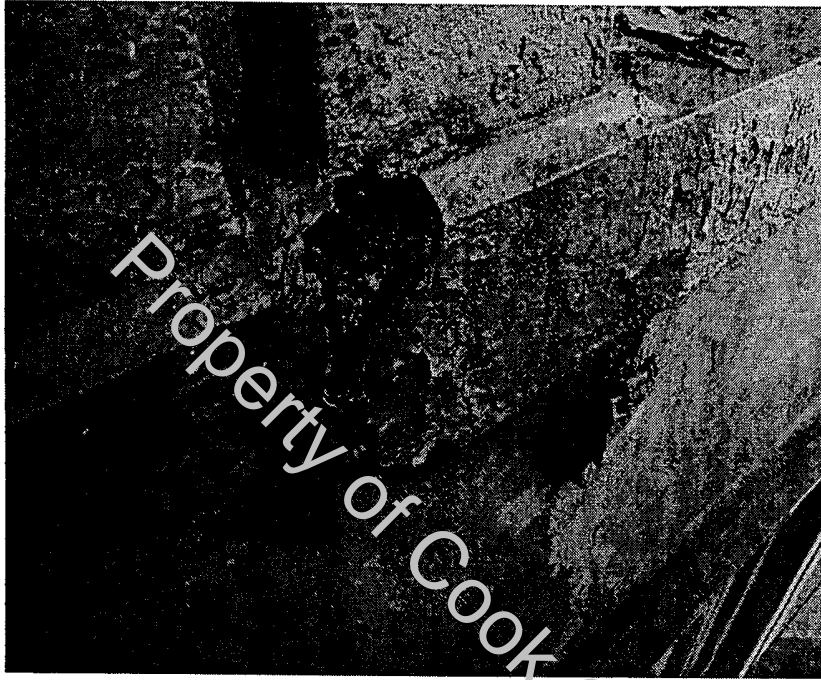


Figure 20 - Hole in cast iron sill previously held in place with sealant. Note void that was created following removal of cast iron fragment. These areas were covered with a peel-and-stick membrane to minimize water infiltration.



Figure 21 - Hole in cast iron sill. Note insulation in void behind cast iron. These areas were covered with peel-and-stick membrane to minimize water infiltration.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS



Figure 22 - Cast iron column base at 3rd floor. Crack extended through fastener hole. Piece was retained by sheet metal at sill. This piece was removed during the inspection.

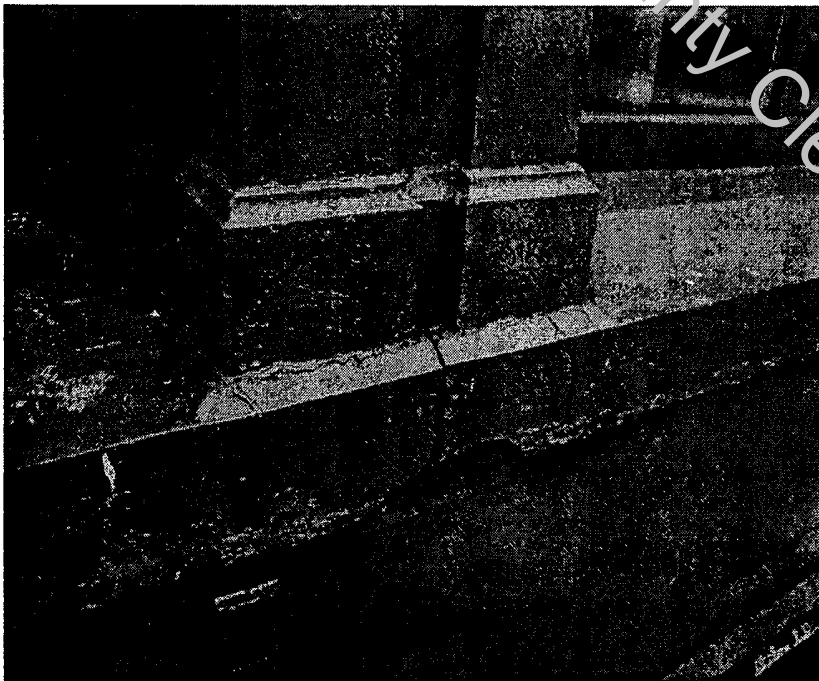


Figure 23 - Crack in column base pieces and sill at 3rd floor. These areas were strapped with stainless steel straps.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

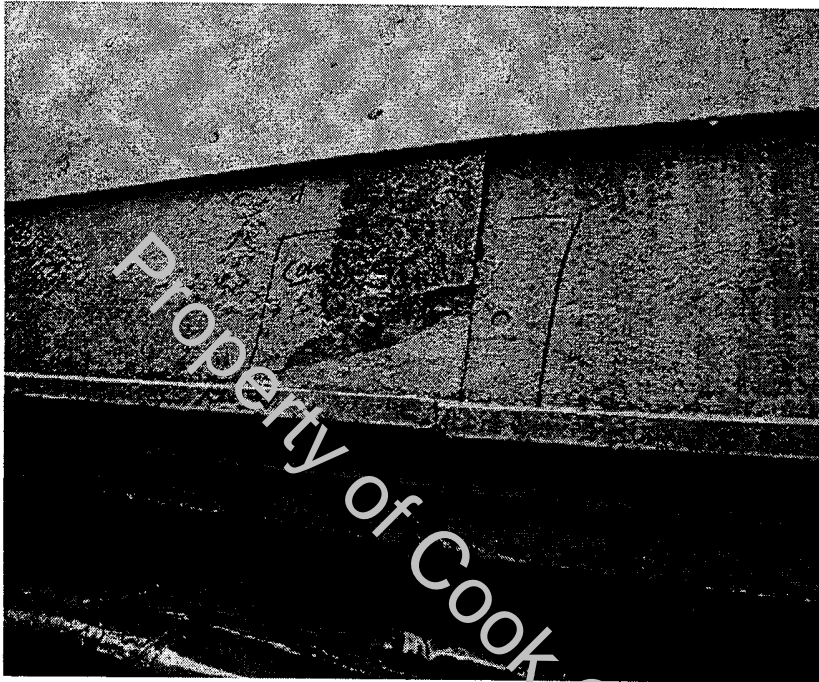


Figure 24 - Cracked cast iron at floor line. Note that crack extends through fastener. Note peel-and-stick membrane below which has been painted green.

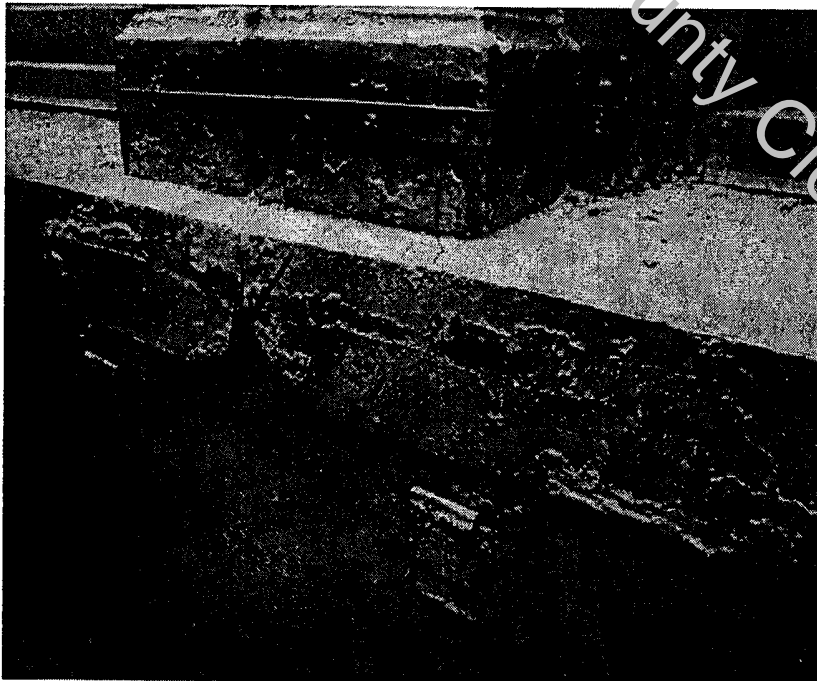


Figure 25 - Representative example of strapping installed at crack locations at column bases. Note also voids in cast iron (arrow).

UNOFFICIAL COPY

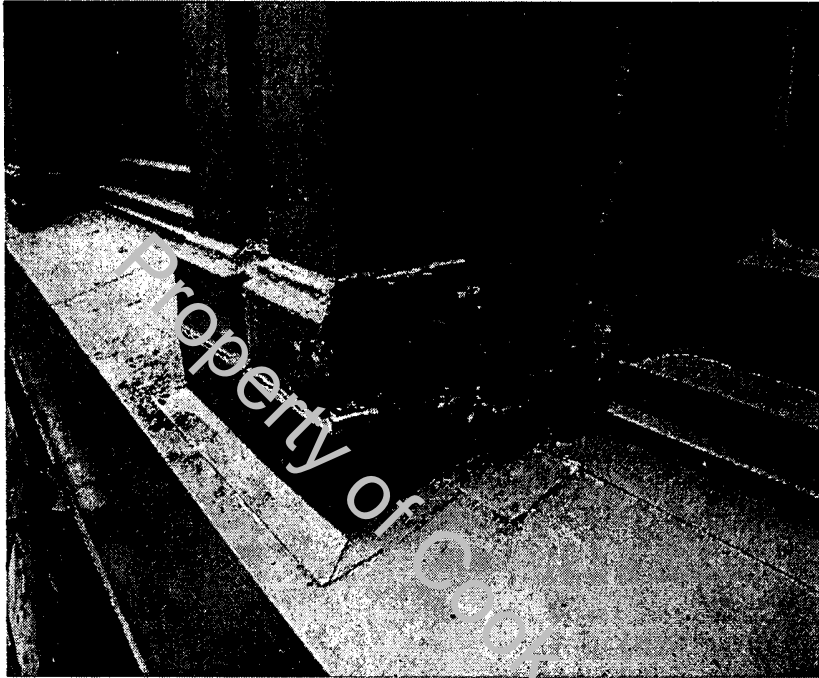


Figure 26 - Following removal of cast iron column base piece. Arrow indicates fastener location. These areas were covered with peel-and-stick membrane to minimize water infiltration.



Figure 27 - Cracked cast iron piece removed during the inspection. Piece had been wedged behind the adjacent piece.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

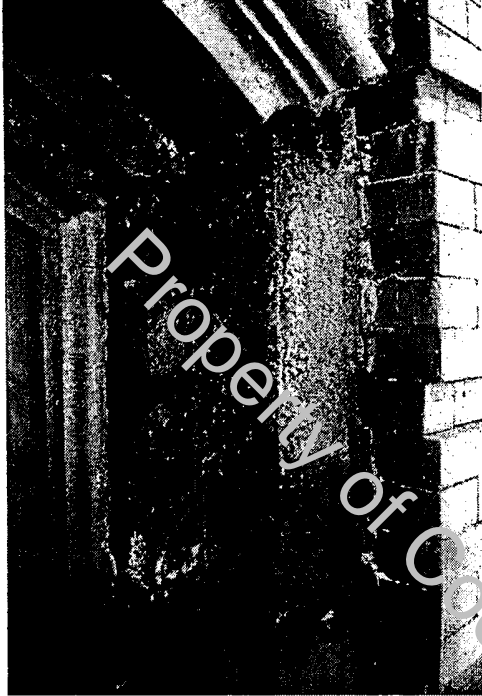


Figure 28 - Cast iron section at base of arch removed during inspection.



Figure 29 - Cast iron sections removed during inspection which were wedged behind adjacent pieces. These areas were covered with peel-and-stick membrane to minimize water infiltration.

UNOFFICIAL COPY



Figure 30 - Cracked limestone sill consistent with settlement of the southwest corner of the building. Crack was repaired as part of the recent repair work and no additional movement was observed.

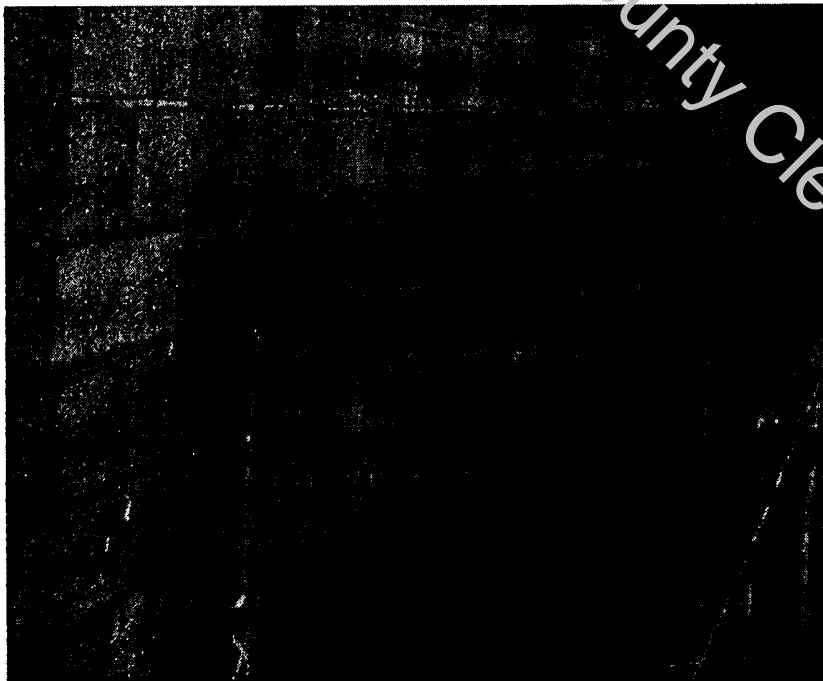


Figure 31 - Brickwork above window lintel between end bays. Note damage to brickwork as a result of previous abrasive cleaning.

UNOFFICIAL COPY

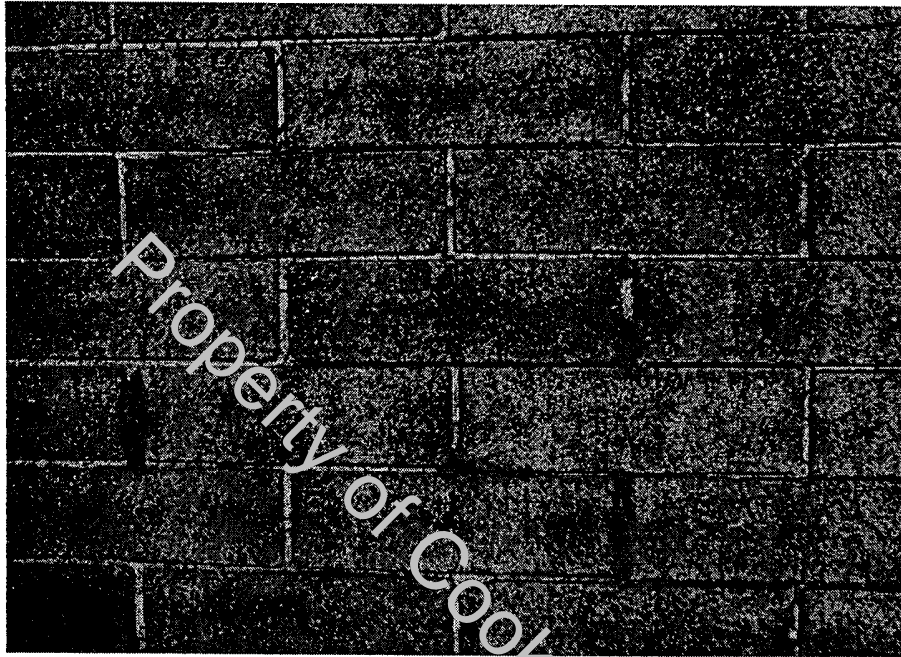


Figure 32 - Representative example of brickwork with previously cleaned brick, deteriorated mortar joints and some minor cracking.

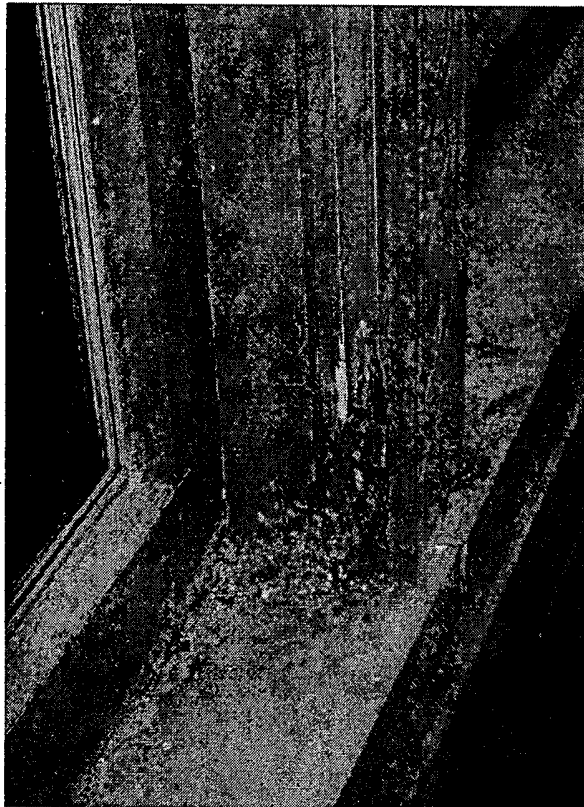


Figure 33 - Deteriorated wood jamb on west facade. This area represents the worst deterioration observed during the inspection.

Property of Cool County Clerk's Office

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

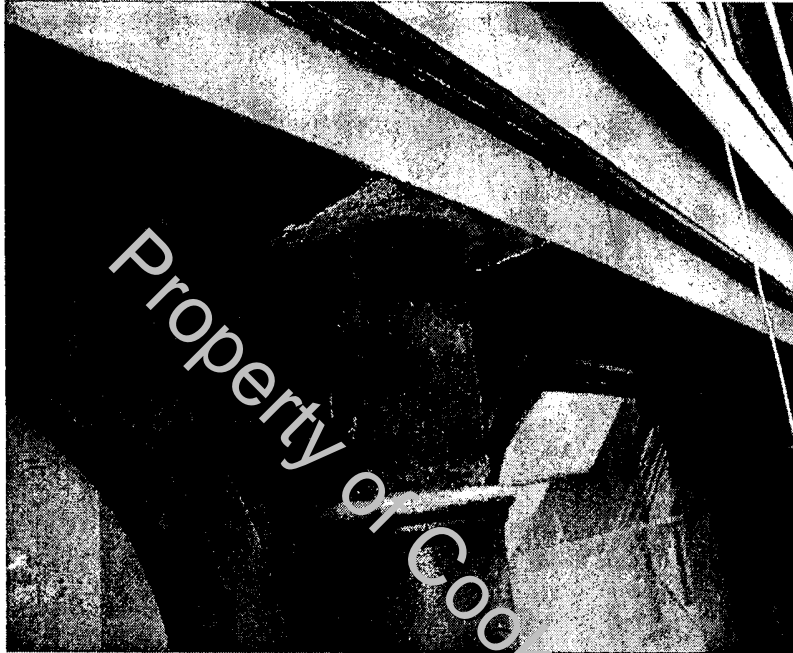


Figure 34 - Location where fiberglass column capital was removed during inspection.



Figure 35 - Cast iron ornament at first floor installed during the 1986 renovation. Note deterioration of paint coating and corrosion beginning to bleed through coating. Arrows indicate fastener locations.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

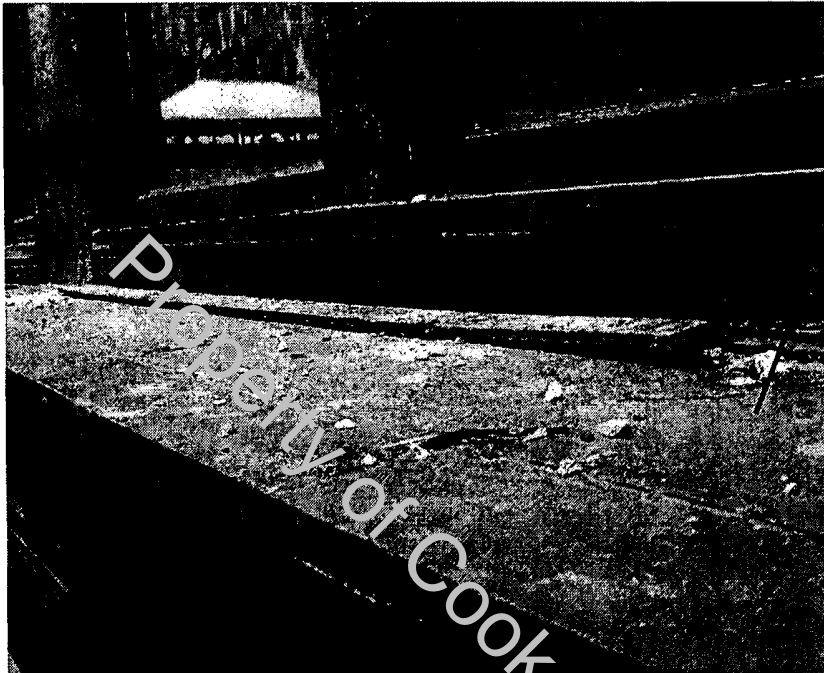


Figure 36 - Section of cast iron ornament above first floor installed during the 1986 renovation which is no longer anchored to substrate. Arrow indicates location of anchor in adjacent cast iron piece.

2003-2005 Restoration Project

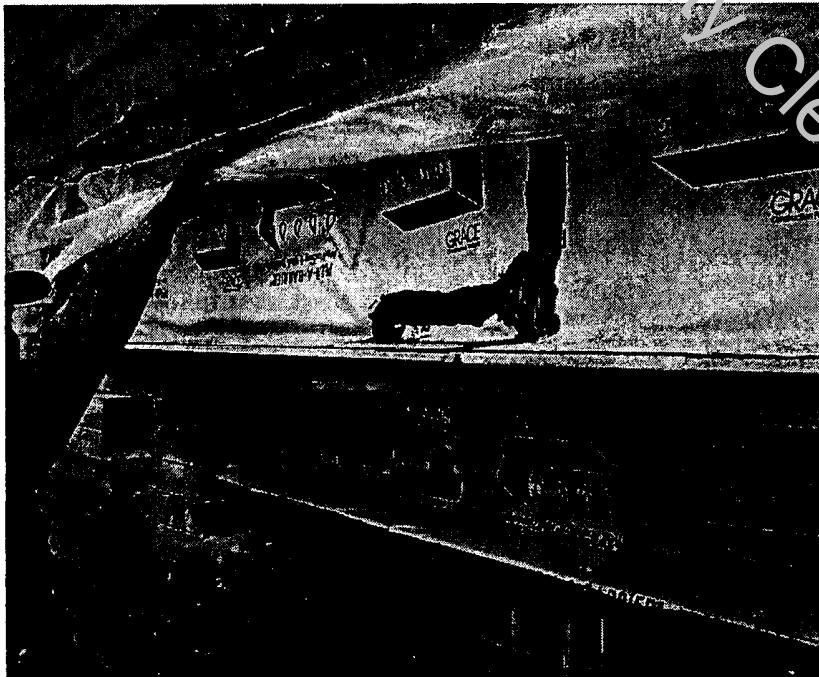


Figure 37 - Flashing system installed at window head location in end bays.

UNOFFICIAL COPY

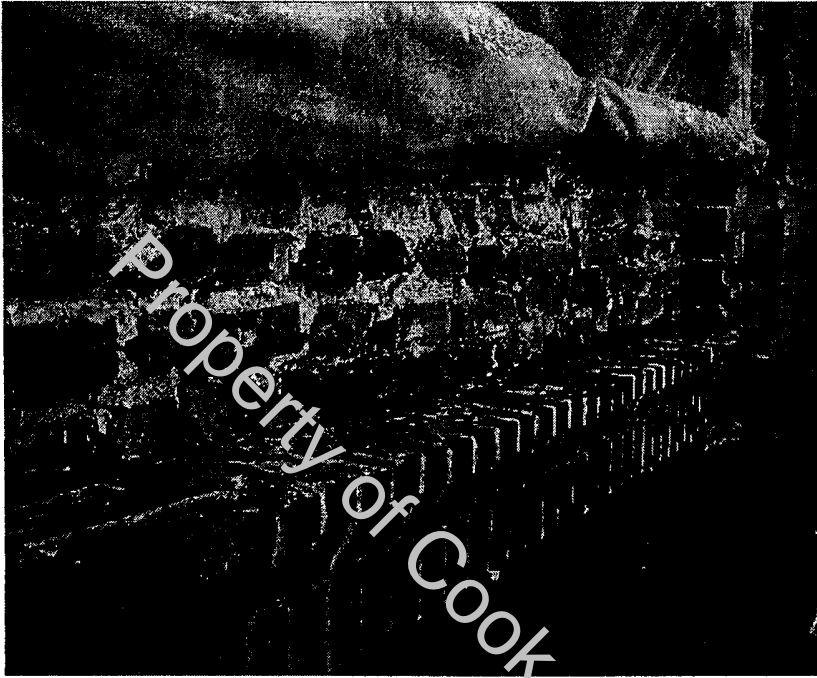


Figure 38 - Brick spandrel area following removal of face brick. Note backup brick and headers which remain in place. No cracked headers were observed. As part of the repair work, however, the headers were removed and new stainless steel lateral anchors were installed.

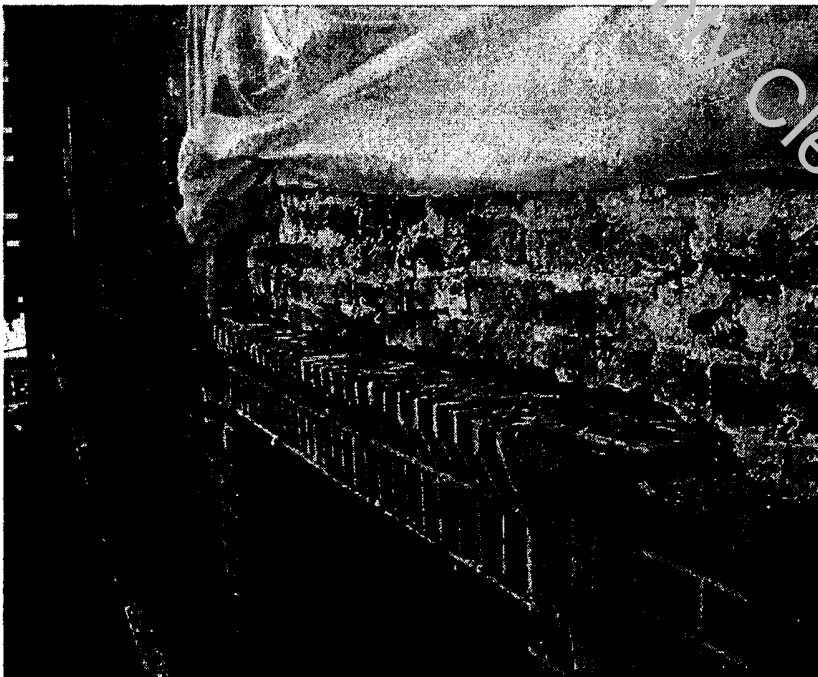


Figure 39 - Brick spandrel area following removal of face brick and reconstruction of brick above window.

UNOFFICIAL COPY

WJE | ENGINEERS
ARCHITECTS
MATERIALS SCIENTISTS

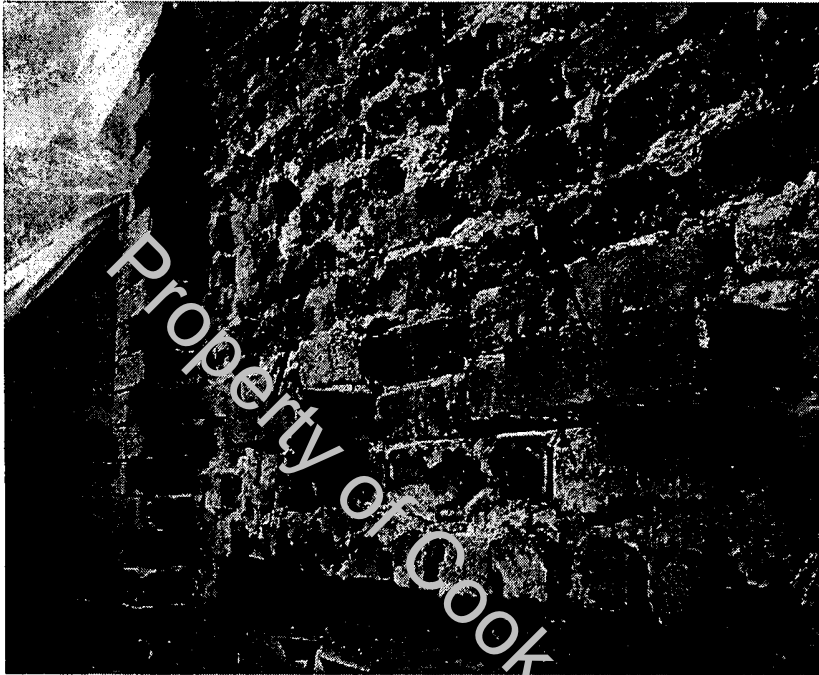


Figure 40 - View of brick backup with headers extending from the backup to the face brick.



Figure 41 - New stainless steel lateral anchorage for decorative corner blocks above window. Rod was installed in epoxy filled hole on block and in epoxy in backup wall.