

# UNOFFICIAL COPY

## NOTICE OF AGREEMENT

68118291

KNOW ALL MEN BY THESE PRESENTS that the undersigned, Carson Pirie Scott & Company ("Carsons"), has entered into an agreement ("Agreement") with Federated Department Stores, Inc. ("Federated") which, among other things, grants to Carsons an option, under certain circumstances and on certain terms, to acquire Federated's leasehold estate in the I. Magnin Michigan Avenue Store and property located at the North West corner of Pearson Street and North Michigan Avenue in Chicago, Cook County, Illinois, on real estate legally described as follows:

Lots One (1), Two (2), Three (3), Four (4) and Five (5) in Ferry's Subdivision of part of Block Twenty (20) in Canal Trustee's Subdivision of South Fractional Quarter of Section Three (3), Township Thirty-Nine (39) North, Range Fourteen (14), East of the Third Principal Meridian;

ALSO

Lot Four (4) in County Clerk's Division of Lot Two (2) in Subdivision of the South One-Third of Lot Seven (7) and East One Hundred Forty (140) feet of Lot Five (5) in Assessor's Division of the North Two-Thirds of said Block Twenty (20) in Canal Trustee's Subdivision of South Fractional Quarter of Section Three (3), Township Thirty-Nine (39) North, Range Fourteen (14), East of the Third Principal Meridian;

ALSO

Lots Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18) and Nineteen (19) in Assessor's Division of the North Two-Thirds of said Block Twenty (20) in Canal Trustee's Subdivision of South Fractional Quarter of Section Three (3), Township Thirty-Nine (39) North, Range Fourteen (14) East of the Third Principal Meridian.

THIS INSTRUMENT DRAFTED BY  
AND MAIL TO:

DONALD J. GRALEN  
SIDLEY & AUSTIN  
ONE FIRST NATIONAL PLAZA  
CHICAGO, IL 60603

Box 229

68118291

17-0-225-0000  
-225-0000  
1-4-5  
621 M

17-0-225-005  
820 M

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The Agreement is attached hereto as Exhibit A and is hereby made a part hereof.

IN WITNESS WHEREOF, the undersigned has caused this Notice of Agreement to be executed and acknowledged this 17th day of March, 1988.

CARSON PIRIE SCOTT & COMPANY

By: [Signature]  
VICE PRESIDENT

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF COOK   )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that CHARLES T. REICE, personally known to me to be the Vice President of CARSON PIRIE SCOTT & COMPANY, a corporation of the State of Delaware, and WARREN B. GRAYSON personally known to me to be the Assistant Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument as Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 17th day of March, 1988.

[Signature]  
Notary Public

My Commission Expires: May 9, 1988

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## CARSON PIRIE SCOTT & CO.

DEPARTMENT STORE DIVISION  
ONE SOUTH STATE STREET  
CHICAGO, ILLINOIS 60603

DENNIS S. BOOKSHESTER  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

September 13, 1984

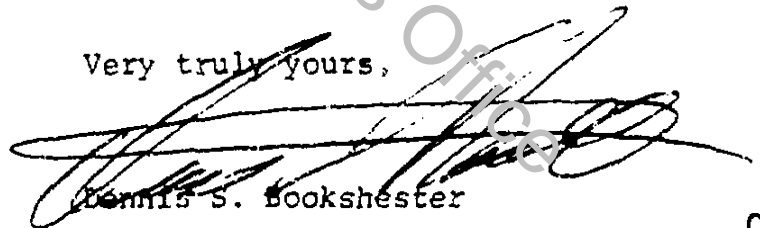
Mr. Howard Goldfeder  
Federated Department Stores, Inc.  
7 West Seventh Street  
Cincinnati, Ohio 45202

Dear Howard:

I have executed and herewith return to you a copy of your letter to me dated August 29, 1984, by which you accepted with certain changes the agreement expressed in my letter to James B. Selonick dated August 23, 1984. We now have an agreement on the terms set forth in this letter.

I have attached a copy of Exhibits "A" and "B" initialled by me to the letter, and I enclose an extra set of these exhibits. Please initial and return this set to me so that I may attach it to our copy of the letter agreement.

Very truly yours,



Dennis S. Bookshester

DSB:mc  
Enclosures

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Exhibit A

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FEDERATED DEPARTMENT STORES, INC.

7 WEST SEVENTH STREET

CINCINNATI, OHIO 45202

August 29, 1984

Mr. Dennis S. Bookshester  
Chairman and Chief Executive Officer  
Carson Pirie Scott & Co.  
One South State Street  
Chicago, Illinois

Dear Dennis:

I am pleased to inform you that Federated Department Stores, Inc., hereby indicates its approval to the course of action set forth in your letter of August 23, 1984, to Jim Selonick, a copy of which I have attached hereto, subject to the revisions you and I discussed today.

Paragraph II(B)(2) is deleted in its entirety, thereby eliminating the proposed right of first refusal with respect to the I. Magnin Michigan Avenue store.

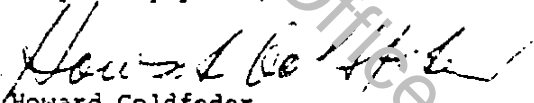
Paragraph II(C) is deleted in its entirety and the following is substituted therefor:

C. I. Magnin Stores: If Federated should desire to dispose of the I. Magnin stores in Northbrook and Oakbrook on or before December 31, 1988, we will negotiate in good faith for the acquisition by Carson of said stores upon terms and conditions mutually agreeable to Federated and Carson; Federated to have no further obligation if no agreement is reached.

Exhibits "A" and "B" referred to in your letter are being forwarded to you under separate cover.

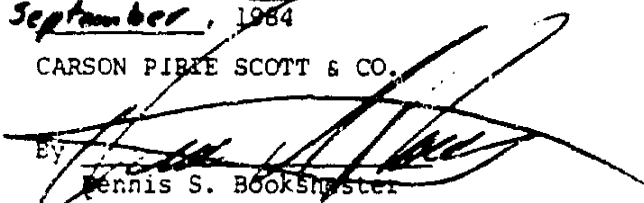
If this letter sets forth our understanding in regard to these matters, please sign and return a copy of this letter.

Very truly yours,

  
Howard Goldfeder  
Chairman

Approved this 11<sup>th</sup> day of  
September, 1984

CARSON PIRIE SCOTT & CO.

  
Dennis S. Bookshester  
Chairman

ABRAHAM & STRAUSS BROOKLYN NEW YORK  
BLOOMINGDALE'S MANHATTAN NEW YORK  
BOSTON STORE MILWAUKEE WISCONSIN  
BULLOCK'S LOS ANGELES CALIFORNIA  
BULLOCK'S NORTH PLAINFIELD CALIFORNIA  
BURDINE'S MIAMI FLORIDA

FILENE'S BOSTON MASSACHUSETTS  
FOLEY'S HOUSTON TEXAS  
GOLD CIRCLE COLUMBUS OHIO  
GOLD TRIANGLE MIAMI FLORIDA  
GOLDSMITH'S MEMPHIS TENNESSEE  
LAZARUS COLUMBUS OHIO  
LEVY'S TUCSON ARIZONA

I. MAGNIN, SAN FRANCISCO CALIFORNIA  
RALPH'S LOS ANGELES CALIFORNIA  
RICH'S ATLANTA GEORGIA  
RICHWAY ATLANTA GEORGIA  
RIKE'S DAYTON OHIO  
SANGER-HARRIS DALLAS TEXAS  
SHILLITO'S CINCINNATI OHIO

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## CARSON PIRIE SCOTT & CO.

DEPARTMENT STORE DIVISION  
ONE SOUTH STATE STREET  
CHICAGO ILLINOIS 60603

DENNIS S. BOOKHESTER  
CHAIRMAN & CO.  
CHIEF EXECUTIVE OFFICER

August 23, 1984

Mr. James B. Selonick  
Senior Vice President  
Federated Department Stores, Inc.  
7 West Seventh Street  
Cincinnati, Ohio 45202

Dear Jim:

During the past several weeks, there have been numerous discussions between Federated Department Stores, Inc. (Federated) and Carson Pirie Scott & Co. (Carson) and, in later weeks, LaSalle Partners, Inc., on our behalf. These discussions have related to subjects of mutual interest with respect to Federated's MainStreet retail strategy and Carson's interest in the I. Magnin Stores.

This letter will outline a course of action based upon our mutual understandings. By countersigning a copy of this letter, you will be indicating your agreement to this course of action.

1. Carson's will approve the MainStreet entry into certain shopping centers as set forth below:

- A. Randhurst Center - Carson will approve the construction of a one level MainStreet addition to Randhurst in either of the locations shown on the site plan prepared by Hammond, Beeby & Babka attached to this letter as Exhibit "A." Carson will also approve reasonable changes to this preliminary plan. If the site adjacent to the Carson store is selected, the construction will be conducted in a way not to interrupt the business of Carson. These approvals are subject to the negotiation of reasonable and appropriate changes or modifications to the existing Carson lease necessary to permit the incorporation of the MainStreet expansion into the Center and to adjust the sharing of common expenses appropriately.

- B. Yorktown Mall - Carson will approve the construction of the addition to Yorktown Mall north of the J.C. Penney Company, Inc. store shown on the site plan prepared by George C. Olson dated March 30, 1984, attached hereto as Exhibit "B," including the addition of a two level MainStreet unit. This approval is subject to the negotiation

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Mr. James B. Selonick  
August 23, 1984  
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of reasonable and appropriate changes or modifications to the existing REA necessary to permit the incorporation of the MainStreet expansion into the Center and to adjust the sharing of common expenses appropriately.

C. Stratford Square - Carson will approve the construction of the MainStreet addition to Stratford Square in accordance with the plans and specifications submitted by Urban Investment and Development Corporation ("Urban") by letter dated July 9, 1984. Further, Carson will approve the Amendment and Restated Easement and Operating Agreement submitted by Urban by letter dated July 8, 1984. These approvals shall be subject to Urban's agreement to such reasonable changes to the plans and specifications and Agreement as Carson may request consistent with the existing Easement and Operating Agreement, and Carson shall submit any comments or suggested changes as promptly as possible.

II. Federated will agree to the following with respect to Lakehurst Mall and the existing I. Magnin Stores (Michigan Avenue, Northbrook and Oakbrook).

A. Lakehurst Mall - Federated will negotiate in good faith with Carson in an effort to arrive at mutually acceptable terms for the lease or sale of the first level of the existing Carson store at Lakehurst for use as a MainStreet store. Carson and Federated will in good faith work toward reaching mutually agreeable business terms and store layout for both MainStreet and Carson. This agreement will include, among other things, access to the mall, signage, sharing of truck dock and receiving areas, etc.

B. I. Magnin Store: Michigan Avenue - Federated will enter into an agreement granting Carson an option ~~and right of first refusal~~ to acquire Federated's leasehold estate in the I. Magnin Michigan Avenue Store on the following terms:

1. Option

(a) The term of the option shall be from execution of the agreement through December 31, 1988.

(b) The purchase price shall be \$14,000,000.

(c) The option shall cover Federated's leasehold estate and all fixtures and personal property except inventory, signs and items identified with an I. Magnin or Federated tradename or trademark.

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Mr. James B. Selonick  
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(d) The option shall be exercisable only if one of the following shall occur:

(i) Federated shall close or sell the I. Magnin store on Michigan Avenue;

(ii) Federated shall sell the I. Magnin division to a third party;

(iii) Federated shall transfer the I. Magnin Michigan Avenue store to another Federated division or shall otherwise begin to operate the store as part of another division.

(e) Carson shall have a period of ninety (90) days following receipt of notice from Federated that it intends to adopt one of the courses of action set forth in subparagraph (d) (or Carson's determination that such an action has occurred) to exercise the option.

(f) Carson and Federated shall cooperate in negotiating the conditions for the approval of the landlord to the assignment of the leasehold interest at such time as Federated and Carson mutually agree. If Carson and Federated have not begun such discussions with the landlord when Carson's option to purchase arises in accordance with the provisions of subparagraph (d), Carson shall have a period of six (6) months to exercise its option rather than ninety (90) days. Carson shall be responsible for any payment required to be made to the landlord.

## ~~2. Right of First Refusal~~

(a) The term of the right of first refusal shall be from January 1, 1989 through December 31, 1995.

(b) If Federated determines in good faith to sell the leasehold estate of the I. Magnin Michigan Avenue store during this period, whether separately or in conjunction with other property, Federated shall deliver a copy of the offer it proposes to accept (the "Offer") to Carson. Carson shall have a period of thirty (30) days after receipt of the Offer in which it may agree to purchase the leasehold estate on the terms set forth in the Offer (insofar as such terms are applicable to the I. Magnin Michigan Avenue store, if other properties are included). If Carson fails to exercise this right of first refusal, Federated shall have a period of fifteen (15) days to accept the Offer and it may thereafter close the transaction in accordance with its terms. If any material change is made to the Offer before execution

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~~or if any material amendment to the contract resulting from acceptance of the Offer is made, Carson shall have a right of first refusal to purchase such leasehold estate on the modified terms.~~

(c) This right of first refusal shall not apply to a sale of the I. Magnin Michigan Avenue store as part of a sale of the entire I. Magnin division.

~~C. I. Magnin Stores: Northbrook and Oakbrook - Federated and Carson will continue discussions on the possible acquisition by Carson of the existing I. Magnin stores in Northbrook and Oakbrook or Carson's obtaining a right of first refusal or option to purchase these stores or either one of them.~~

Federated agrees to furnish Carson with copies of plans of the I. Magnin Michigan Avenue store and to allow Carson to inspect the leased premises promptly so that it may determine the retail selling area.

If this letter sets forth our understanding in regard to these matters, please sign and return a copy of this letter.

Very truly yours,

  
Dennis S. Bookshester  
Vice Chairman

Approved:

FEDERATED DEPARTMENT STORES, INC.

by \_\_\_\_\_  
James B. Selonick, Senior Vice President

COOK COUNTY CLERK'S OFFICE  
18.00

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