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This document was prepared by,
and after recording return to:
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Chicago, Illinois 60601



Doc#: 1118144055 Fee: \$68.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 06/30/2011 12:53 PM Pg: 1 of 17

Above Space for Recorder's Use

505 NORTH STATE STREET
CHICAGO, ILLINOIS

FIRST AMENDMENT TO RECIPROCAL EASEMENT AND OPERATING AGREEMENT

This **FIRST AMENDMENT TO RECIPROCAL EASEMENT AND OPERATING AGREEMENT** (this "Amendment") is made and entered into as of June 30, 2011 (the "Effective Date"), by and between 505 N. STATE STREET, LLC, a Delaware limited liability company ("Hotel Owner"), and ROYAL TALIAHASSEE III 2 (DE), LLC, a Delaware limited liability company ("Residential Owner"), and collectively with Hotel Owner, the "Owners".

PRELIMINARY STATEMENTS:

A. The Owners are parties to that certain Reciprocal Easement and Operating Agreement (the "REA"), dated as of May 27, 2010, and recorded June 4, 2010, as Document No. 1015541043 in the Office of the Cook County Recorder of Deeds, and pertaining to the real property commonly known as 505 North State Street, Chicago, Illinois and more particularly described on Exhibit A attached hereto; initially capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the REA.

B. Simultaneously with the REA, the Owners also entered into a certain License Agreement (the "License Agreement") providing for certain use and access licenses with respect to the Property, including without limitation the right to use and occupy a portion of the Residential Parcel as a trash room for the benefit of the Hotel Parcel and to access and use a certain area within the Garage for parking, delivery, loading and unloading activities.

C. The Owners now desire to incorporate certain of the use and access rights set forth in the License Agreement into the REA as additional easement rights, and to modify and supplement the REA accordingly.

Near North National Title
222 N. LaSalle
Chicago, IL 60601

505 North State Street
First Amendment to REA

CHI 60,767,113

17

MAJ
1 of 2
NO1110147

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NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners now agree as follows:

ARTICLE 1 AMENDMENTS TO REA

1.1. **Trash Room Easement.** From and after the Effective Date, a new clause (v) shall be included in Section 3.2(a) of the REA as follows:

“(v) Residential Owner hereby grants to Hotel Owner an exclusive Easement to access, occupy, Maintain and use the Trash Room (defined below) for the benefit of and in connection with the operation of the Hotel Parcel, solely for such purposes and uses as are consistent with trash rooms in hotels of similar size, character and use in the city of Chicago and for such other similar uses and purposes Hotel Owner would otherwise be permitted under this Agreement with respect to the Trash Room as though the Trash Room was a part of the Hotel Parcel. The “Trash Room” is located in the lower level of the Building and is specifically depicted on Exhibit D attached to this Agreement. Residential Owner may, upon thirty (30) days advance written notice to Hotel Owner, elect in its sole and absolute discretion to relocate the Trash Room to any area within the Residential Building as a substitute for the Trash Room (the “Relocated Trash Room”), provided that such Relocated Trash Room is mutually acceptable to both Residential Owner and Hotel Owner, is in proximity to the existing Trash Room and is of comparable size and suitability for use as a Trash Room. Hotel Owner acknowledges and agrees that the space (demarcated on Exhibit E attached hereto (which currently consists of parking spaces) fulfills the criteria of a Relocated Trash Room set forth above and is pre-approved as such.”

1.2. **Garage Access Easement.** From and after the Effective Date, a new clause (vi) shall be included in Section 3.2(a) of the REA as follows:

“(vi) Residential Owner hereby grants to Hotel Owner a non-exclusive Easement to (i) use the Garage Access Area (defined below) solely on a short-term basis for deliveries, pick-ups, loading and unloading, including parking in connection therewith, by its invitees, guests, employees and other agents (the “Permitted Vendors”) to the extent reasonably required by Hotel Owner to operate its business and to the extent the Loading Docks are not readily accessible or otherwise available to such Permitted Vendors, and (ii) for vehicular access to and from the Garage Access Area through, over and across the Garage to the extent reasonably necessary to use the Garage Access Area as set forth above; provided that (A) Hotel Owner shall ensure that Hotel Owner’s and the Permitted Vendors’ use of the Garage Access Area does not interfere with Residential Owner’s users of the Garage or otherwise with Residential Owner’s operations, (B) Hotel Owner shall coordinate its use of the Garage Access Area with such individual as Residential Owner may designate from time to time in writing, at such times and hours reasonably determined by such individual, and (C) Hotel Owner and the Permitted Vendors shall comply with reasonable insurance

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guidelines established from time to time by Residential Owner (an initial copy of which Hotel Owner hereby acknowledges it has received). The "Garage Access Area" consists of certain areas within the Garage and is specifically depicted on Exhibit F attached to this Agreement."

1.3. **Exhibits to REA.** From and after the Effective Date, Exhibits D, E and F attached hereto shall be included as new Exhibits to the REA.

1.4. **Covenants of Hotel Owner.**

(a) Hotel Owner shall, at its sole expense, and with Residential Owner's reasonable cooperation, (i) comply with all laws, ordinances and buildings codes applicable to the Trash Room and Garage Access Area and their respective uses, and (ii) take adequate measures for the safety and protection of persons and property in and about the Trash Room and Garage Access Area. Hotel Owner shall not have any right to make any changes to the Garage Access Area, and any and all improvements in the Trash Room made by Hotel Owner after the Effective Date shall be subject to the reasonable approval of Residential Owner. Hotel Owner shall maintain insurance over the Trash Room and its operations therein in such amount and otherwise pursuant to the requirements set forth in the REA, as though the Trash Room was a part of the Hotel Parcel. The indemnification provisions of the REA (including, without limitation, those set forth in Section 10.1 thereof) are incorporated herein by this reference, and Hotel Owner shall indemnify, defend and hold harmless Residential Owner in accordance therewith as though for all purposes the Trash Room was a part of the Hotel Parcel. Without limiting the foregoing, Hotel Owner shall indemnify, defend and hold harmless Residential Owner, and shall pay or reimburse Residential Owner, for all costs, expenses, damages, liabilities and losses (to the extent not fully covered by applicable insurance) arising out of or relating to Hotel Owner's or any of the Permitted Vendor's use of the Garage Access License.

(b) In the event that Hotel Owner's use of the Garage Access Area violates the terms of this Amendment, applicable law, and/or the standards set forth in the REA, or Residential Owner determines, in Residential Owner's sole but reasonable discretion, that a breach of the terms of this Amendment (or the REA as amended hereby) has occurred with respect to the Garage Access Area that may jeopardize or place at risk the physical condition of all or any portion of the Building or the safety of the owners or occupants of the Building, then Residential Owner shall have, among the other rights and remedies afforded to it under the REA or applicable law, the immediate right to revoke the grant of the easement set forth in Section 1.2 above with respect to the Garage Access Area; provided that, prior to exercising such right, if the applicable breach is capable of cure, Residential Owner shall provide Hotel Owner with notice of such breach and afford Hotel Owner an opportunity to cure such breach to Residential Owner's reasonable satisfaction within thirty (30) days after such notice to Hotel Owner; provided further that if such failure or breach cannot reasonably be cured within such thirty (30) day period, and Hotel Owner is diligently pursuing a cure to such failure or breach, Hotel Owner shall have up to an additional sixty (60) days during which to cure such failure or breach to Residential Owner's reasonable satisfaction. Such notice and cure rights shall not be available to Hotel Owner if such breach or default by Hotel Owner would, in Residential Owner's sole judgment, jeopardize the safety of the Building, or the owners or occupants of the Building.

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1.5. **No Representation or Warranty.** Residential Owner makes no representation or warranty, whether explicit or implied, regarding the suitability of the Trash Room or Garage Access Area for the uses provided for herein or otherwise, nor whether such uses would comply with any applicable building codes, laws, rules, or regulations.

ARTICLE 2 MISCELLANEOUS

2.1. **Termination of License Agreement.** In accordance with the provisions of Section 2(a) of the License Agreement, the Owners hereby acknowledge and agree that as of the Effective Date the License Agreement and the Licenses (as defined therein) are hereby terminated and of no further force or effect, except with respect to such obligations under the License Agreement that are specifically stated to survive termination.

2.2. **Modification of REA.** To the extent of any conflict between the REA and this Amendment, this Amendment shall control. Unless specifically modified hereby, all terms of the REA shall remain in full force and effect.

2.3. **Binding Effect.** The Easements, covenants and restrictions created under the REA and this Amendment and all terms thereof and hereof shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in or to any portion of, or interest or estate in, the Property, and in furtherance of the foregoing, Section 23.13 of the REA is hereby incorporated by reference into this Amendment.

2.4. **Further Assurances.** The Owners shall take such further actions and execute and deliver such further agreements and instruments as are reasonably necessary or desirable to effectuate and evidence the purposes described in this Amendment.

2.5. **Governing Law.** Section 23.7 of the REA is hereby incorporated by reference into this Amendment.

2.6. **Preliminary Statements.** The Preliminary Statements and Exhibits to this Amendment are an integral part of this Amendment and are incorporated into this Amendment by reference.

[signature pages follow]


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IN WITNESS WHEREOF, the Owners have executed this Amendment as of the day and year first above written.

HOTEL OWNER:

505 N. STATE STREET, LLC

By: KHP II State Street, LLC,
its manager

By: 
Name: JUDITH C. MILES
Its: SECRETARY

RESIDENTIAL OWNER:

ROYAL TALLAHASSEE III 2 (DE) LLC

By: Royal 505 Hotel LLC,
its co-administrative member

By: HSP 505 Investors LLC,
its manager

By: _____
Name: Rodney Peelle
Its: Authorized Representative

By: Buck 505 Investors LLC,
its co-administrative member

By: _____
Name: Kent Swanson
Its: Authorized Representative

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IN WITNESS WHEREOF, the Owners have executed this Amendment as of the day and year first above written.

HOTEL OWNER:

505 N. STATE STREET, LLC

By: KHP II State Street, LLC,
its manager


By: _____
Name: _____
Its: _____

RESIDENTIAL OWNER:

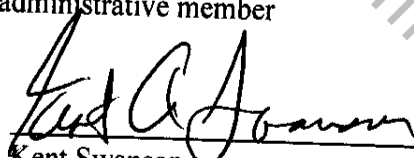
ROYAL TALLAHASSEE III 2 (DE) LLC

By: Royal 505 Hotel LLC,
its co-administrative member

By: HSP 505 Investors LLC,
its manager

By: 
Name: ~~RODNEY POOLE~~ ~~Michael J. Henneman~~
Its: Authorized Representative ~~Rodney Poole~~

By: Buck 505 Investors LLC,
its co-administrative member

By: 
Name: Kent Swanson
Its: Authorized Representative

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN FRANCISCO

On JUNE 13, 2011
Date

before me, GRACE Y. NKHTIKAWA, NOTARY PUBLIC
Here Insert Name and Title of the Office

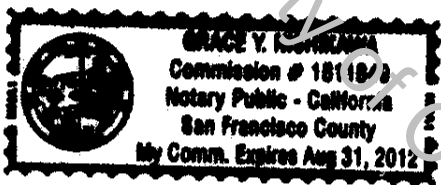
personally appeared JUDITH C. MILES
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: FIRST MORTGAGE TO REFINANCE AGREEMENT - DEERING HERSHMAN

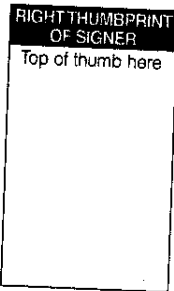
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

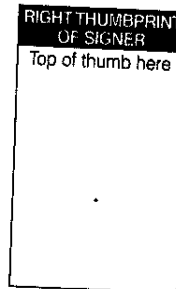
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



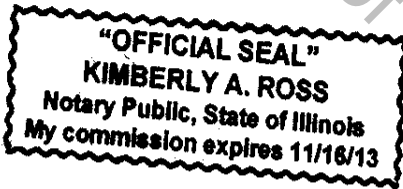
Signer Is Representing: _____

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STATE OF ILLINOIS)
)SS
COUNTY OF Champaign)

I, Kimberly A. Ross, a Notary Public in and for the
County and State aforesaid, DO HEREBY CERTIFY that
Rodney Poole, 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 acknowledged that, as such managers, they signed and delivered such
instrument, as their free and voluntary act and deed, and as the free and voluntary act and
deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 24 day of ^{June}~~July~~, 2011.



Kimberly A. Ross
Notary Public

My Commission Expires: 11/16/2013

Property of Cook County Clerk's Office

UNOFFICIAL COPY**EXHIBIT A****LEGAL DESCRIPTION**

THAT PART OF LOTS 7 THROUGH 12, ALL INCLUSIVE. TOGETHER WITH THE EAST-WEST ALLEY VACATED BY ORDINANCE PASSED APRIL 13, 1984 AND RECORDED AUGUST 3, 1984 AS DOCUMENT NUMBER 27199505, LYING SOUTH OF AND ADJOINING LOTS 1 THROUGH 6 AND LYING NORTH OF AND ADJOINING SAID LOTS 7 THROUGH 12, IN BLOCK 15, IN KINZIE'S ADDITION TO CHICAGO IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF BLOCK 15 AFORESAID; THENCE SOUTH 0 DEGREES 06 MINUTES 53 SECONDS EAST, ALONG THE WEST LINE OF SAID BLOCK, 110.00 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH 110.00 FEET OF BLOCK 15 AFORESAID, SAID POINT BEING ALSO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL OF LAND; THENCE SOUTH 89 DEGREES 52 MINUTES 51 SECONDS EAST, ALONG SAID SOUTH LINE, 141.40 FEET; THENCE SOUTH 44 DEGREES 52 MINUTES 51 SECONDS EAST, 6.20 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH 114.38 FEET OF BLOCK 15 AFORESAID; THENCE SOUTH 89 DEGREES 52 MINUTES 51 SECONDS EAST, ALONG SAID SOUTH LINE, 5.25 FEET; THENCE SOUTH 44 DEGREES 52 MINUTES 51 SECONDS EAST, 147.81 FEET TO A POINT ON THE SOUTH LINE OF BLOCK 15 AFORESAID, SAID POINT BEING 46.01 FEET (AS MEASURED ALONG SAID SOUTH LINE) WEST OF THE SOUTHEAST CORNER OF BLOCK 15 AFORESAID; THENCE NORTH 89 DEGREES 40 MINUTES 45 SECONDS WEST, ALONG THE SOUTH LINE OF SAID BLOCK, 255.11 FEET TO ITS SOUTHWEST CORNER THEREOF, THENCE NORTH 0 DEGREES 06 MINUTES 53 SECONDS WEST, ALONG THE WEST LINE OF BLOCK 15 AFORESAID, 108.01 FEET TO THE HEREINABOVE DESCRIBED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

P.I.N.: ~~17-10-123-013~~ 17-10-123-016, 17-10-123-017,
17-10-123-018 and 17-10-123-019
KNOWN AS: 505 N STATE ST., CHICAGO, ILLINOIS.

Exh. A

505 North State Street
First Amendment to REA

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EXHIBIT D

TRASH ROOM

[attached]

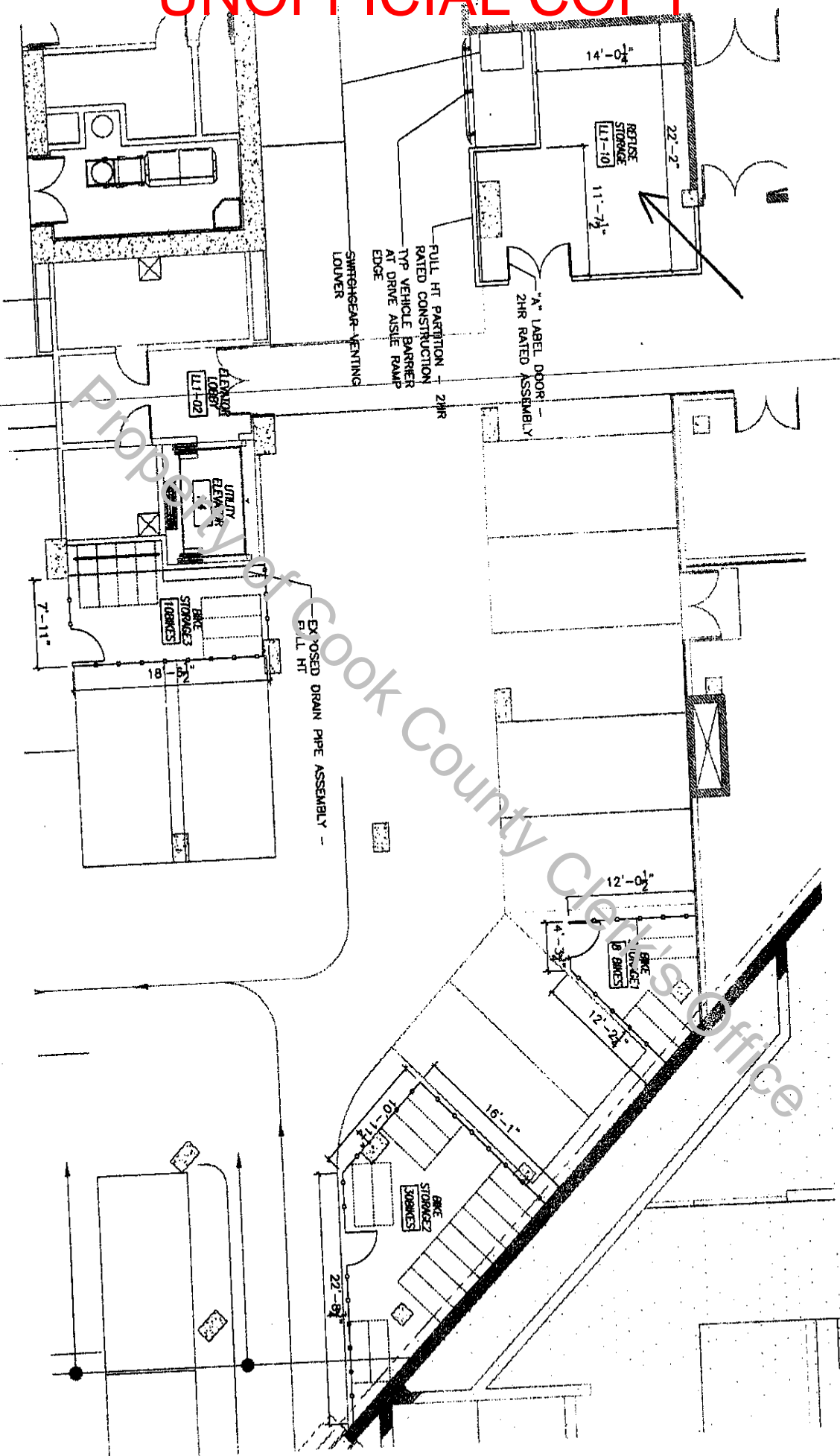
Property of Cook County Clerk's Office

A large, stylized handwritten signature in black ink, consisting of several loops and curves, is written across the center of the page. The signature is partially overlaid by the diagonal watermark text.

Exh. D

*505 North State Street
First Amendment to REA*

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EXHIBIT E

RELOCATED TRASH ROOM

[attached]

Property of Cook County Clerk's Office

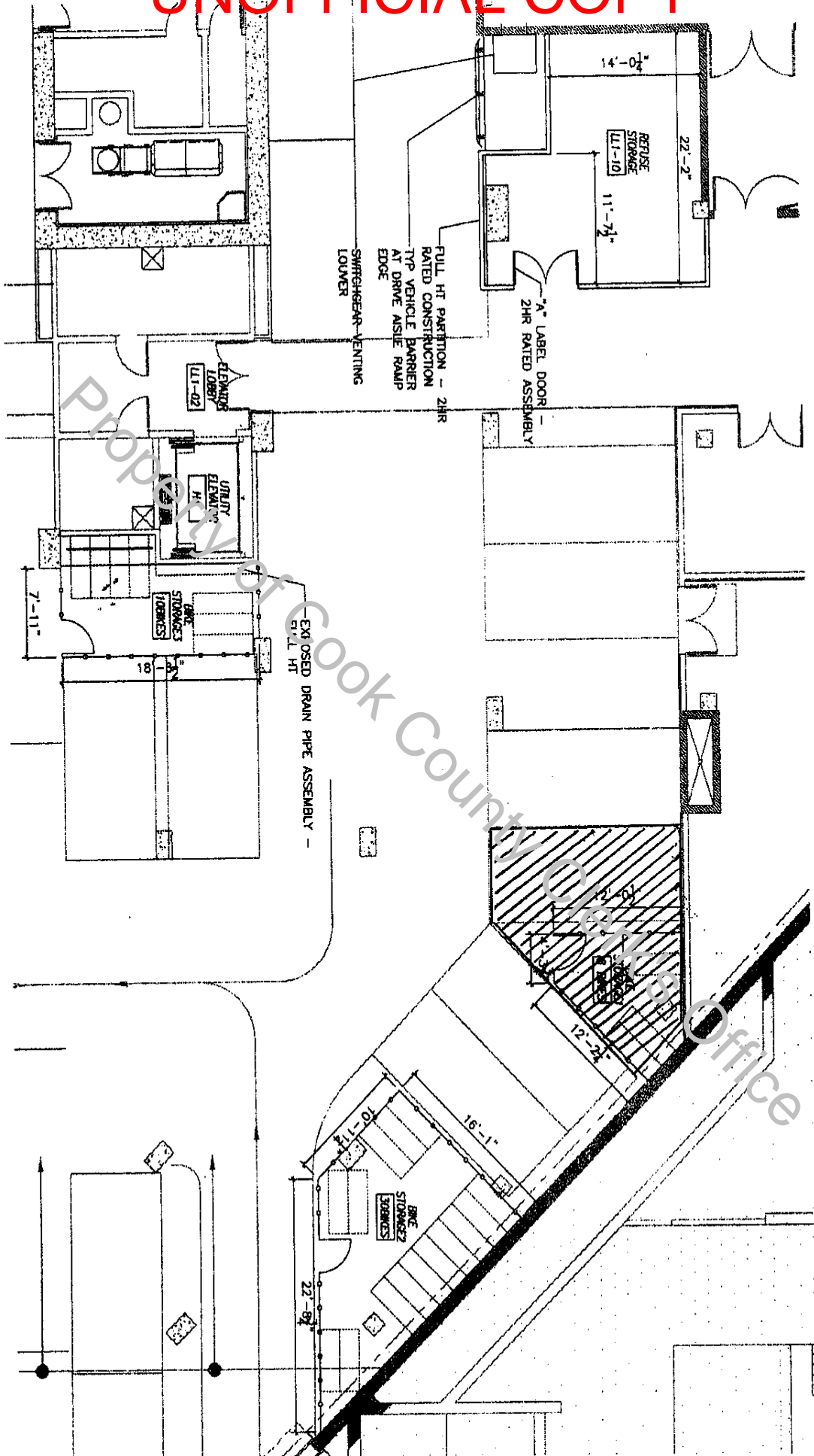
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Exh. E

*505 North State Street
First Amendment to REA*

CHI 60,767,113

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- Relocated Trash Room

Property of Cook County Office

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EXHIBIT F

GARAGE ACCESS AREA

[attached]

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A large, stylized handwritten signature or scribble in black ink, consisting of several overlapping loops and curves, positioned in the center of the page.

Exh. F

505 North State Street
First Amendment to REA

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LAND OFFICE OF RECORD:
LAND CONTRACT
401 ELLIOTT SUITE 220
CHICAGO IL 60611

OWNER:
ROYAL TVLAWSSSE B-2, LLC

DEVELOPMENT MANAGER:
THE JOHN SLOK COMPANY

505 N STATE
REA DRAWING REQUIREMENTS
AREA DESIGNATION



HOTEL



RESIDENTIAL

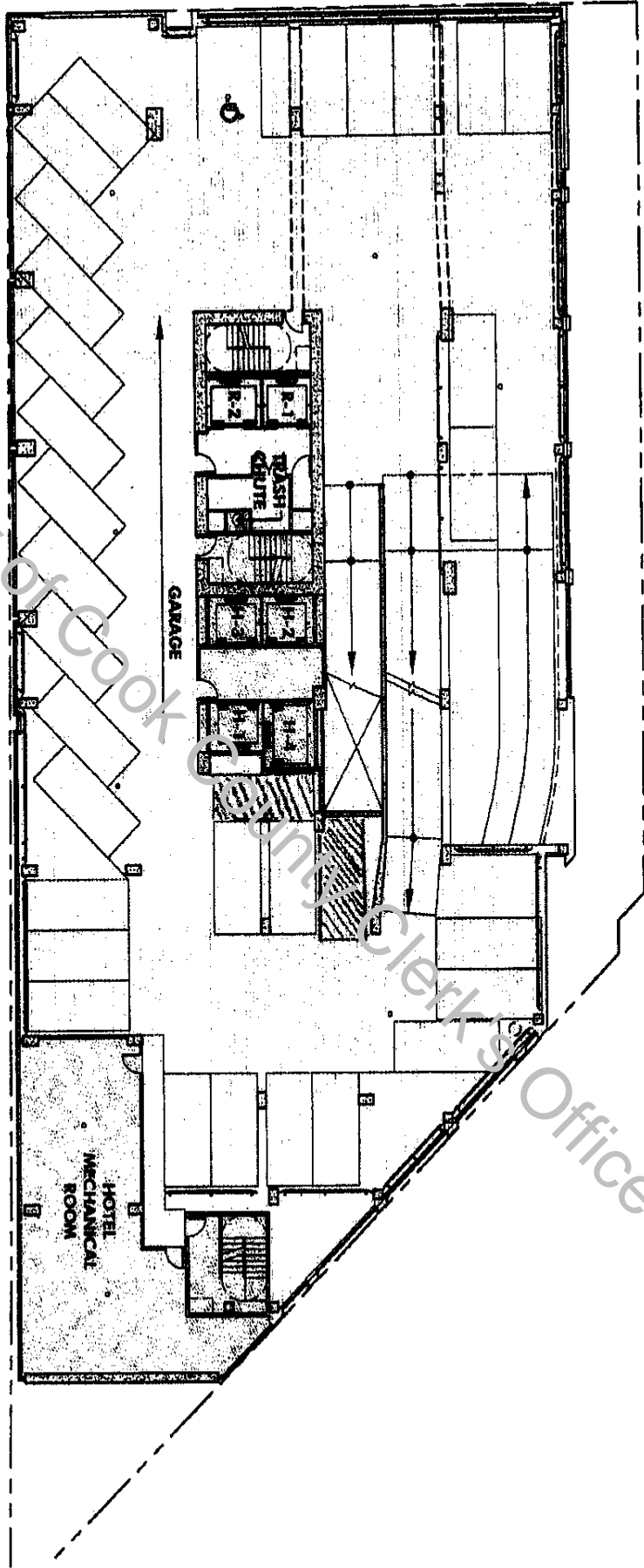


-Garage Access Area

SCALE: 1/16" = 1'-0"



505 NORTH STATE STREET
AREAS - 2ND FLOOR
A-102-A 10/11



Property of Cook County Clerk's Office