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NON-DISTURBANCE AGREEMENT

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THIS AGREEMENT made as of the 30th day of August, 1988, by and among Morgan Guaranty Trust Company of New York, a New York banking corporation ("Morgan Guaranty"), Swissotel Chicago, Inc., an Illinois corporation ("Swissotel"), and Hotel Swiss Grand Associates Limited Partnership, an Illinois limited partnership ("Hotel Swiss").

W I T N E S S E T H

WHEREAS, Hotel Swiss is the sole beneficiary of American National Bank and Trust Company of Chicago, not personally, but as Trustee under Trust Agreement dated February 14, 1984, and known as Trust No. 60312 ("Trust;" Hotel Swiss and Trust are hereinafter collectively referred to as "Borrower"). Hotel Swiss and Morgan Guaranty have entered into a Loan Agreement of even date herewith (the "Loan Agreement") providing for Morgan Guaranty to make a loan of 132,940,000 Swiss Francs to Borrower to be evidenced by one or more Acknowledgements of Debt of even date herewith (the "Acknowledgements"), payment of which is to be secured by a Mortgage ("Mortgage") of even date herewith of all the property commonly known as the Swiss Grand Hotel (the "Hotel"); and

WHEREAS, Swissotel is the operator of the Hotel pursuant to the provisions of a Management Agreement dated August 1, 1988 between Hotel Swiss, as owner of the Hotel and Swissotel (the "Management Agreement"); and

WHEREAS, Swissotel desires to receive the consent of Morgan Guaranty to the Management Agreement and to Swissotel's presence as operator under the Management Agreement and further desires to be assured of continued status and rights as operator under the Management Agreement during the period the Hotel is subject to the Mortgage and in the event of foreclosure thereof notwithstanding any default in the performance by Borrower or any subsequent owner of the Hotel (Borrower or any subsequent owner of the Hotel during the period the Hotel is subject to the

THIS INSTRUMENT WAS PREPARED BY AND
AFTER RECORDING, RETURN TO:

Lawrence L. Hermalyn, Esq.
GREENBERGER, KRAUSS & JACOBS, CHTD.
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601

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Mortgage is hereinafter collectively referred to as the "Owner") of any term, covenant or condition of the Loan Agreement or any other security instrument executed in connection with the Loan Agreement (the Loan Agreement and such security instruments are hereinafter collectively referred to as the "Loan Documents"); and

WHEREAS, Morgan Guaranty desires to grant its consent to the Management Agreement and to Swissotel's presence under the Management Agreement and further desires to assure Swissotel of its continued status and rights as operator under the Management Agreement notwithstanding any default by Owner under the Loan Documents, subject to certain terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Morgan Guaranty, Hotel Swiss and Swissotel hereby covenant and agree as follows:

1. Capitalized terms used herein without definition which are defined in the Loan Agreement shall have the same meaning when used herein as is given to such terms in the Loan Agreement, unless the context otherwise requires.

2. Morgan Guaranty hereby approves the Management Agreement and Swissotel's presence as operator under the Management Agreement.

3. Morgan Guaranty agrees that so long as the Management Agreement is in full force and effect and has not been terminated, then in connection with the foreclosure of the Mortgage or the granting of a deed in lieu of foreclosure of the Mortgage ("Foreclosure"), Morgan Guaranty shall not name or join Swissotel as a party-defendant or otherwise in any Foreclosure suit, action or proceeding, nor will Morgan Guaranty terminate the Management Agreement or the rights granted to Swissotel thereunder, except as permitted by the provisions of the Management Agreement and as set forth herein.

4. Notwithstanding a Foreclosure, the Management Agreement shall continue in full force and effect for the remainder of the term set forth in the Management Agreement, provided same has not been or is not thereafter terminated in accordance with its terms (without necessity for executing any new Management Agreement), as a direct Management Agreement between Swissotel and the purchaser of or grantee of title to the Hotel pursuant to the Foreclosure and any purchaser from, assignee of, or successor to such Foreclosure purchaser and all subsequent owners of the Hotel (each being referred to as a "New Owner"), upon all of the same terms, covenants and provisions contained therein and in such event:

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(a) Swissotel shall be bound to such New Owner under all of the terms, covenants and provisions of the Management Agreement and Swissotel hereby agrees to attorn to such New Owner and to recognize such New Owner as the Owner under the Management Agreement, said attornment to be self-operative and self-executing, and

(b) Each New Owner shall be bound to Swissotel under all of the terms, covenants and provisions of the Management Agreement, which such New Owner shall as a condition to any sale of the Hotel, assume and perform; and Swissotel shall, from and after the date such New Owner succeeds to the interest of Owner under the Management Agreement, have the same rights and remedies against such New Owner for the breach of any covenant contained in the Management Agreement that Swissotel would have had under the Management Agreement against the Owner, if such New Owner had not succeeded to the interest of Owner, provided, however, that such New Owner shall not be:

(i) liable for any act or omission of any prior owner and Swissotel shall not assert any mechanic's lien or other lien claim against the Hotel for liabilities, including liabilities for non-payment of the Swissotel Management Fee, the Swissotel Supplemental Fee and the Incentive Fee (as defined under the Management Agreement), arising out of such acts or omissions, provided, however, that such New Owner shall be liable to Swissotel, and Swissotel shall have all of its rights against New Owner, including without limitation the right of setoff as provided in the Management Agreement, for payments made by Swissotel from its own funds or accrued obligations to Swissotel for Operating Expenses [other than and excluding the Swissotel Management Fee and the Owner's Management Fee (as defined in the Management Agreement)] and Additional Operating Expenses (as both terms are defined in the Management Agreement); or

(ii) personally liable for any act or omission under the Management Agreement, all liability of the New Owner being limited to the operations and assets of the Hotel and New Owner's interest therein.

Any New Owner shall have the right to terminate the Management Agreement upon sixty (60) days notice to Swissotel if (a) with respect to each of of two most recent full calendar years subsequent to the calendar year 1988 and preceding the date notice of termination is sent (the "Notice Date") (the date which

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is sixty (60) days after the Notice Date being hereinafter referred to as the "Termination Date") and (b) with respect to the twelve (12) month period ending on the Notice Date, both the annual average room rates and occupancy rates of the Hotel for such periods were less than ninety percent (90%) of the average of the annual average room rates and occupancy rates for the same time periods of the following three hotels located in the City of Chicago: (i) the Fairmont Hotel, (ii) the Four Seasons Hotel, and (iii) the Ritz-Carlton Hotel. Average annual room and occupancy rates shall be determined in accordance with the Uniform System of Accounts. Notwithstanding the foregoing, in no event shall the Notice Date be prior to January 1, 1991 or the Termination Date be prior to March 1, 1991.

5. Swissotel, by its execution hereof, is not assuming any liability under the Loan Documents or with respect to the indebtedness secured thereby, nor is Morgan Guaranty assuming any obligation under the Management Agreement except as herein set forth.

6. Any notices or communications given under this Agreement shall be in writing and shall be deemed to have been properly given seven (7) days after mailing if mailed by registered or certified mail return receipt requested, postage prepaid.

If to Morgan Guaranty:

Morgan Guaranty Trust Company of
New York
23 Wall Street
New York, New York 10005
Attention: Michael Bailey

With a copy to:

Morgan Guaranty Trust Company of
New York, Zurich Branch
Stocker Strasse 38
8002 Zurich, Switzerland
Attention: Dan Fuglesang

and

Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3900
Chicago, Illinois 60603
Attention: James B. Rosenbloom

If to Swissotel:

Swissotel Chicago, Inc.
505 North Michigan Avenue
Suite 340
Chicago, Illinois 606011
Attention: Fred Laubi

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With a copy to:

Fink, Weinberger, Fredman, Berman,
Lowell and Fensterheim, P.C.
420 Lexington Avenue
New York, New York 10170
Attention: Melvin Weinberg

If to Hotel Swiss:

Hotel Swiss Grand Associates
Limited Partnership
505 North Michigan Avenue
Suite 340
Chicago, Illinois 60611
Attention: Fred Laubi

With a copy to:

Fink, Weinberger, Fredman, Berman,
Lowell and Fensterheim, P.C.
420 Lexington Avenue
New York, New York 10170
Attention: Melvin Weinberg

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

7. For purposes of this Agreement, the term Swissotel shall be defined to include Swissotel and any permitted assignee of Swissotel pursuant to the terms of the Management Agreement. Any New Owner shall have the right to assign its rights under the Management Agreement to any subsequent New Owner.

8. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

9. This Agreement contains the entire agreement between the parties and cannot be changed, modified, waived or cancelled, except by an agreement in writing executed by the party against whom enforcement of such modification, change, waiver or cancellation is sought.

10. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

11. This Agreement and the covenants herein contained are intended to run with and bind all land affected thereby, it being the intention of the parties that, after Foreclosure, the provisions of this Non-Disturbance Agreement shall survive a Foreclosure and benefit and bind any New Owner and Swissotel during the balance of the term of the Management Agreement and shall be deemed incorporated by reference into the Management Agreement.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By _____
Title _____

HOTEL SWISS GRAND ASSOCIATES
LIMITED PARTNERSHIP

By: SNH Lake Michigan, Inc.,
its sole general partner

By [Signature]
Title President

SWISSOTEL CHICAGO, INC., an
Illinois corporation

By [Signature]
Title Asst Sec

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By [Signature]
Title Senior Vice President

HOTEL SWISS GRAND ASSOCIATES LIMITED PARTNERSHIP

By: SNH Lake Michigan, Inc., its sole general partner

By [Signature]
Title President

SWISSOTEL CHICAGO, INC., an Illinois corporation

By _____
Title _____

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ACKNOWLEDGEMENT

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS

I, NANCY M. MORRIS, a Notary Public in and for and residing in said county and State, DO HEREBY CERTIFY THAT WILLIAM B. HOLDING and _____, SENIOR VICE PRESIDENT and _____ of Morgan Guaranty Trust Company of New York, a New York banking corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such VICE PRESIDENT and _____, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said bank; and the said _____ acknowledged that _____, as custodian of the corporate seal of said bank, did affix said corporate seal to said instrument as _____ own free and voluntary act and as the free and voluntary act of said bank for said uses and purposes.

GIVEN under my hand and notarial seal this 31 day of AUGUST, 1988.

Nancy M. Morris
Notary Public

My Commission Expires:

NANCY M. MORRIS
Notary Public, State of New York
No. 2640012
Qualified in New York County
Commission Expires April 20, 1989

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Commission Expires April 30, 1989
Qualified in Cook County
No. 34-480012
County Public State of New York
NANCY M. MORRIS