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Prepared by and Upon
Recording Return to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attn: Robert D. Bickford, Jr., Esq.

DEPT-01 RECORDING \$45.50
T#0009 TRAN 7793 03/25/97 15:04:08
#3654 # SK #-97-206765
COOK COUNTY RECORDER



AMENDMENT AND RESTATEMENT OF FIRST MORTGAGE

THIS AMENDMENT AND RESTATEMENT OF FIRST MORTGAGE (this "Amended Mortgage") made as of the 21 day of March, 1997 by and between RN 540 HOTEL COMPANY L.L.C., a Delaware limited liability company ("Mortgagor") and THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a New York corporation ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagee is the holder of that certain First Mortgage made as of November 28, 1989 between MKDG/Black Hotel Venture ("Venture"), predecessor in interest to Mortgagor, as mortgagor, and Mortgagee, as mortgagee, recorded in the Office of the Cook County Clerk's office on December 1, 1989 as Document No. 89574540, as amended by Modification and Extension of First Mortgage dated as of December 1, 1992 and recorded on March 23, 1993 in Cook County as Document No. 93269534 (collectively, the "Mortgage"), which Mortgage encumbers the premises described in Exhibit A attached hereto;

WHEREAS, the Mortgage secures payment of the indebtedness evidenced by that certain Promissory Note made as of November 28, 1989 between Venture, as maker, and Mortgagee, as payee, in the original principal amount of One Hundred Forty Million and 00/100 Dollars (\$140,000,000.00), as modified and extended on the terms and provisions contained in that certain Modification and Extension of Promissory Note dated as December 1, 1992 and as amended and restated on the terms and provisions contained in that certain Amendment and Restatement of Promissory Note dated as of the date hereof (the "Note"); and

WHEREAS, Mortgagor and Mortgagee want to amend and restate the Mortgage on the terms hereinafter set forth;

NOW, THEREFORE, Mortgagor and Mortgagee hereby agree as follows:

1. The recitals set forth in this Amended Mortgage together with the terms defined therein, are incorporated herein and made a part hereof by reference.

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2. Capitalized terms used herein, which are not otherwise defined herein, shall have the meanings accorded such terms in the Mortgage.

3. Mortgagor hereby warrants and confirms that, upon the payment of Twenty-Four Million Twenty-Five Thousand One Hundred Twenty-Eight and 00/100 Dollars (\$24,025,128.00) to Mortgagee simultaneously with the execution hereof, the Mortgage secures the principal amount of One Hundred Seven Million Nine Hundred Eighty-Six Thousand Eight Hundred Eighty-Nine and 79/100 Dollars (\$107,986,889.79), as evidenced by the Note, and that there are no offsets, defenses or counterclaims against payment of said amount.

4. The words "term of the Loan", when used in the Mortgage, shall be the term of the Loan as provided for in this Amended Mortgage.

5. The first whereas clause of the Mortgage is hereby amended by deleting the dated "November 30, 1997" in the eleventh (11th) line thereof and by inserting the date "April 30, 2005" in substitution therefor.

6. Section 4.02 (Addresses for Notices) is amended to revise the addresses for Mortgagor as follows:

If to Mortgagee:

The Equitable Life Assurance Society of the United States
1290 Avenue of the Americas
New York, New York 10104
Attn: Law Department - Real Estate Division, Mortgage Loan No.
18591

Equitable Real Estate
455 NorthCityfront Plaza Drive
Suite 3200
Chicago, Illinois 60611-5555
Attn: Mortgage Loan No. 18591

with a copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attn: Robert D. Bickford, Jr., Esq.

If to Mortgagor:

RN 540 Hotel Company L.L.C.

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c/o The John Buck Company
223 South Wacker Drive
Chicago, Illinois 60606
Attn: Mr. John Q. O'Donnell

with a copy to:

Mayer Brown & Platt
190 S. LaSalle Street
Chicago, Illinois 60603
Attn: John J. Gearen, Esq.

with a copy to:

RN 540 Hotel Company L.L.C.
c/o The Morgan Stanley Real Estate Fund II, L.P.
1585 Broadway
New York, New York 10036
Attn: Director of Asset Management

with a copy to:

Jones, Day, Reavis & Pogue
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201-2958
Attn: David J. Lowery, Esq.

7. Section 4.14 (Limitation on Liability) is amended and restated as follows:

4.14 Limitation on Liability Notwithstanding anything herein or otherwise to the contrary, no deficiency or other judgment for payment of the principal indebtedness, interest thereon or any other amount payable under the Note, hereunder or under any of the other Loan Documents, shall be entered or sought by Mortgagee against Mortgagor, or any member of Mortgagor, or against any of the assets of any of the foregoing, except for the Mortgaged Property, in any action or proceeding to collect any amount payable under the Note or hereunder or in any action to foreclose the Mortgage or otherwise. The foregoing provisions of this paragraph shall not (a) release or impair the principal indebtedness under the Note or the lien of the Mortgage, (b) affect the right of Mortgagee to foreclose the Mortgage or exercise any remedy under any of the Loan Documents upon an event of default under this Agreement, (c) prejudice the rights of Mortgagee under any guaranty, indemnity agreement, bond or insurance policy required under this Mortgage

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or otherwise heretofore or hereafter delivered in connection with the Loan or (d) relieve Mortgagor (only and not any entities constituting Mortgagor which shall have no personal liability) of any personal liability arising from (i) Mortgagor's committing (or permitting to be committed) any waste on all or a portion of the Mortgaged Property; (ii) fraud or intentional or willful material misrepresentation made in connection with applying for or in closing the Loan which would result in a material financial loss to Mortgagee; (iii) loss in respect of the Mortgaged Property to the extent not covered by insurance required by the Loan Agreement, including but not limited to, deductibles, underinsurance and the absence of insurance to the extent such insurance is required by the Loan Documents; (iv) breach of trust from misapplication of funds (such as insurance proceeds, judgments, settlements or bankruptcy claims for unpaid rent in respect of the Mortgaged Property, condemnation awards, tenant security deposits, sales proceeds or gross receipts derived from the Mortgaged Property arising after an Event of Default has occurred and is continuing and not applied on a current basis to payment of expenses of the Mortgaged Property, real estate taxes, debt services and other current expenditures required by the Loan Documents which at that time have been accrued and are unpaid; (v) removal from the Mortgaged Property of any personal property in violation of any of the Loan Documents; (vi) forfeiture of the Mortgaged Property or any part thereof or interest therein under any applicable law (such as the Racketeer Influenced and Corrupt Organization Act of 1970) for which forfeiture of assets is a penalty and (vii) reimbursement to Mortgagee after an Event of Default for the payment of any recording, transfer, gains or any other transaction specific taxes, fees or charges assessed in connection with the making of the Loan or foreclosure of the Mortgage, bankruptcy proceedings affecting the Loan or the delivery of a deed in lieu of foreclosure or an equivalent transaction, and Mortgagee's attorney's fees incurred in connection with such foreclosure, bankruptcy or deed in lieu of foreclosure, or equivalent transaction. Mortgagor shall indemnify and hold Mortgagee harmless from and against any loss, claims, expenses or liabilities arising or resulting from the matters described in clauses (d) (i)-(vii) above.

8. The following new section 4.16 are hereby inserted into Article 4 of the Mortgage immediately after Section 4.15 thereof:

"4.16. ERISA. (a) Mortgagor covenants:

- (i) that it will not use the assets of an Employee Benefit Plan (as such term is defined in the Employee Retirement Income Security Act (ERISA) of 1974, as amended) in the exercise or performance of any of its obligations or rights specified in this Mortgage or in any other instrument which may be held by the Mortgagee as additional security for this Mortgage or in the performance of any transaction contemplated hereunder or under

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any other instrument which may be held by Mortgagee as additional security for this Mortgage; and

- (ii) that the Mortgaged Property does not, and without the written consent of Mortgagee will not, constitute an asset of an Employee Benefit Plan; and
 - (iii) that it will not sell, convey or transfer all or any of the Mortgaged Property to a person or entity which could not satisfy the undertakings set forth in subclauses (i) and (ii) above, regardless of whether any of the above described conditions arises by operation of law or otherwise.
- (b) If Mortgagors fail to comply with the provisions of clause (a) above, Mortgagee shall be entitled at their election, (i) to accelerate the Principal Indebtedness and interest and/or (ii) to seek any other remedies they may have at law or in equity.
- (c) Notwithstanding any other provision of this Mortgage, in the event that Mortgagors shall at any time sell, convey or transfer or attempt to sell, convey or transfer the Mortgaged Property or any part thereof in violation of the provisions of this Section 4.16 of this Mortgage, then Mortgagee shall, in addition to all rights and remedies they may have at law or in equity or under this Mortgage, be entitled to a decree or order restraining and enjoining such sale, conveyance or transfer and Mortgagor shall not plead in defense of that there would be an adequate remedy at law (it being hereby expressly acknowledged and agreed that damages at law would be an inadequate remedy for breach or threatened breach of the provisions of subclause (a) (iii) above).

9. Paragraph 8 and Schedule A to the Modification and Extension of First Mortgage are hereby deleted.

10. As amended hereby, Mortgagor and Mortgagee hereby ratify and confirm the terms and provisions of the Mortgage and confirm that the Mortgage remains in full force and effect, and continues to secure payment of the indebtedness evidenced by the Note. Except as modified herein, the Mortgage is restated in its entirety and incorporated herein by reference as if set forth in full herein.

11. Mortgagor and Mortgagee represent and warrant that their undersigned representatives have all due power and authority to execute this Amended Mortgage on behalf of Mortgagor and Mortgagee, respectively, and that all necessary action has been taken to ensure the validity and enforceability of the terms and provisions hereof.

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12. Section 4.15 (Trustee Exculpation) is deleted in its entirety. The trust agreement between the Venture and the American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated June 24, 1969 and known as Trust No. 28443 has been terminated. All references in the Mortgage to the Trustee are deleted and shall be deemed to refer to the Mortgagor. Mortgagor is not part of an Illinois land trust and all such references are hereby deleted.

-See Signature Pages attached hereto and made a part hereof-

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-- Signature Page to Amendment and Restatement
of First Mortgage -

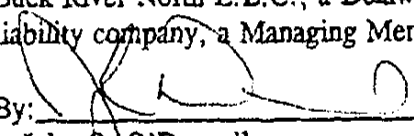
IN WITNESS WHEREOF, intending to be legally bound hereby, Mortgagor
and Mortgagee have executed this Amended Mortgage as of the day and year first set forth
above.

MORTGAGOR:

RN 540 HOTEL COMPANY L.L.C., a Delaware limited
liability company,

By: RN Land Development Company, L.L.C., a Delaware
limited liability company, its Managing Member

By: Buck River North L.L.C., a Delaware limited
liability company, a Managing Member

By: 
John Q. O'Donnell
One of Its Co-Managing Members

By: The Morgan Stanley Real Estate Fund II, L.P., a
Delaware limited partnership, a Managing
Member

By: MSREF I, L.L.C., a Delaware limited
liability company, its general partner

By: MSREF II, Inc., a Delaware
corporation, a Managing Member

By: 
John A. Henry
Vice President

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-- Signature Page to Amendment and Restatement
of First Mortgage -

MORTGAGEE:

THE EQUITABLE LIFE ASSURANCE SOCIETY OF
THE UNITED STATES, a New York corporation

By: Larry Antonatos
Larry Antonatos
Investment Officer

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STATE OF Illinois)
) SS.:
COUNTY OF Cook)

I, Lisa M. Alaniz, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Q. O'Donnell, a Managing Member of Buck River North L.L.C., a Delaware limited liability company, which is a Managing Member of RN Land Development Company L.L.C., an Illinois limited liability company, which is the Managing Member of RN 540 HOTEL COMPANY L.L.C., a Delaware limited liability company, the entity named in the within instrument, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Managing Member appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company.

Given under my hand and notarial seal this 20th day of March, 1997.

Lisa M. Alaniz
Notary Public
Name: Lisa M. Alaniz
Commission expires: 12/17/97
[seal]

OFFICIAL SEAL
Lisa M. Alaniz
Notary Public, State of Illinois
My Commission Expires 12/17/97

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STATE OF)

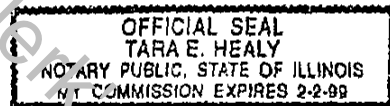
) SS.:

COUNTY OF)

I, Tara E. Healy, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John A. Henry, Vice President of MSREF II, Inc., a Delaware corporation, a Managing Member of MSREF II, L.L.C., a Delaware limited liability company, as General Partner of The Morgan Stanley Real Estate Fund II, L.P., a Delaware limited partnership, which is a Managing Member of RN Land Development Company L.L.C., a Delaware limited liability company, which is the Managing Member of RN 540 HOTEL COMPANY L.L.C., a Delaware limited liability company, the entity named in the within instrument, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership.

Given under my hand and notarial seal this 20th day of March, 1997.

Tara E. Healy
Notary Public
Name:
Commission expires:
[seal]



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STATE OF Illinois)
) SS.:
COUNTY OF Cook)

I, Donna LaPorte, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Larry Antonatos, of The Equitable Life Assurance Society of the United States ("Equitable"), and Investment Officer of said Equitable, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Investment Officer appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Equitable.

Given under my hand and notarial seal this 20th day of March, 1997.

Donna LaPorte

Notary Public

Name: Donna LaPorte

Commission expires: 4-5-97

[seal]

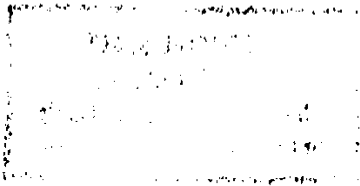


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EXHIBIT A

LEGAL DESCRIPTION

Block 22 (except the East 75 feet thereof taken for the widening of North Michigan Avenue) in Kinzie's Addition to Chicago, being a subdivision in the North fraction of Section 10, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Common Address: 540 North Michigan Avenue, Chicago, Illinois

DIN: 17-10-121-005

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EXHIBIT B

Description of Leased Premises

SUB-LOTS 1 TO 4, BOTH INCLUSIVE, AND A TRACT OF LAND MARKED PRIVATE ALLEY WEST OF AND ADJOINING SAID SUB-LOTS 3 AND 4, ALL IN E.C. LARNED'S SUBDIVISION OF LOTS 1 AND 2 AND THE EAST HALF OF LOT 3 IN BLOCK 23 IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 17-10-120-001

Common Address: 542 N. Rush Street, Chicago, Illinois

ALSO:

THE WEST HALF OF LOT 3 AND ALL OF LOT 4 IN BLOCK 23 IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 17-10-120-002

Common Address: 542 N. Rush Street, Chicago, Illinois

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