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Cook County Recorder 46.50

This document was prepared by
and after recording return to:

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Recorder's Box

6-16-03

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement") is made as of the 1st day of March, 2003, by and between Churchview Limited Partnership, an Illinois limited partnership ("Churchview") and Churchview Supportive Living L.P. an Illinois limited partnership ("Churchview II").

RECITALS

WHEREAS, Churchview is the owner of that certain real property situated in the City of Chicago, Cook County, Illinois, which property is legally described in Exhibit "A-1" attached hereto and made a part hereof ("Phase One");

WHEREAS, Churchview II is the beneficial owner of that certain real property located adjacent to Phase One in the City of Chicago, Cook County, Illinois, which property is legally described in Exhibit "A-2" attached hereto and made a part hereof ("Phase Two");

WHEREAS, Phase One is subject to (a) a first mortgage lien created by that certain Mortgage (the "First Mortgage") dated August 30, 1991, executed by Marquette National Bank, not personally but solely as Trustee under Trust Agreement dated September 12, 1988 and known as Trust No. 11969 ("Trustee") and Churchview and recorded on September 6, 1991 in the Office of the Cook County Recorder of Deeds as Document No. 91460791, said First Mortgage being for the benefit of Southwest Federal Savings and Loan Association, and (b) a second mortgage lien created by that certain Second Mortgage, Security Agreement and Collateral Assignment of Rents and Leases (the "Second Mortgage") dated May 19, 1994, executed by Trustee and Churchview and recorded on JUNE 3, 1994 in the Office of the Cook County Recorder of Deeds as Document No. 94496324, said Second Mortgage being for the benefit of the Illinois Housing Development Authority ("IHDA") (both mortgagees are referred to collectively hereinafter as the "Lienholders");

WHEREAS, the Second Mortgage by its terms incorporates that certain Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") by and between Churchview and IHDA, dated May 19, 1994 and recorded on May 19, 1994 in the Office of the Cook County Recorder of Deeds as Document No. 94496323;

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Lawyers Title Insurance Corporation

WHEREAS, Phase One has been developed and is being operated by Churchview as a 60-unit housing facility for low-income elderly persons;

WHEREAS, Phase Two will be developed and operated by Churchview II as an 86-unit supportive living facility for low-income elderly persons, which facility will be physically linked to the improvements located on Phase One by means of new improvements to be constructed on portions of Phase One and Phase Two (the facilities developed and operated on Phase One and Phase Two are referred to collectively hereinafter as the "Facility");

WHEREAS, Phase One and Phase Two are adjacent and contiguous tracts of land and the improvements to be located thereon are intended to be directly connected by a single-story building located on portions of Phase One and Phase Two and containing a reception area, meeting rooms, dining facilities and other common areas;

WHEREAS, Churchview desires to grant and create an easement of access and use upon, over and across Phase One, as described herein, which shall run with the land and burden the owners of Phase One and benefit the owners of Phase Two and their respective successors and assigns;

WHEREAS, Churchview desires to grant to Churchview II a temporary easement of access and use upon, over and across a portion of Phase One, as described herein, for the purpose of permitting the construction and installation of certain new improvements that will comprise a portion of the Facility and be located upon Phase One;

WHEREAS, Churchview II desires to grant and create an easement of access and use upon, over and across Phase Two, as described herein, which shall run with the land and burden the owners of Phase Two and benefit the owners of Phase One and their respective successors and assigns;

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Churchview and Churchview II hereby declare and agree as follows:

1. Recitals. The recitals set forth above are incorporated herein by this reference as if restated in this Paragraph 1 in their entirety.

2. Phase Two Easement Grant. Churchview hereby grants and conveys to Churchview II and Churchview II's employees, agents, tenants and invitees, a perpetual, non-exclusive easement upon, over and across Phase One for the purposes of ingress to and egress from Phase One through the Facility and for the use of Phase One as a housing facility for low-income elderly persons, all as may be regulated from time to time by the operator and manager of the Facility.

3. Phase One Easement Grant. Churchview II hereby grants and conveys to Churchview and Churchview's employees, agents, tenants and invitees, a perpetual, non-

exclusive easement upon, over and across Phase Two for the purposes of ingress to and egress from Phase Two through the Facility and for the use of Phase Two as a supportive living facility for low-income elderly persons, all as may be regulated from time to time by the operator and manager of the Facility.

4. Temporary Construction Easement; Ownership of Improvements.

(a) Churchview hereby grants and conveys to Churchview II and Churchview II's contractors, agents, employees, and representatives, a temporary, non-exclusive easement (the "Temporary Construction Easement") to enter upon, over and across that portion of Phase One legally described in Exhibit "B" attached hereto and made part hereof (the "Construction Parcel") for the purpose of and to enable Churchview II's construction and installation of new improvements to be constructed upon the Construction Parcel in conjunction with the construction of new improvements on Phase Two that will together comprise a new portion of the Facility (the "New Improvements"), provided that the Temporary Construction Easement shall terminate and be of no further force or effect immediately upon final completion of the construction of the New Improvements. Use of the Temporary Construction Easement shall be limited to those uses necessitated by the reasonable requirements of the construction work on the New Improvements, which construction work shall be expeditiously pursued to completion. As a condition precedent to the use of the Temporary Construction Easement, Churchview II shall provide to Churchview evidence of insurance from each contractor and sub-contractor involved in the construction of the New Improvements in a form acceptable to Churchview and naming Churchview and such other parties as Churchview may reasonably designate as additional insured parties on a primary, non-contributory basis. Churchview II shall indemnify, defend and hold harmless Churchview and the Lienholders (with respect to the Construction Parcel only) and their beneficiaries, contractors, agents, employees and representatives, and each of them, jointly and separately against and from any and all claims, demands, causes of action, damages, costs (including reasonably attorneys' fees), expenses, losses and liabilities, at law or in equity, of every kind or nature arising out of or related to the entry upon the Construction Parcel by Churchview II and any of Churchview II's contractors, agents, employees, and representatives pursuant to the Temporary Construction Easement.

(b) Churchview and Churchview II agree that Churchview II shall retain title to and ownership of all New Improvements that Churchview II constructs on the Construction Parcel.

5. Maintenance and Repair Obligations. Churchview shall be responsible for maintaining and repairing Phase One and all improvements located thereon other than the New Improvements, and Churchview II shall be responsible for maintaining and repairing Phase Two, all improvements located thereon, and all portion of the New Improvements located on Phase One, subject to any agreements for the common undertaking of maintenance and repair as may be entered into by and between Churchview and Churchview II. Churchview shall pay any and all real estate taxes accessed against Phase One, and Churchview II shall pay any and all real estate taxes accessed against Phase Two.

6. Rules and Regulations. Churchview and Churchview II shall comply with and abide by the reasonable rules and regulations promulgated by the operator of the Facility with respect to the use of Phase One, Phase Two and the Facility, and shall cause the tenants and occupants of Phase One and Phase Two, and their respective guests and invitees, to comply with same. Any rules and regulations promulgated by the operator of the Facility shall be uniformly applied to Churchview, Churchview II, the tenants and occupants of Phase One and Phase Two, and their respective guests and invitees.

7. No Additional Obligations. Nothing herein shall be construed as imposing greater or additional burdens or responsibilities upon the respective owners, lienholders and tenants of Phase One or Phase Two than otherwise presently exist and as provided herein with respect to repair, maintenance, insurance, capital improvements and management of Phase One, Phase Two and the Facility; provided, however, that all liability insurance carried by the owner(s) of Phase One shall, at the expense of the Phase One owner(s), list the owner(s) of Phase Two as a coinsured; and all liability insurance carried by the owner(s) of Phase Two shall, at the expense of the Phase Two owner(s), list the owner(s) of Phase One as a coinsured.

8. Failure to Perform Obligations. If any of the obligations to repair, maintain and insure any portion or portions of Phase One and Phase Two set forth herein are not met in accordance with the terms of this Agreement, then the non-defaulting owner of Phase One or Phase Two, as the case may be, may perform such obligations on behalf of the defaulting owner, following which the non-defaulting owner shall have a right of reimbursement for all reasonable expenses incurred in connection therewith upon presentation of a statement of such costs to the defaulting owner. Such right to reimbursement is and shall be a demand obligation, shall bear interest at the rate of fifteen percent (15%) per annum from ten (10) days following receipt of such statement until paid, and shall be secured by a continuing lien on the phase owned by the defaulting owner, which lien may be foreclosed in the same manner as a deed of trust or mortgage lien, but which lien shall remain subject and subordinate in all respects to any deed of trust lien securing a promissory note which may at any time encumber all or any portion of the defaulting owner's property.

9. Prohibition Against Mechanic's Liens. All repair and maintenance work performed according to the terms of this Agreement shall be paid for in full and in no event shall any mechanic's or materialmen's liens attach to either Phase One or Phase Two thereby.

10. Condemnation. In the event of a taking under the power of eminent domain of all or any part of Phase One or Phase Two, that portion of the award attributable to the value of the land and improvements within Phase One or Phase Two so taken shall be payable only to the owner or owners in fee thereof (and any Lienholders as their interests may appear), and no claim thereon shall be made by the owner or owners of the adjacent phase or any part thereof; provided, however, the owner or owners of the adjacent phase or any part thereof may file collateral claims with the condemning authority over and above the value of the land and improvements so taken to the extent of any damage suffered by said adjacent phase resulting from the loss of the easements, licenses, rights and privileges so taken; provided further, however, that the owner or owners of the phase subject to said condemnation or taking shall, to

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the extent reasonably practicable, promptly repair and restore the remaining portion of the phase affected by said easements, licenses, rights and privileges to the condition they were in immediately prior to such taking and without contribution from the owners of the adjacent phase, but if the net proceeds of such award are insufficient to pay the costs of such restoration and repair, the owner or owners of the adjacent phase shall contribute the net awards, if any, received by them to the extent necessary to make up such deficiency. The easements, licenses, rights and privileges on the land in the phase made subject to a taking shall remain in full force and effect on the remaining portion of said phase as repaired and restored.

11. Casualty. In the event of damage to or destruction of all or any part of the improvements located on Phase One or Phase Two or any part thereof by fire or any other casualty, the owner of the damaged phase shall restore, repair, replace, rebuild or alter the damaged phase as nearly as possible to its utility, condition and character immediately prior to such damage or destruction. Such damage or destruction notwithstanding, the easements created herein shall continue in full force and effect. Such restoration, repairs, replacements, rebuilding, or alterations shall be done in accordance with the terms hereof, and shall be commenced and completed with due diligence and in good faith, subject to *force majeure* delays and delays arising from the adjustment of insurance claims. All insurance proceeds paid on account of any such damage or destruction, less the actual costs, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the costs of the aforesaid restoration, repairs, replacement, rebuilding or alterations of Phase One and/or Phase Two, as applicable, including the cost of demolition and temporary repairs for the protection of property pending the completion of permanent restoration, repairs, replacement, rebuilding or alterations.

12. Insurance. Churchview and Churchview II shall obtain and maintain at all times such types and amounts of insurance for Phase One and Phase Two, respectively, and the improvements located thereon, as would commonly be maintained by owners of comparable property in the Chicago metropolitan area, and any such insurance shall name Churchview, Churchview II, and the Lienholders as insured parties.

13. Injunctive Relief and Damages. In the event of any breach or threatened breach of any restriction or other provision of this Agreement for which a remedy is not otherwise set forth herein, any party hereto may prosecute any proceeding at law or in equity to enjoin such breach or threatened breach and to recover damages for any such breach; provided, however, that no party shall be deemed in default under this Agreement until it has received written notice of such default and has failed to cure the same within ten (10) days after receipt of such notice or such shorter time as shall be reasonable in the event of any emergency; provided, however, that if such default is of such a nature that it cannot be cured within such ten (10) day period, but could reasonably be cured within sixty (60) days, then the cure period shall be extended to sixty (60) days after receipt of such notice (except in case of emergency as aforesaid) so long as the cure is commenced within such (10) day period and is thereafter diligently prosecuted to completion.

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14. Easements Run With the Land; Successors and Assigns. The easements, covenants, restrictions, benefits and obligations hereunder shall be perpetual, and shall run with and be appurtenant to the land. This Agreement shall create privity of contract and/or estate with and among all owners of all or any part of Phase One and Phase Two, and their respective heirs, executors, administrators, successors and assigns (specifically including, but not limited to, any Lienholders). The terms, covenants and conditions herein shall inure to the benefit of and shall be binding upon Churchview and Churchview II, and their respective successors and assigns.

15. Private Easements. The easements and rights hereby conveyed, although appurtenant in perpetuity to Phase One and Phase Two, are private easements and not for the use or benefit of the general public, and nothing herein contained shall be construed or deemed to be a dedication of any easement to or for the use of the general public, but to the contrary, they are expressly being granted and reserved as private easements. The owners of Phase One and Phase Two shall not construct or place any obstacle or otherwise interfere in any way with the use of the easements herein granted by any other parties entitled to the use and enjoyment of them as described herein.

16. Modifications. The provisions of this Agreement may be abrogated, modified, rescinded or amended in whole or in part only with the consent of all of the owners of any portion of Phase One and all of the owners of any portion of Phase Two, and all Lienholders with respect to Phase One and Phase Two, as applicable, by a declaration in writing, executed and acknowledged by all of said owners, beneficiaries and Lienholders and duly recorded in the Office of the Cook County Recorder Deeds.

17. Effect of Foreclosure. The foreclosure of any mortgage or other security instrument now or hereafter covering Phase One or Phase Two or any portion thereof shall in no way affect or diminish any of the rights, duties and/or obligations created by this Agreement, all of which shall remain in full force and effect.

18. Right to Grant Additional Easements. The easements and other rights herein created are not exclusive, and the right is hereby reserved to grant such other easements, rights or privileges to such persons and for such purposes as the owner(s) of Phase One and Phase Two in their sole discretion may elect, so long as such purposes do not unreasonably interfere with the easements and other rights granted herein, and are otherwise not inconsistent herewith.

19. No Merger. There shall be no merger of any of these easements with the fee estate in Phase One and Phase Two or either of said properties by reason of the fact that Phase One or Phase Two may be held, directly or indirectly, by or for the account of any person or entity which shall have an interest in Phase One and Phase Two or either of said properties.

20. Counterparts. This Agreement, including the Consent attached hereto, may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

21. Interpretation. Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. The captions and headings of the Paragraphs of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

22. Estoppel Certificate. Upon written request of a mortgagee or any party hereto, the other parties hereto shall each deliver to the requesting party an estoppel certificate stating whether: (i) it knows of any default under this Agreement, (ii) to its knowledge, this Agreement has been assigned, modified or amended in any way (and if it has, then stating the nature thereof); and (iii) to its knowledge, this Agreement, as of that date, is in full force and effect. Any such statement or certificate may be conclusively relied upon by the party requesting the statement or certificate.

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

24. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

25. Severability. If any provision of this Agreement or its application to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances, other than those to which it is held invalid, shall not be affected thereby and shall be enforced to the fullest extent permitted by law; provided that the invalidity of such provision does not materially adversely affect the benefits accruing to any party hereunder.

26. Entire Agreement; Further Documentation. This Agreement, together with any exhibits and any other documents necessary to effectuate the terms of this Agreement, contains the entire understanding of the undersigned with respect to the easements contemplated hereby and contains all of the terms and conditions thereof and supersedes all prior understandings relating to the subject matter hereof.

27. Further Assurances. Churchview and Churchview II shall each execute such further reasonable documentation as may be necessary to effectuate the purpose and terms of this Agreement including, but not limited to, such additional documents granting and reserving such easements as may be required to effectuate the terms of this Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement on the day and year first above written.

CHURCHVIEW LIMITED PARTNERSHIP,
an Illinois limited partnership

By: Churchview Corporation, its general partner

By: [Signature]
Name: JAMES F. CAPRARD
Its: Executive Director

**CHURCHVIEW SUPPORTIVE LIVING
L.P.,** an Illinois limited partnership

By: Churchview Supportive Living, Inc., its
general partner

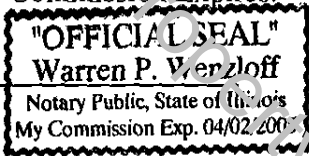
By: [Signature]
Name: Harvey M. Meyer
Its: Secretary

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
)
COUNTY OF COOK)

This instrument was acknowledged before me on the 21 day of March, 2003, by James Caputo, as Exec. Dir. of Churchview Corporation, an Illinois corporation, the general partner of Churchview Limited Partnership. an Illinois limited partnership, on behalf of such partnership

My Commission Expires:

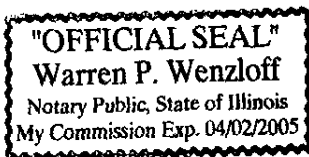


[Signature]
Notary Public

STATE OF ILLINOIS)
)
COUNTY OF COOK)

This instrument was acknowledged before me on the 26 day of March, 2003, by Nancy Meyer, as Secretary of Churchview Supportive Living, Inc., an Illinois corporation, the general partner of Churchview Supportive Living L.P. an Illinois limited partnership, on behalf of such partnership.

My Commission Expires:



[Signature]
Notary Public

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EXHIBIT "A-1"

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LEGAL DESCRIPTION OF PHASE ONE

LOTS 16, 17, 18, 19, 20, 21, 22, 23, 24 AND 25 IN BLOCK 15 IN COBE AND McKINNON'S 63RD STREET AND CALIFORNIA AVENUE SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 19-13-426-033

19-13-426-034

19-13-426-035

19-13-426-036

19-13-426-037

19-13-426-038

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EXHIBIT "A-2"

LEGAL DESCRIPTION OF PHASE TWO

LOTS 16, 17, 18, 19, 20, 21, 22, 23, 24 AND 25 IN BLOCK 16 IN COBE AND McKINNON'S 63RD STREET AND CALIFORNIA AVENUE SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; ALONG WITH PORTION OF VACATED TALMAN AVENUE, ADJACENT TO AFORESAID LAND, AS DESCRIBED IN ORDINANCE RECORDED AUGUST 13, 2002 AS DOCUMENT NUMBER 0020886357.

PINS: 19-13-427-030
19-13-427-031
19-13-427-032
19-13-427-033
19-13-427-034
19-13-427-035
19-13-427-036
19-13-427-037
19-13-427-040

ADDRESS — 2600 2624 WEST 63RD ST.
CHICAGO IL 60629

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EXHIBIT "B"

LEGAL DESCRIPTION OF CONSTRUCTION PARCEL

LOT 16 IN BLOCK 15 IN COBE AND MCKINNON'S 63RD STREET AND CALIFORNIA AVENUE SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 19-13-426-038

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