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MORTGAGE

\$ 26.00

THIS MORTGAGE ("Security Instrument") is given on AUGUST 4TH 1987. The mortgagor is MICHAEL E. KEELEY AND THERESA KEELEY HIS WIFE ("Borrower"). This Security Instrument is given to LAND OF LINCOLN SAVINGS AND LOAN which is organized and existing under the laws of STATE OF ILLINOIS and whose address is 1400 NORTH GARDEN DRIVE HOFFMAN ESTATES, ILLINOIS 60196 ("Lender"). Borrower owes Lender the principal sum of ONE HUNDRED FIFTEEN THOUSAND AND 00/100 Dollars (U.S. \$ 115,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on FEBRUARY 1ST, 1988. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

LOT 4 IN MESSINA'S SUBDIVISION OF LOT 1 IN BLOCK 23 IN ARTHUR T. MCINTOSH AND COMPANY'S CICERO AVENUE SUBDIVISION IN SECTIONS 15 AND 16, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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*PT.# AAO UN
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which has the address of X 154TH & LECLAIRE OAK FOREST
[Street] [City]
Illinois 60452 ("Property Address")
[Zip Code]

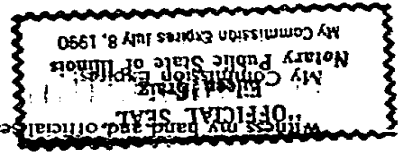
TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

cb

Date 11-11-87



Notary Public
4th day of August 1987
BOX 333-GG 0
Seal

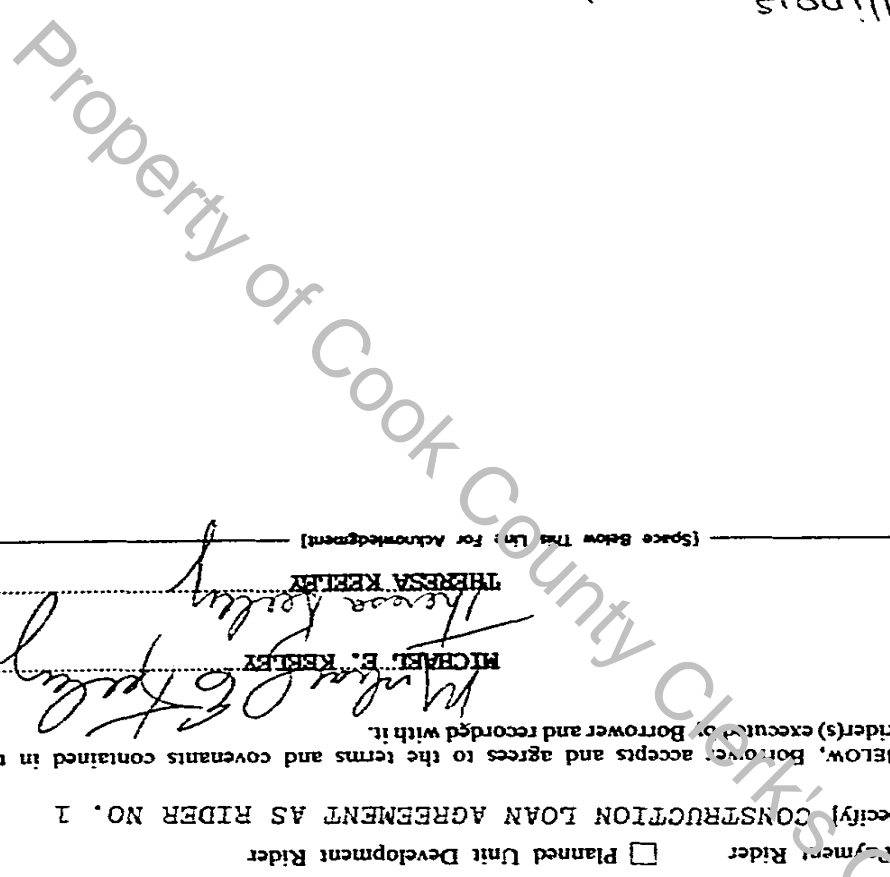
I, THE UNDERSIGNED
MICHAEL E. KEELBY AND THERESA KEELBY, HIS WIFE
Notary Public in and for said county and state, do hereby certify that
before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, personally appeared
have executed same, and acknowledged said instrument to be THEIR free and voluntary act and deed and that
(his, her, their)
THEY executed said instrument for the purposes and uses therein set forth.
(he, she, they)

STATE OF Illinois }
COUNTY OF Cook }
SS:

[Space Below This Line for Acknowledgment]
MICHAEL E. KEELBY
THERESA KEELBY
Borrower
Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

NON-UNIFORM COVENANTS, Borrower and Lender further covenant and agree as follows:
19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
23. Rents to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]
 Adjustable Rate Rider
 Condominium Rider
 2-4 Family Rider
 Graduated Payment Rider
 Other(s) [specify] CONSTRUCTION LOAN AGREEMENT AS RIDER NO. 1



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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days for such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property; if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable to Lender under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) consents in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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RIDER NO. 1

CONSTRUCTION LOAN AGREEMENT

THIS AGREEMENT made this 4th day of August, 19 87, by and between MICHAEL E. KEELEY AND THERESA KEELEY, his wife (hereinafter called "Borrower"), and LAND OF LINCOLN SAVINGS AND LOAN (hereinafter called "Lender").

WITNESSETH:

WHEREAS, the Borrower is the owner of that certain real property situated in COOK County, Illinois (hereinafter referred to as the "premises"), more particularly described in Exhibit "A," attached to and made a part hereof; and

WHEREAS, the Borrower has applied to the Lender for a mortgage loan for the purpose of constructing improvements (hereinafter sometimes collectively referred to as the "improvements," "building" or the "work") upon the premises in accordance with plans and specifications submitted to and approved by the Lender; and

WHEREAS, the Lender has approved the application of the Borrower and issued a mortgage loan commitment to the Borrower setting forth the terms and conditions under which the Lender will make a loan (hereinafter referred to as the "loan") to the Borrower; and

WHEREAS, simultaneously with the execution and delivery hereof, the Borrower has made, executed and delivered to the Lender a certain promissory note and mortgage (hereinafter referred to as "note" and "mortgage") of even date herewith evidencing and securing the principal sum of \$ 115,000.00, which mortgage Borrower warrants to constitute a valid first lien upon the premises, and which note and mortgage are in all respects subject to the conditions and stipulations contained herein;

WHEREAS, the Borrower has requested Lender to disburse some or all of the proceeds of the loan in installments as construction of the improvements progresses.

NOW THEREFORE, for and in consideration of the execution and delivery of said note and mortgage and of the making of said loan by the Lender, together with the mutual separate agreements, covenants and warranties hereinafter contained, it is agreed, covenanted and warranted by and between the parties hereto as follows:

1. Immediately upon closing of the loan, Borrower shall have furnished to Lender plans and specifications which satisfy the requirements of the Lender for construction of the improvements. Should any dispute arise between the Borrower and the Lender with respect to the true construction and meaning of the plans and specifications, the same shall be decided by a competent architect to be selected by the Lender but to be paid by the Borrower. The decision of such architect or FHA/VA representative, as the case may be, shall be final, conclusive and binding upon the parties.

2. Borrower shall at all times, and at its expense, insure for their full insurable value the building and all materials purchased for use in connection with the building, with such coverages (including without limitation fire and extended coverage) and with such insurance carriers as may be required by the Lender so as to protect the respective interests of Borrower and Lender in the building and materials. Borrower shall also furnish at its expense such compensation and liability insurance coverages as may be

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required by Lender so as to protect Borrower and Lender against liability in connection with the building and the construction thereof. Said insurance policies, as appropriate, shall be issued with riders covering the interests of the Lender, and losses thereunder shall be payable first to Lender to the extent of its interest and lien on the premises. The Lender shall be under no obligation to make any loans or advances hereunder until Borrower shall have submitted evidence to the Lender of all such insurance coverages. Such policies shall be non-cancellable except upon ten (10) days' prior written notice to the Lender.

3. The Borrower shall, within ten (10) days after the date hereof and prior to the first construction disbursement hereunder, furnish to Lender (a) a boundary and topographical survey of the premises depicting complete exterior improvements and indication no encroachments or violations of restrictions, and (b) a title insurance policy covering the premises; both of which shall be in a form and substance satisfactory to Lender's attorneys. In the event title to the premises is defective or so encumbered that the mortgage will not be a first lien thereon, Lender or Lender's attorneys will notify the Borrower of the defects in the title, and the Borrower shall, at no expense to the Lender, within fifteen (15) days from such notification, render the title acceptable to Lender or Lender's attorneys. If the title cannot be made acceptable within the time provided, the Lender may cancel and terminate its obligations hereunder, and in such event the Borrower agrees to pay abstract charges, attorneys' fees, survey costs and all other expenses incurred, and advances made, by Lender in connection with the loan.

4. Borrower shall furnish to Lender, at any time and upon Lender's request therefor, a breakdown of actual or projected construction costs in such form as Lender may require. Borrower shall promptly furnish to Lender true and correct copies of all present and future contracts and amendments thereto between Borrower and any contractor agreeing to provide labor or materials in connection with the improvements, provided that no such contracts or amendments shall be entered into by Borrower hereafter except upon Lender's prior written consent, and in no event shall any such contract or amendment be binding in any respect upon the Lender.

5. Borrower will secure or cause to be secured from all governmental agencies, bureaus and departments having jurisdiction over the premises or the construction of the building, all approvals and permits which may be necessary or advisable in connection therewith and will supply the Lender with evidence of the availability of all necessary utility services. Borrower warrants that any governmental priorities as may be necessary to obtain materials for the completion of the building have been duly issued.

6. The Borrower agrees to furnish all the materials and to provide all of the labor and services which may be necessary and required in order to construct and build the improvements on the premises in a first class and workmanlike manner in full and strict compliance with the plans and specifications prepared therefore, and any general or special conditions attached to said plans and specifications. The Borrower further agrees to pay for all labor, materials or services used, performed and furnished in connection with the construction of said improvements, and upon completion thereof, the premises shall be freed and discharged of all liens, or claims of whatever nature, growing out of or in connection with the use, performance or furnishing of such labor, materials or services. In the event the permanent financing of the premises and improvements is to be under an FHA or VA mortgage lending program, the Borrower shall comply with and abide by all FHA and VA regulations pertaining thereto. The Borrower shall execute all instruments required to completely accomplish, comply with, and perform the matters mentioned

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herein, and shall abide by, complete and carry out all of the representations, proposals and commitments made by it in its application for such mortgage loan or otherwise.

7. A. Borrower shall not make any changes in the approved plans and specifications covering the construction and equipage of the improvements other than those required or previously approved by the Lender. Borrower warrants that the construction and equipage contemplated by the plans and specifications previously approved comply with, and the construction and equipage contemplated by any plans and specifications which may be submitted for approval will comply with, all applicable ordinances, requirements and regulations of governmental authorities having jurisdiction over construction of the improvements, including all applicable building codes and zoning regulations, and the Borrower shall deliver to the Lender evidence of such compliance as from time to time may be required by Lender.

B. If required by the Lender so to do, the Borrower shall furnish before each advance herein agreed to be made, and on completion of construction, all receipted bills, certificates, affidavits, releases of liens and other documents which may be required by the lien laws of the State of Illinois or which shall be required by the Lender or its disbursing agent as evidence of full payment or proper payment for all labor and materials incident to said construction, and release of said property from all liens therefor, regardless of whether claims or liens of contractors, laborers or materialmen are inferior to the lien of the Lender's mortgage.

C. Borrower agrees to complete the construction and equipage of the improvements contemplated hereby as expeditiously as possible, but in no event later than FEBRUARY 4, 1997.

8. The maximum amount to be loaned and disbursed hereunder by Lender is the principal amount of the note as set forth in the fourth recital of this Agreement. The first disbursement shall consist of those charges, expenses and reserves set forth in the loan closing or mortgage disbursement statement. The balance of funds available shall be subject to disbursement for construction purposes according to the disbursement schedule set forth in Exhibit "B" attached hereto subject to the following conditions and requirements:

A. Each application for disbursement shall constitute a certificate on the part of the Borrower, whether or not the application shall so state, that all sums due and payable by the Borrower with respect to work and equipage or uninstalled equipment and materials and included in the percentage of completion forming the predicate for the construction disbursement or with respect to the other items forming the predicate for the construction disbursement, have been paid or will be paid from the proceeds of the loan disbursement being requested.

B. Lender shall have no obligation to make any construction disbursement until Lender's inspector first shall have verified that the Borrower is entitled thereto in accordance with the disbursement schedule set forth in Exhibit "B." For this purpose, Lender agrees to exercise its best efforts to cause the premises and improvements to be inspected within 10 days following its receipt of the Borrower's application for disbursement, and to disburse such draw within 10 days following its inspector's approval thereof. In no event, however, shall the Lender be required to disburse construction draws, or its inspector be required to inspect the premises and improvements, more frequently than monthly. In connection with the contemplated inspection of the premises and improvements by Lender's inspector, and in specific consideration of the terms under which

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this loan is granted and Lender's disbursement of periodic advances hereunder, it is acknowledged and agreed by Borrower as follows:

(i) The Borrower agrees to pay to Lender for three (3) contemplated inspections. In the event that Lender makes less than the contemplated three (3) inspections, Lender shall refund as a credit to Borrower at the time the loan is paid in full, the balance of the inspection fee. To the extent that payment of such fee is not reflected on the mortgage disbursement or closing statement, Lender is authorized to deduct the same at any time from the balance of funds available for construction disbursements.

(ii) The Borrower agrees to pay to the Lender an additional service charge of \$ 2,300.00 upon (a) Borrower's breach of this Agreement or failure to comply with any of the requirements of the Lender necessary to complete disbursement of the proceeds as contemplated herein; or (b) failure of the Borrower or Borrower's successor in interest to close a permanent long-term mortgage loan with the Lender in the event the mortgage and note executed in conjunction with this Agreement are by their terms for construction loan purposes only or mature within one month following the deadline for completion of construction as elsewhere stated herein.

(iii) Lender's inspection and approval of the plans, specifications and improvements as placed upon the premises, and all other inspection services, if any, performed by Lender's agents or employees are and shall be rendered solely for the benefit of the Lender for the purpose of evaluating its security and to provide a basis to determine the amount and times for construction disbursements. Said inspections and approvals are and will be rendered solely for the protection and benefit of Lender, and in no wise shall they be deemed to have been made for the benefit of, nor shall any loss or damage in consequence thereof be claimed by, the Borrower, any subsequent purchaser, laborer, materialman, contracting party, the general public, or any other person, firm or corporation, whether known or unknown. Lender expressly disclaims any and all liability whatsoever for the adequacy, suitability, safety and habitability of the premises and any improvements now or hereafter constructed thereon, and the Borrower expressly agrees to save harmless and indemnify the Lender, its agents and employees, from and against any and all claims, expenses and damages, including reasonable attorney's fees, asserted or awarded against, or incurred by, the Lender, its agents or employees, in consequence of any such liability whether real or alleged. It is expressly acknowledged and agreed that the foregoing indemnity agreement shall survive Borrower's payment of its obligations hereunder and under the note and mortgage.

C. The Lender shall be entitled to require further reasonable evidence that the Borrower has paid all sums due for work, equipage and materials and for other items of cost forming the predicate for any loan disbursement or that same will be paid from the proceeds of the loan disbursement. If it appears in the sole determination of the Lender that the projected balance of construction costs will exceed the net amount then available from this loan for construction disbursement, Lender may, at its option, thereupon require the Borrower to deposit with Lender such additional funds which, together with the net amount then available from this loan for construction disbursements, will be sufficient to pay 100% of the projected balance of construction costs.

D. The final disbursement of construction funds pursuant to the disbursement schedule set forth in Exhibit "B" shall be subject to the following additional conditions and requirements:

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(i) Lender shall not be required to make (but, at its sole option, shall be entitled to make) the final disbursement until Borrower has complied with each and every requirement, term and condition as specifically set forth herein, and until all furnishings, fixtures and equipment required to be placed in or on the premises and improvements contemplated by the plans and specifications approved by the Lender are in place.

(ii) Borrower shall have provided to Lender evidence of the approval of the buildings in their entirety for permanent occupancy by all applicable local authorities to the extent such approval is a condition of lawful use and occupancy of the buildings, and a satisfactory rating by the local Board of Fire Underwriters or its equivalent and the approval of the contemplated uses of the buildings by all applicable governmental authorities, all of which may be evidenced by a Certificate of Occupancy.

(iii) Lender shall have received the final affidavit referred to in Illinois Revised Statutes Chapter 82, Section 5 from the Borrower's contractor and each such sub-contractor, if any.

(iv) Borrower shall have paid all taxes and assessments levied or assessed against the property and all fixtures and equipment thereon which are then payable, regardless of whether same be delinquent.

(v) Neither the disbursement of the final disbursement nor the acceptance by the Lender of any conditions, document or other thing as sufficient evidence to Lender to induce it to make the final disbursement shall relieve the Borrower from any of the obligations of the Borrower to comply with all covenants and obligations of the Borrower hereunder or under the provisions of the promissory note and the mortgage and other instruments securing said note nor shall such disbursement or acceptance preclude the Lender from enforcing its rights in the event of a default by Borrower.

9. The following provisions shall apply with respect to all loan disbursements made under this Agreement:

A. Borrower specifically authorizes the Lender to make all loan disbursement checks payable to the title insurance agency issuing the mortgage title policy for payment to any contractor. The title insurance agency may determine the payees with respect to any loan disbursement check, including but not limited to any contractor, subcontractor, sub-subcontractor, laborer or materialman, or combination thereof, but Lender shall have no liability or responsibility for such agency's wrongful or improper disbursement or conversion thereof.

B. The Lender shall be entitled to withhold any loan disbursements from the proceeds of the mortgage at any time when the Borrower is in default hereunder or under the mortgage or note securing same or any other Loan Document, as defined in the mortgage

C. Lender shall not be required to make any loan disbursement at any time when it has not received from the Borrower all evidence of adequate title insurance coverages, surveys, hazard insurance policies, security agreements and financing statements which at the time of the disbursement should have been delivered to the Lender nor at any time when Borrower shall have failed to meet or perform any other requirement or condition entitling it to receive the loan disbursement involved.

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D. Lender shall be entitled to require as a condition precedent to any loan disbursement, and at the expense of Borrower, receipt of such continuation title searches as Lender in its sole discretion may determine. Lender shall not be required to make any disbursements in the event any such title searches or mortgage title policy amendments or endorsements shall reflect conditions which in the option of Lender, jeopardize its first mortgage lien or otherwise create an encumbrance against the premises which is unsatisfactory to the Lender.

E. Interest on loan disbursements made hereunder shall be charged and shall accrue on the amounts disbursed from the respective dates of disbursements, in accordance with the terms of the note.

F. Borrower agrees that it will use all moneys disbursed hereunder solely on account of payment for the items and purposes for which the funds were disbursed hereunder and no such moneys shall be diverted, used, or borrowed for use for any other purpose.

G. Lender may disburse to itself from the proceeds of the mortgage loan any sums payable by the Borrower on account of interest, costs, charges, fees or expenses owing to the Lender by the Borrower or which were the obligation of the Borrower but were paid by Lender, and any such disbursement shall be considered with like effect as if the sum disbursed had been disbursed to the Borrower. Lender at its sole option may, upon request by Borrower, disburse the proceeds of the mortgage loan on account of any cost, charge or expense related to the property and the financing or preservation thereof or to satisfy liens upon the property, and any such funds may be disbursed at the option of the Lender direct to the party to whom same is payable and such disbursement shall be considered with like effect as if disbursed to the Borrower.

10. Construction of the improvements shall commence within thirty (30) days following recordation of the Mortgage and shall proceed diligently and continuously. In no event shall the work cease before completion and remain abandoned for a period of fifteen (15) days except upon Lender's prior written consent. Any interruption of progress shall be immediately reported by Borrower to the Lender. Adequate precautions shall be taken by the Borrower to protect the work and any materials on the job from damage by exposure or any other loss. Borrower covenants for itself and its agents and employees, its contractors and their agents and employees, and their subcontractors and materialmen and their agents and employees, that they will do nothing to impair performance by the Lender and Borrower of their respective obligations under this Agreement nor shall they cause or permit conditions to arise so as to render performance by the Lender or the exercise of its remedies in the event of Borrower's default to be unduly difficult or hazardous.

11. The Borrower shall cause any mechanic's liens which may be filed against the premises to be released, discharged, or bonded prior to the next regular draw request submitted by Borrower to the Lender, time being of the essence. Lender may, at its election and without incurring any liability to Borrower or any other person, including without limitation, Borrower's contractors, deposit proceeds of this loan with the title insurance agency issuing the mortgage title policy, for the purpose of transferring liens to such deposit, and any such deposit shall be charged against Borrower's account in the same manner as any disbursement to it or for said account.

12. The Borrower will immediately pay or cause to be paid all real estate and tangible personal property taxes, special assessments, and any other tax, assessment, claim, lien or encumbrance, which may at any time be or become a lien upon the premises, the building, or

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any other property securing repayment of this loan, superior in dignity to the lien of the mortgage or any other security agreement given by Borrower to Lender in connection herewith. The undertakings of Borrower under this paragraph and under paragraph 2 hereof shall be continuing obligations of Borrower during the entire period of time that any amounts loaned or advanced pursuant hereto remain unpaid, or any interest on any such outstanding indebtedness remains unpaid.

13. All items which Borrower agrees to furnish hereunder or in connection herewith will be furnished at Borrower's sole cost and expense and without cost or expense to the Lender. All reasonable fees and expenses of the Lender's attorneys, shall be borne by the Borrower and shall be paid in a timely manner when due. The Borrower hereby authorizes and directs the Lender to disburse all interest and fees, costs and legal fees from the loan as reflected by the closing or mortgage disbursement statement pertaining to this loan without requiring any further authorization by the Borrower.

14. In the event of default under the terms or provisions of this Agreement, the promissory note, the mortgage, or any other document delivered to Lender in connection with this loan, or upon the death of, or filing of a voluntary or involuntary petition in bankruptcy by or against, the Borrower or his contractor, or upon a general assignment for the benefit of their creditors, or upon the conversion of funds by Borrower or his contractor during the period of construction of said building and before completion thereof, the Lender may at its option declare the Borrower to be in default hereunder and immediately thereafter the Lender may exercise any one or more of the following remedies:

A. Refuse to make further advances or loans hereunder with or without demanding immediate payment of all amounts loaned or advanced hereunder, together with interest on such amounts, and the Lender may assert any or all of the rights and remedies provided herein or in the note or mortgage or any other document delivered to Lender in connection with this loan; such rights or remedies may be asserted concurrently, cumulatively or successively from time to time so long as Borrower is indebted to the Lender on account of any amounts loaned or advanced pursuant hereto or on account of interest due on such amounts;

B. Enter upon the premises, expel or eject Borrower and all persons claiming through or under Borrower and collect the rents, issues and profits therefrom;

C. Enter upon the premises and complete said work at the expense of Borrower and place in effect such insurance and bonds as Lender may deem appropriate. The cost of such completion, insurance and bonds shall be charged to and deducted from the sum agreed to be loaned or advanced by the Lender hereunder but shall be deemed to be indebtedness of Borrower evidenced by the note and secured by the mortgage. In the event the Lender exercises the option to complete said construction, the Lender shall have the right to enter into any contracts the Lender deems necessary or desirable for the completion of the building;

D. Pay or discharge any lien or claim or any part thereof and to deduct from the charge the amount so paid to the sum agreed to be loaned or advanced by the Lender, but the amount so paid shall be deemed to be indebtedness of Borrower evidenced by the note and secured by the mortgage.

E. Institute such legal proceedings or other proceedings as the Lender may deem appropriate, for the purpose of protecting the premises and the Lender's interest therein; and

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F. Do and perform all such acts and deeds as the Lender shall deem necessary or desirable to protect the premises and the Lender's interest therein.

In the event any amount paid under sub-paragraph (C), (D), (E), or (F), when added to the amounts theretofore loaned or advanced by the Lender exceeds the principal amount of the note, such excess or overage shall be added to the principal amount of the note and shall be secured by the mortgage and may be collected as part of the debt evidenced thereby.

15. If prior to the completion of the improvements and following default by the Borrower the Lender shall complete or shall commence the completion of incomplete work on the mortgaged property or shall acquire title to the premises, the Lender shall have, and is hereby given, all rights of the Borrower to use all architectural and engineering plans and specifications relating to the improvements, and each architect and engineer who prepared such plans is hereby authorized and directed to permit the use of same by the Lender without payment to anyone for the right to do so.

16. Any default by the Borrower hereunder shall constitute a default under the mortgage and note to the same extent as though the note had by its terms become due and payable and payment thereof had been refused, and in such event the Lender may, without liability to Borrower, assert and exercise any or all of the rights and remedies provided herein, or in the note, mortgage, or any other document delivered to Lender in connection with this loan, or otherwise provided by law with respect to the note, mortgage, this Agreement, or any other document delivered to Lender in connection with this loan.

17. Lender shall have the right to commingle the proceeds of this loan with any other loans made to Borrower by Lender and shall have the right to withhold payment of any sums due to Borrower hereunder in the event of any default whatever in any such other loans. Any such withheld payments may be credited to such other loans by Lender upon notification to Borrower.

18. Notwithstanding any other provision hereof, Lender shall be entitled at its option to refuse to make any disbursement hereunder if the Borrower shall fail to comply with any condition, contingency or requirement of the above-mentioned mortgage loan commitment, or shall fail timely to comply with, perform and abide by, any requirement or regulation of the Lender concerning administration of this loan, or any agency proposing to guarantee a permanent mortgage loan respecting the premises. Nor shall Lender be obligated to fund this loan in the event of any material adverse change in Borrower's financial position from that reflected in the financial statements, tax returns or other data submitted to Lender, or if any information previously submitted to Lender proves to be false, it being acknowledged that all such representations are a material inducement for Lender making this loan. The occurrence of any of the foregoing actions or omissions shall constitute a default by Borrower under this Agreement, entitling Lender to exercise any and all rights and remedies as hereinbefore set forth.

19. It is acknowledged and agreed that the Lender is not, and shall in no event become, an agent of the Borrower under the terms of this Agreement or any other document executed in connection with this loan, and Borrower agrees to save harmless and indemnify Lender from and against any costs or damages whatsoever arising hereunder from any cause whatsoever. The Lender shall not be liable to any materialman, contractor, subcontractor, laborer or any other person, firm or corporation for goods delivered or services performed in or upon the premises, or employed in the construction of the

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improvements thereon, or for any debts or claims accruing in favor of any such parties and against Borrower or others or against the premises. The Borrower is not, and shall in no event become an agent of the Lender for any purpose. This contract is not, and shall not be construed to be, a third party beneficiary contract in any respect or to any extent.

20. All covenants, agreements, representations and warranties made herein, and in the mortgage, the note, and in all other documents delivered to the Lender in connection with this loan, are materially relied upon by the Lender, notwithstanding any investigation by the Lender on its behalf, and, except as otherwise provided in this Agreement, shall remain in full force and effect until all of Borrower's indebtedness to Lender is paid in full.

21. No act of omission or commission of the Lender, including specifically any failure to exercise any right, remedy, or recourse, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by the Lender and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, or as a bar to or as a waiver or release of, any right, remedy, or recourse as to a subsequent event.

22. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns. The Borrower may neither assign this Agreement, nor be released from its covenants and obligations hereunder, without the prior written consent of the Lender specifically approving such assignment or release.

23. Time is of the essence with respect to performance of each and every covenant and obligation contained herein, and this Agreement shall be construed insofar as possible in accordance with the laws of the State of Illinois.

24. Wherever used herein, the terms "Lender" and "Borrower" shall include the heirs, personal representatives, successors and assigns of the respective parties hereto; the use of the singular number shall include the plural, and the plural the singular; and the use of any gender shall include all genders.

15. Any notice required or permitted to be given pursuant hereto, or in connection herewith, shall be deemed to have been duly given and delivered when addressed and posted by registered or certified United States mail to the Lender or to Borrower, as the case may be, at the following addresses, or to such other places as either of the parties may for themselves designate in writing from time to time for the purpose of receiving notices pursuant hereto:

Lender:

Land of Lincoln Savings and Loan
1400 N. Gannon Drive
Hoffman Estates, IL 60194
Attn: Construction Loan Department

Borrower:

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IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their seals upon the day and year first above written.

ATTEST:

LAND OF LINCOLN SAVINGS AND LOAN

Audrey J. Notara
Secretary

BY: Richard J. Schrik
Vice President

Michael E. Keeley
Borrower

Theresa Keeley
Borrower

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Richard J. Schrik, personally known to me to be the Vice President of LAND OF LINCOLN SAVINGS AND LOAN, and Audrey J. Notara, personally known to me to be the Secretary of said corporation, and both personally known to me to be the same persons whose names are subscribed to the foregoing Agreement, appeared before me this day in person and severally acknowledged that as such Vice President and Secretary, they signed and delivered the said Assignment as Vice President and Secretary of said corporation, and caused the 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 of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 4th day of August 1987.

My Commission Expires:
07/13/89

Maury J. ...
Notary Public

STATE OF _____)
COUNTY OF _____) SS.

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Michael E. Keeley & Theresa Keeley, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such persons and who appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act.

Given under my hand and notarial seal this 4th day of August 1987.

My Commission Expires:

Eileen Craig
Notary Public

"OFFICIAL SEAL"
Eileen Craig
Notary Public State of Illinois
My Commission Expires July 8, 1990

"OFFICIAL SEAL"
Eileen Craig
Notary Public State of Illinois
My Commission Expires July 8, 1990

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EXHIBIT "A"

LOT 4 IN MESSINA'S SUBDIVISION OF LOT 1 IN BLOCK 23 IN ARTHUR T. MCINTOSH
AND COMPANY'S CICERO AVENUE SUBDIVISION IN SECTIONS 15 AND 16, TOWNSHIP 36
NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PTI: 28-16-209-031-0000

ADDRESS: 154TH AND LECLAIRE OAK FOREST, IL. 60452

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EXHIBIT "B"

1st Draw: Under roof and enclosed to weather

2nd Draw: Roughed-in and drywalled

3rd Draw: Final

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