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HARRIS BANK NAPERVILLE 7 8

FORM II

CONSTRUCTION LOAN AGREEMENT

BUILDER - LENDER

88024178

L. B. CONSTRUCTION, INC., an Illinois Corporation

hereinafter referred to as "Builder", expressly covenants with Harris Bank Naperville, hereinafter referred to as "Lender", and agrees in consideration of the granting of a Construction Loan by Lender, to do and perform the following acts and things, and accepts the below stated terms and provisions as the terms governing said Construction Loan for construction on the below described property:

LOT 202 IN EQUESTRIAN ESTATES UNIT 14, BEING A SUBDIVISION IN THE WEST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER:
COMMON ADDRESS: 3 LARIAT, LEMONT, ILLINOIS 60439

88024178

SECTION I

1. Builder agrees to furnish Lender with approved plans, specifications, architectural plans, scale detail drawings, and statements showing itemized costs of proposed building, said itemization to be based on contracts already let.
2. Builder agrees to provide fee simple title on the subject real estate to Lender as base security for the loan, the terms of said security to be established and evidenced by a Note, and Mortgage given by Builder to Lender.
3. Builder agrees to execute any and all necessary loan documents.
4. Builder agrees to refrain from any disposition, hypothecation or creation of any encumbrances of said real estate security, without Lender's written consent.
5. Builder agrees to place in a Construction Loan account with the Lender, funds or waivers for work performed in the amount of \$ 67,112.00, which, in the opinion of the Lender, will be sufficient over and above the net proceeds of said Mortgage Loan, to complete the building or buildings in accordance with the contract price of \$ 269,675.00 provided, however, that the balance of funds remaining in said Construction Loan account at the expiration of sixty (60) days following the date of completion of construction, or waiver of new construction by the title insurance company, whichever is later, shall thereupon be released from the provisions of this agreement and returned to the Builder, or, at his option, applied towards the reduction of his loan.
6. Builder agrees to erect, free from all mechanic's liens, in compliance with all governmental regulations (including but not limited to zoning ordinances, building ordinances and E. P. A. requirements) and in compliance with all covenants, restrictions, and conditions which may affect the project, as disclosed by title investigation, or which exist as a matter of record, or which are known by either party to this agreement, within six (6) months, a building valued at not less than in accordance with the plans and specifications set forth in paragraph # 1 above, dated as of this day and signed by Builder.
7. Builder agrees to file with the Lender a signed copy of the Construction Contract entered with a General Contractor, if any. Written approval must be obtained from Lender for all extra credits, changes in plans, details or specifications.
8. Builder agrees to furnish the Lender's inspector with a set of plans and specifications bearing the same date as this agreement, and to give the Lender's inspector the right, during construction of the building, to inspect the same and to reject and require replacement of any material or workmanship that does not comply with the plans and specifications.
9. Builder agrees to furnish Lender, on demand, with a spotted survey of the premises, certified by a licensed surveyor, showing all improvements existing as of the survey date, and showing all easements and building lines. Lender shall be entitled to a maximum of three (3) such surveys, and Builder agrees to have said surveys updated to the satisfaction of Lender.
10. Builder agrees to obtain approval of Lender's attorneys on all legal matters pertaining to the loan.
11. Builder agrees to furnish insurance in an amount, form, type of coverage, and of companies satisfactory to Lender.
12. Builder agrees to pay or secure releases of all encumbrances and judgments of record which in the opinion of the Lender are or will be prior to its mortgage interest.

First American Title Order #

C20405 Mc 10/1/00

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[Handwritten signature]

88024178

Attn: D. Wagner
503 No. Washington Street
Naperville, Illinois 60566

HARRIS BANK NAPERVILLE

*Return document after recording to:



Property of Cook County Clerk's Office

By D. Wagner
503 No. Washington Street
Naperville, Illinois 60566

HARRIS BANK NAPERVILLE

This document was prepared by:

DEPT-01 RECORDING \$19.25
T#1111 TRAN 2222 01/15/88 11:29:00
#1786 # A * 88-024178
COOK COUNTY RECORDER

by *[Signature]*
Harris Bank Naperville
503 No. Washington Street
Naperville, Illinois 60566

Date *10/2/87*

Hinsdale, Illinois 60521
City, State, Zip Code

115 South Garfield
Address

Builder's Signature
Len Bauer, President

BY: *[Signature]* 10-22-87
ATTEST: *[Signature]* 10-22-87
Thomas Oberdieck, Secretary

L. B. CONSTRUCTION, INC.

88024178

C. Builder shall fail to keep and perform and other covenant or condition herein contained on Builder's part to be kept and performed, and such failure shall continue for thirty (30) days after written notice thereof from the Lender to Builder.

D. Any representation or warranty made herein by Builder or otherwise made in writing in connection with this Agreement, shall prove to be or to have been false in any material respect either when made or subsequently, and such representation or warranty is not corrected or made good within thirty (30) days after written notice thereof shall have been given to Builder.

E. The project, or any material part hereof, is materially damaged or destroyed by fire or other casualty and the loss is not, in the Lender's opinion, adequately covered by insurance actually collected or in the process of collection, and if Builder shall fail to deposit the deficiency with the Lender.

F. (i) actual physical work on the project, of a substantial nature, in the opinion of the Lender, shall be abandoned or shall be unreasonably delayed, or be discontinued for a period of thirty (30) days, in each instance, for reasons other than those beyond the control of the Builder, or (ii) construction shall be so delayed for any reason whatsoever that the completion of the project cannot be accomplished, in the judgment of the Lender, on or before six (6) months, or as such date may be extended from time to time with the approval of the Lender.

G. Builder makes an assignment for the benefit of creditors; or petitions or applies to any tribunal for the appointment of a trustee of receiver for itself or for any substantial part of its assets; or commences any proceedings under any bankruptcy, arrangement, insolvency, readjustment of debt or statute of any jurisdiction, whether now or hereafter in effect; or if any such petition or application is filed or any such proceedings are commenced, and Builder by any act indicates its approval thereof, consent thereto, or acquiescence therein, or an order is entered appointing any such trustee or receiver, or adjudicating Builder bankrupt or insolvent, or approving the petition in any such proceedings; and such order remains in effect for more than sixty (60) days or such proceedings shall not be dismissed within ninety (90) days; and such order remains undischarged and unstayed for a period in excess of sixty (60) days (provided that, during such 60 or 90 day periods, as the case may be, the Lender in its discretion, may refuse to make any disbursement of funds under this Agreement).

H. If Builder fails to comply with any requirement, relative to the premises, of any governmental authority having jurisdiction within thirty (30) days after notice in writing of such requirement shall have been given to Builder.

...then, and in any such event, if any such Event of Default shall then be continuing, the Lender may, in addition to all remedies conferred upon the Lender by law and by the terms of any document delivered to the Lender hereunder, evidencing or securing (in whole or in part) its loan to Builder, take any or all of the following actions, concurrently or successively, by giving at least five days written notice to Builder by registered or certified mail: (i) declare the Note to be, and the Note shall thereupon become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Note to the contrary notwithstanding, (ii) terminate the agreements of the Lender to extend credit of any kind hereunder, whereupon the commitment and obligation of the Lender to make loans hereunder shall terminate, (iii) proceed to recover on any bonds furnished in connection with the construction of the project, and (iv) enter upon the premises and take possession thereof, complete the construction of the project and do anything which in its sole judgment is necessary or desirable to fulfill, pay, settle or compromise the obligations of Builder hereunder or to complete the project, including the right either to avail itself of and procure performance of existing contracts or by letting new contracts with either the same contractors or architects or with others. Builder shall be liable to the Lender for all sums paid or incurred for the construction, completion and equipping of the project, whether the same shall be paid or incurred pursuant to the provisions of this paragraph or otherwise, and all payments made or liabilities incurred by the Lender hereunder, or any kind whatsoever, shall be paid upon demand, with interest to the date of payment at the rate of 4.00 % over the applicable interest rate provided for in the Note, and all of the foregoing, including interest, shall be deemed and shall constitute advances under this Agreement. The assertion of any one or more of the aforementioned remedies shall not preclude the Lender from invoking any other remedies.

2. Builder agrees to pay all fees and expenses of the Lender's attorneys and of Lender's inspectors or appraisers.

3. Any notice which any party hereto may be required, or may desire, to give hereunder shall be deemed to have been given if mailed by United States Registered or Certified Mail addressed to the party in accord with the address provided on the signature page hereof, or to such other address as the party to be served with notice may have furnished to the other party as a place designated for the service of notice. Said change of address shall be evidenced in writing.

4. No failure to exercise, and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any right or limitation provided by law. No notice to or demand on Builder in any case shall, in itself, entitle Builder to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Lender to any other or further action in any circumstances without notice or demand.

5. While the project is being constructed, both the Lender and Permanent Lender shall have the right to erect a sign or signs on the premises of such placement, size, form and wording as may be reasonably required, respectively, by either the Lender or Permanent Lender, indicating the sources of both the interim and long term financing, but at no expense to Builder.

6. This Agreement has been made and entered into in the State of Illinois and shall be interpreted in accordance with the law thereof and shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors and assigns.

7. Any approval by the Lender or Permanent Lender of construction of the project or any part thereof, or of the Plans and Specifications, shall impose no responsibility on any of them as to adequacy or legality thereof, nor shall any of them be in any way stopped by any such approval from requiring reexecution of any portion of construction of the project where construction is in fact illegal or inadequate or where construction does not conform to the approved Plans and Specifications.

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