CONSTRUCTION LOAN AGREEMENT

BUILDER - LENDER

88024178

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

hereinalter referred to as "Builder", expressly covenants with Harris Bank Naperville, hereinalter 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 SUEDIVISION IN THE WEST & OF THE SOUTH WEST & 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 200 pt 0 pt (

88024178

SECTION 1

- 1. Builder agrees to furnish Lender with approved plans, specifications, architectual plans, scale detail drawings, and statements showing itemized costs of proposed building, said itemization to by losed on contracts already let.
- 2. Builder agrees to provide fee simple title on the subject cell 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.
 - Builder agrees to execute any and all necessary loan documents.
- 4. Builder agrees to refrain from any disposition, hypothecation or releation of any enumbrances of said real estate security, without Lender's written consent.
- 5. Builder agrees to place in a Construction Loan account with the Lender, rands or waivers for work performed in the , which, in the opinion of the Lender, will be sufficient over and amount of S 67.412,00 above the net proceeds of said Mortgage Loan, to complete the building or buildings in accordance with the contract price of provided, however, that the balance of funds remaining in said Construction Loan 269,675.00 account at the expiration of sixty (60) days following the date of completion of construction to 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 covera its, 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 # I 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.
- 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 ficensed 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.
 - 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.

UNOFFICIAL COPY

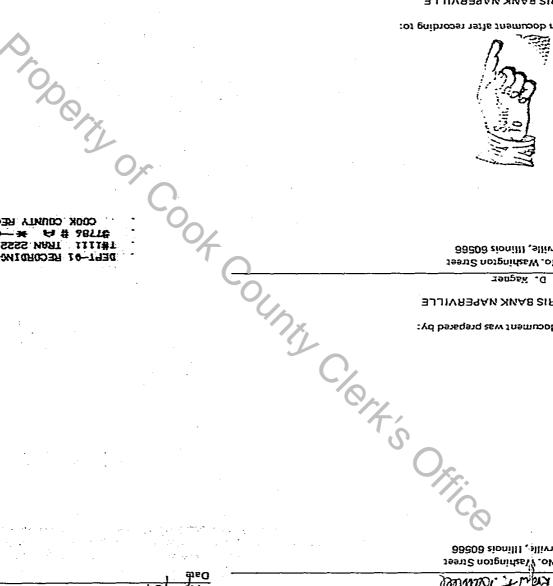
82112088

88608 sibnill, ellivageN 503 No. Washington Street

D. Kagner

HARRIS BANK NAPERVILLE

Return document after recording to:



COOK COUNTY RECORDER #1111 1864 5222 01/15/86 11:20:00
THITT 1864 5222 01/15/86 11:20:00
THE CORDING 210:20:00 \$76.25

88208 sionille, IllinogsM 503 No. Washington Street D. Wagner

HARRIS BANK NAPERVILLE

This document was prepared by:

Thomas Oberdieck, Secretary

503 No. Washington Street

Naperville, Illinois 60566

City., State, Zip Code Hirsdale, Illinois 60521

गारी राजा एक दहाना प

Builder's Signature Len Bauer, President

L. B. CONSTRUCTION, INC.



- 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 aniorder 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 it can order remains undischarged and unstayed for a period in excess of sixty (50) days (provided that, during such 60 or 90 day periods at the case may be, the Lender in its discretion, may refuse to make any disbursement of funds under this Agreement).
- H. § 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 larms 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: ii) 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, (in 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 it is 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 simil contractors or architects or with others. Builder shall be tiable 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 rate of payment at the rate of __ 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 aforemention of emedies 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 registered 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 estopped 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.



other of the various loan documents given to secure the Lender's loan

For any reason whatsoever, there shall be an uncured default under any of the terms and provisions of the Mortgage or any

shall continue for a period of lifteen (15) days after written notice thereof to Builder from the Lender.

There shall be a failure to pay, when due, the principal of the Note, or any installment of interest thereon, and such failure

It any of the following Events of Default shall occur:

SECTION III

to complete the building or buildings, according to such plans and specifications, plus any extras authorized by him. extras, the Builder shall place and hereby agrees to place such additional funds in his Construction Loan account as may be necessary found to be insufficient to erect the building and complete the same in accordance with the plans and specifications and any agreed of said building, or buildings, according to the plans and specifications and for the contract price. In the event that bunds on hand are tors, all materials, supplies and equipment to be used in the construction, and the Lender assumes no responsibility for the completion The Builder has accepted, and hereby accepts the sole responsibility for the selection of his own contractor and subcontract-

Section I above with the exception of Sub-Section 3 and 12 of same within thirty days after date. That the Lender may refuse to proceed with this loan if in its opinion the undersigned has not substantially complied with

fecting and recording papers, and other related costs, will be paid by the undersigned, whether the losn is made or not. That all expenses for appraisals, inspections, searches, title insurance, co. il can examinations of title, drawing, per-

complete.

one or more such purposes, but nothing herein contained shall be in any way consumed as a covenant on the Lender's part to so pay or such purposes, including therein the unexpended net proceeds of this loan, up an which funds the Lender shall have a first lien for any so to do, pay bills and/or complete said building or buildings in accords ic with plans and specifications, etc., on file with it, using for 3. Builder agrees that the Lender may, at any time, without comment of the undersigned, if in its opinion it becomes necessary

uses and purposes in and for the construction of said building or building s hereinbefore referred to. Builder agrees that the proceeds of this loan are the reseasolely for the payment of material, bills, labor and for other

Certificate accompanied by a proper affidavit from the contractor.

gether with the net proceeds of the loan, only in propertion to its inspector's report of progress, or by Architect's or Superintendent's Builder agrees that the Lender is authorized to disburse funds under its control in said Construction Loan Agreement. To-C/6/4'50

the is further understood:

SECTION II

(Strike paragraph 18 if thi re is no permanent lender).

17. The rights of Builder under this Construction Loan Agreement are not assignable without the written consent of Lender.

County Recorder's Office. Builder agrees to the recording, at Builder's expense, a copy of this Construction Loan Agreement, with the COOK

and other satisfactory evidence of payment.

items due and unpaid, and items necessary for completion, and to support said statement with receipted bills, affidavits, waivers of liens. 35. Builder agrees to furnish from time to time whenever requested, a statement showing itemization of expenditures to date,

said buildings, and which funds are hereby assigned to the Lender for such purpose.

Lender as hereinbefore set forth for the payment of material, bills, labor, and for other uses and purposes in and for the construction of Builder agrees to use such funds placed in a Construction Loan account, together with the net proceeds of the loan, with the

given by the Lender. It construction is in progress, waivers are to be furnished for work done to date.

to the Lender have been executed and the mortgage placed on record, nor until permission to start work or deliver material has been 13. Builder agrees to not permit the commencement of any work nor the delivery of any material until the note and mortgage