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from making all monthly payments until the indebtedness is paid in full.

(3) To complete within a reasonable time any buildings or improvements now or at any time in process of erection upon said premises;

(4) To promptly repair, restore or rebuild any building or improvements now or hereafter on the premises which may become damaged or destroyed;

(5) To keep said premises in good condition and repair, without waste, and free from any mechanic's, or other lien or claim of lien not expressly subordinated to the lien hereof;

(6) Not to suffer or permit any unlawful use of or any nuisance to exist on said property nor to diminish nor impair its value by any act or omission to act;

(7) To comply with all requirements of law with respect to the mortgaged premises and the use thereof;

(8) Not to suffer or permit, without the written permission of the Mortgagee being first had and obtained, (a) any use of the property for any purpose other than that for which it is now used, (b) any alterations, additions, demolition, removal or sale of any improvements, apparatus, appurtenances, fixtures or equipment now or hereafter upon said property, (c) a purchase on conditional sale, lease or agreement under which title is reserved in the vendor, of any apparatus, fixtures or equipment to be placed in or upon any buildings or improvements on said property.

(9) That if the Mortgagor shall procure contracts of insurance upon his life and disability insurance for loss of time by accidental injury or sickness, or either such contract, making the Mortgagee, assignee thereunder the Mortgagee may pay the premiums for such insurance and add said payments to the principal indebtedness secured by this Mortgage, to be repaid in the same manner and without changing the amount of the monthly payments, unless such change is by mutual consent.

(10) That all easements, rents, issues and profits of the mortgaged premises are pledged, assigned and transferred to the Mortgagee, whether now due or hereafter to become due under or by virtue of any lease or agreement for the use or occupancy of said property or any part thereof, whether said lease or agreement is written or verbal, and it is the intent (on thereof (a) to pledge said rents, issues and profits on a parity with said real estate and not secondarily and such pledge shall not be deemed merged in any judgment of foreclosure and (b) to establish an absolute transfer and assignment to the Mortgagee of all such leases and agreements and all the avails thereunder, together with the right in case of default, either before or after foreclosure sale, to enter upon and take possession of, manage, maintain and operate said premises, or any part thereof, make leases for terms deemed advantageous to it, terminate or modify existing or future leases, collect said avails, rents, issues and profits, regardless of when earned, and use such measures whether legal or equitable as it may deem proper to enforce collection thereof employ renting agents or other employees, alter or repair said premises, buy furnishings and equipment therefor when it deems necessary, purchase adequate fire and extended coverage and other forms of insurance as may be deemed advisable, and in general exercise all powers ordinarily incident to absolute ownership, advance or borrow money necessary for any purpose herein stated to secure which a lien is hereby created on the mortgaged premises and on the income therefrom which lien is prior to the lien of any other indebtedness hereby secured, and out of the income retain reasonable compensation for itself, pay insurance premiums, taxes and assessments, and all expenses of every kind, including attorney's fees, incurred in the exercise of the powers herein given, and from time to time apply any balance of income not in its sole discretion, needed for the aforesaid purposes, first on the interest and then on the principal of the indebtedness hereby secured, before or after any judgment of foreclosure, and on the deficiency in the proceeds of sale, if any, whether there be a judgment in person therefor or not. Whenever all of the indebtedness secured hereby is paid, and the Mortgagee, in its sole discretion, feels that there is no substantial uncorrected default in performance of the Mortgagor's agreements herein, the Mortgagee, on satisfactory evidence thereof, shall relinquish possession and pay to Mortgagor any surplus income in its hands. The possession of Mortgagee may continue until all indebtedness secured hereby is paid in full or until the delivery of a Deed pursuant to a judgment foreclosing the lien hereof, but if no deed be issued, then until the expiration of the statutory period during which it may be issued, Mortgagee shall, however have the discretionary power at any time to refuse to take or to abandon possession of said premises without affecting the lien hereof. Mortgagee shall have all powers, if any, which it might have had without this paragraph. No suit shall be sustainable against Mortgagee based upon acts or omissions relating to the subject matter of this paragraph unless commenced within sixty days after Mortgagee's possession ceases.

## B. THE MORTGAGOR FURTHER COVENANTS:

(1) That in the case of failure to perform any of the covenants herein, the Mortgagee may do on the Mortgagor's behalf everything so covenanted, that the Mortgagee may also do any act it may deem necessary to protect the lien hereof; that the Mortgagor will repay upon demand any moneys paid or disbursed by the Mortgagee for any of the above purposes and such moneys together with interest thereon at the Default Rate stated in the Note shall become so much additional indebtedness hereby secured and may be included in any judgment foreclosing this mortgage and be paid out of the rents or proceeds of sale of said premises if not otherwise paid; that it shall not be obligatory upon the Mortgagee to inquire into the validity of any lien, encumbrance, or claim in advancing moneys as above authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance any moneys for any purpose nor to do any act hereunder, and that Mortgagee shall not incur any personal liability because of anything it may do or omit to do hereunder;





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the Mortgagee, its successors or assigns, become immediately due and payable, without notice, and all of said indebtedness, together with interest thereon at the Default Rate stated in the Note from the date of acceleration, shall be collectable immediately, or at any time after such default. The Mortgagee waives its right to accelerate payment of such indebtedness only by consenting in writing to such sale or transfer or by accepting in writing a written Transfer and Assumption Agreement executed by the Mortgagor and his grantee.

(7) Further, that if Mortgagor has made any false statements concerning any facts as stated on the application form of the Mortgagee or represents that the within property is being purchased for Mortgagor's Dwelling and then fails to occupy said premises, then at the election of the Mortgagee, the Mortgagee shall have the right to declare all sums secured thereby immediately due and payable, together with interest thereon at the Default Rate stated in the Note from the date of acceleration.

IN WITNESS WHEREOF, CALIA DEVELOPMENT CORPORATION has hereunto caused its corporate seal to be affixed and this Mortgage to be signed by its Vice President and attested by its Secretary, this 20th day of DECEMBER, 1991.

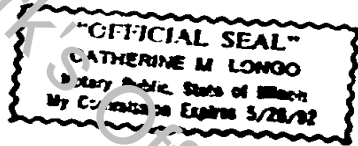
By: [Signature]  
ROBERT CALZARETTA, Vice President  
Attest: [Signature]  
DONALD CIAGLIA, Assistant Secretary

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 [Name] personally known to me to be the Vice President of CALIA DEVELOPMENT CORPORATION and [Name] to be the Secretary of said corporation whose names are subscribed to foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Secretary, they signed and delivered the said instrument of writing as Vice President and Secretary of said corporation and caused the corporation seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of DECEMBER, 1991.

[Signature]  
Harilyn L. Lammers, Notary Public



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## EXHIBIT "A" Legal Description

PARCEL 1:

LOT 76 IN THE GLEN OF SOUTH BARRINGTON, UNIT NUMBER 5, BEING A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

GRANT OF EASEMENT RECORDED JULY 24, 1987 AS DOCUMENT 87-09106 FOR INGRESS AND EGRESS OWNER THE FOLLOWING:

VACATED BLANCHARD CIRCLE, AS SAID STREET IS SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 2, RECORDED FEBRUARY 11, 1982 AS DOCUMENT 26142879;

VACATED ROSE BOULEVARD, AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 2, AND ON THE PLAT OF SOUTH BARRINGTON, RECORDED APRIL 7, 1976 AS DOCUMENT 2-393999;

ROSE BOULEVARD, A PRIVATE ROAD, SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 3, RECORDED OCTOBER 1966 AS DOCUMENT 86509907;

COREY DRIVE AS SAID PRIVATE ROAD IS SHOWN ON THE SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 3;

VACATED GREGORY LANE, AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON;

VACATED LAKE ADALYN DRIVE AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON;

LAKE ADALYN DRIVE, A PRIVATE ROAD SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 6, RECORDED OCTOBER 11, 1983 AS DOCUMENT 85232441;

AMBROSE LANE, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 6;

CREFT LANE, A PRIVATE ROAD SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 5, RECORDED JULY 19, 1987 AS DOCUMENT 87381219;

TENNIS CLUB DRIVE, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 5;

McGLASHEN ROAD, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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PROPERTY OF COOK COUNTY Clerk's Office

RIDER NO 1

CONSTRUCTION LOAN AGREEMENT

THIS AGREEMENT made this 20TH day of DECEMBER 19 91, by and between CALIA DEVELOPMENT CORPORATION (hereinafter called "Borrower"), and ROSSMORE BANK, F.S.B. (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", including on 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") in even date herewith, and securing the principal sum of \$ 600,000.00, which mortgage and note constitute a valid first lien upon the premises, and which note and mortgage are in all respects subject to the conditions and covenants contained herein.

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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, contracted and warranted by and between the parties hereto as follows:

1. Immediately upon closing of the loan, Borrower shall have the right to Lender to make and receive the loan proceeds for the purpose of construction of the improvements on the premises and the Lender shall not be obligated to disburse the proceeds of the loan until the Borrower has satisfied the conditions specified in the note and mortgage and the Lender with respect to the use construction and disbursement of the funds and specifications. The same shall be decided by a competent architect to be selected by the Lender but to be made by the Borrower. The decision of such architect or FHA representative, as the case may be, shall be final, conclusive and binding upon the parties hereto.

2. Borrower shall at all times, and at its expense, insure for the 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 they 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

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, material, 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 NOVEMBER 20, 1992.

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 \$12,900.00 (2%) 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 amounts 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 together reasonable evidence that the Borrower has paid all sums due for work, equipment 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 93, 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 evidences 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 uses 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 recording 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 estate, or upon a general assignment for the benefit of 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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7. 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 engineer's 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 whatsoever 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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# UNOFFICIAL COPY

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

ATTEST:

HOUSEHOLD BANK, S.S.B.

Lawrence A. McGuire  
ASST. Secretary  
LAWRENCE A. MCGUIRE,

[Signature]  
BY: [Signature]  
SR. Vice President  
MICHAEL D. WILLIAMS,

[Signature]  
ROBERT CALZARETTA, PRESIDENT

[Signature]  
DONALD CIAGLIA, SECRETARY

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 MICHAEL D. WILLIAMS SR. VICE President of HOUSEHOLD BANK, S.S.B., and LAWRENCE A. MCGUIRE ASST. 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 SR. VICE President and ASST. Secretary, they signed and delivered the said Assignment as SR. VICE President and ASST. 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 20TH day of DECEMBER 19 91.

My Comm. Expires 07/13/93  
**OFFICIAL SEAL**  
MARILYN L. LANNERS  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 7/13/93

[Signature]  
Notary Public

91873063

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that ROBERT CALZARETTA, PRESIDENT & DONALD CIAGLIA, SECRETARY OF CALIA DEVL. personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such persons, and ~~they~~ they appeared before me this day in person and acknowledged that ~~that~~ they signed and delivered said instrument as ~~their~~ their own free and voluntary act.

Given under my hand and notarial seal this 20TH day of DECEMBER 19 91.

My Comm. Expires 07/13/93  
**OFFICIAL SEAL**  
MARILYN L. LANNERS  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 7/13/93

[Signature]  
Notary Public



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CX00122

## EXHIBIT "A" Legal Description

### PARCEL 1:

LOT 70 IN THE GLEN OF SOUTH BARRINGTON, UNIT NUMBER 5, BEING A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

GRANT OF EASEMENT RECORDED JULY 29, 1987 AS DOCUMENT 87-09106 FOR INGRESS AND EGRESS OWNER THE FOLLOWING:

VACATED BLANCHARD CIRCLE, AS SAID STREET IS SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 2, RECORDED FEBRUARY 11, 1982 AS DOCUMENT 26142879;

VACATED ROSE BOULEVARD, AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 2, AND ON THE PLAT OF SOUTH BARRINGTON, RECORDED APRIL 7, 1978 AS DOCUMENT 24393994;

ROSE BOULEVARD, A PRIVATE ROAD, SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 3, RECORDED OCTOBER 1986 AS DOCUMENT 86509907;

COREY DRIVE AS SAID PRIVATE ROAD IS SHOWN ON THE SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 3;

VACATED GREGORY LAND, AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON;

VACATED LAKE ADALYN DRIVE, AS SAID STREET IS SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON;

LAKE ADALYN DRIVE, A PRIVATE ROAD SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 6, RECORDED OCTOBER 11, 1985 AS DOCUMENT 85232441;

AMEROSE LAND, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 6;

CREET LANE, A PRIVATE ROAD SHOWN ON THE PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 5, RECORDED JULY 10, 1987 AS DOCUMENT 87381219;

TENNIS CLUB DRIVE, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 5;

McGLASHEN ROAD, A PRIVATE ROAD SHOWN ON SAID PLAT OF THE GLEN OF SOUTH BARRINGTON, UNIT 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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## EXHIBIT "B"

- 1) At foundation
  - 2) Under roof and enclosed to weather
  - 3) Roughed-in and drywalled
  - 4) Final
- 4\* Or as many draws as agreed to by both parties.

Property of Cook County Clerk's Office

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