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This instrument was prepared by,
and after recording return to:

William J. Mitchell
MELTZER, PURTILL & STELLE
1515 E. Woodfield Rd., Suite 250
Schaumburg, Illinois 60173-5431

Address of Condominium:

5740 North Sheridan Road
Chicago, IL 60626

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COOK COUNTY RECORDER

COMBINED SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF CONDOMINIUM ASSESSMENTS AND COLLECTION RIGHTS

Re: Sheridan Shores Condominium

THIS COMBINED SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF CONDOMINIUM ASSESSMENTS AND COLLECTION RIGHTS ("Assignment") is made and delivered by SHERIDAN SHORES CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation ("Assignor"), to OAK BROOK BANK, an Illinois state bank ("Assignee").

WITNESSETH

Assignor is a condominium association created under that certain Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for Sheridan Shores Condominium, recorded with the Cook County Recorder On December 9, 1977, as Document No. 24231378, as amended from time to time ("Declaration"), against certain real estate legally described in **Exhibit A** attached hereto and made a part hereof. The real estate which is legally described in **Exhibit A** hereto shall sometimes be referred to herein as the "Condominium"; the condominium units described in and created by the Declaration shall be referred to herein collectively as the "Units" and individually as a "Unit"; and the title holder of a Unit shall be referred to herein as an "Owner".

Assignor and Assignee have entered into a certain financing arrangement, wherein Assignee has agreed to make a loan ("Loan" or "Line of Credit") to the Assignor for the purposes completing rehabilitation of all or a portion of the Condominium. The Loan is structured as a non-revolving credit facility in the amount of \$250,000, and is evidenced by a certain Promissory Note dated November 1, 1996 ("Note") made by Assignor payable to the order of, and delivered

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to, Assignee in the principal amount of \$250,000, which matures on May 1, 2002 ("Maturity Date") and shall be repaid in monthly installments of principal and interest as provided in the Note. The Note is secured hereby and by certain other documents and instruments made by Assignor in favor of Assignee (such documents, together with the Note, this Assignment and any agreements relating to the subject of the Loan are hereinafter referred to as the "Loan Documents"). The obligations and liabilities of Assignor under the Note, this Assignment and under the other Loan Documents are hereinafter referred to herein as the "Obligations".

As a condition precedent to making the Loan, Assignee has required Assignor to enter into and make this assignment, and Assignor desires to make the assignment and to grant the security interests herein contained to the Assignee.

ACCORDINGLY, Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, agrees as follows:

1. RECITALS/DEFINED TERMS. The Recitals set forth above are incorporated herein by this reference and shall be and constitute a part of this Assignment and the agreement of the parties hereto as if fully set forth hereunder for a full and complete recitation thereof. All capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Loan Documents.

2. ASSIGNMENT/GRANT OF SECURITY INTEREST/LICENSE TO ASSIGNOR. Assignor hereby grants, transfers, sets over and assigns to Assignee, all of the right, title and interest of Assignor (i) in and to any assessments, whether general, special or otherwise ("Assessments"), which are now or hereafter levied by Assignor pursuant to the annual budget of the Association ("Annual Budget") and the Declaration against all or less than all of the units in the Condominium, including, without limitation, if applicable, any special assessment levied by Assignor for the purpose of repaying the Note ("Special Assessment"), (ii) in and to any and all reserves established and maintained pursuant to the Declaration ("Reserves") and (iii) in and to the right to collect and apply the Assessments ("Collection Rights"), whether such rights arise under the Declaration or any other documents, instruments and agreements creating, governing and controlling Assignor and the Condominium (collectively, "Condominium Documents"), the Illinois Condominium Property Act, or otherwise. Assignor further grants to Assignee a security interest in and does hereby assign, pledge, mortgage, convey and set over unto Assignee the property described as follows (hereinafter referred to collectively as the "Property", which, together with the Assessments, Reserves and Collection Rights are hereinafter referred to as the "Collateral"):

A. All apparatus, machinery, devices, fixtures, communication devices, systems and equipment, fittings, appurtenances, equipment, appliances, furniture, furnishings, appointments, accessories, landscaping, plants and all other items of personal property now or hereafter acquired by Assignor, or in which Assignor may now or hereafter have any interest whatsoever.

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B. Any and all revenues, receivables, income and accounts now owned or hereafter acquired.

C. Any and all goods, tangible and intangible, personal property of any kind, nature or description (including without limitation, any and all accounts, contract rights, franchises, licenses, permits, documents, instruments and general intangibles) of Assignor, whether now owned or hereafter acquired, or in which Assignor now has or shall hereafter acquire any right, title or interest whatsoever, and any and all replacements and substitutions thereof or therefor.

D. Any and all proceeds from insurance or condemnation awards, judgments or other amounts received by the Assignor in connection with the Condominium or the Units, which are disbursed, received or otherwise available after the payment to persons or entities holding bona fide liens upon the Units and/or in the Condominium superior to the right of the Assignee to realize upon the same as a part of the Collateral assigned hereby and in which a security interest is granted hereunder by virtue of the remedies set forth herein.

E. Any and all additions and accessories to all of the foregoing and any and all proceeds, renewals, replacements and substitutions of all of the foregoing.

However, so long as no Event of Default shall have occurred or exist, Assignee temporarily waives its rights to collect the Assessments and exercise the Collection Rights, and hereby gives the Assignor permission to collect the Assessments and exercise the Collection Rights. In consideration of granting such permission to Assignor, Assignor agrees to use the Assessments for the purpose of making payments on the Obligations, and in particular applying the Special Assessment to repaying the Loan, prior to using the Assessments for any other purpose. The permission given the Assignor herein to collect the Assessments and exercise the Collection Rights may be revoked at any time, in Assignee's sole and absolute discretion, upon the occurrence of an Event of Default.

3. OBLIGATIONS AND LIABILITIES. Assignor hereby gives this grant and assignment to Assignee to secure the following:

A. Payment by Assignor when due of (i) the indebtedness evidenced by the Note, and any and all renewals, extensions or refinancing thereof; (ii) other Obligations and any other obligations, liabilities or indebtedness which may be due and owing from the Assignor to Assignee, or by any co-maker or guarantor of the Note, whether such obligations, liabilities or indebtedness are now existing or hereafter created, direct or indirect, absolute or contingent, joint or several due or to become due, howsoever created, evidenced or arising and howsoever acquired by Assignee, and any and all renewals, extensions or refinancing thereof, and including but not limited to any liability arising under an interest rate protection agreement; and (iii) all

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costs and expenses paid or incurred by Assignee in enforcing its rights hereunder, including without limitation, court costs and attorneys' fees.

B. Observance and performance by Assignor of the covenants, terms, conditions and agreements contained in the Note, this Assignment and the other Loan Documents.

4. REPRESENTATIONS AND WARRANTIES OF ASSIGNOR . Assignor hereby represents and warrants to Assignee that:

A. This Assignment, as executed by Assignor, constitutes the legal and binding obligation of Assignor enforceable in accordance with its terms and provisions.

B. Assignor has full power and authority to levy the Assessments and to enforce the collection of the Assessments under the Collection Rights, and each of the Assessments, now or hereafter levied by Assignor, have been (or shall be) duly authorized and validly levied against the Units and is (or shall be) valid, binding and enforceable against such Units.

C. Assignor has not heretofore made any other assignment of any part or all of its interest in and to any or all of the Assessments, the Collection Rights or the Collateral, other than those which have been released and forever terminated.

D. Assignor has not heretofore executed any instrument or performed any act which may or might prevent Assignee from entering into, or limit in any respect with regard to, the terms and provisions hereof.

E. The Assessments have been properly and validly levied in accordance with the Declaration and Act and are enforceable against the Unit Owners and Units in accordance with their terms.

F. Any Special Assessment which has been levied is in an appropriate amount as deemed reasonably necessary to maintain the minimum coverage ratios required under the Loan Documents, if any, or otherwise to support the debt service under the Loan, and is payable by the Unit Owners based on their respective proportionate shares of ownership in the Condominium, in monthly installments ending on or after the Maturity Date.

G. The Assessments are payable by the Unit Owners based on their respective proportionate shares of ownership in the Condominium, in monthly installments.

H. Except as disclosed in writing to Assignee, all of the Assessments are current and no Owner of a Unit has failed to pay any portion of the Assessments as of the date hereof.

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5. COVENANTS OF ASSIGNOR. Assignor covenants and agrees that so long as this Assignment shall be in effect:

A. Assignor shall not decrease the Assessments, without the prior written consent of Assignee.

B. Assignor shall adopt the Annual Budget each year and, within twenty (20) days after its adoption, deliver a copy of the Annual Budget to Assignee. Once adopted, the budget shall not be amended without Assignee's prior written consent.

C. Assignor shall observe and perform all of the covenants, terms, conditions and agreements contained in the Declaration and other Condominium Documents to be observed or performed by the Assignor thereunder.

D. Assignor shall take all reasonable action to collect the Assessments when the same shall become due.

E. Assignor shall not make any other assignment of, or grant in, the entire or any part of its interest in or to any or all of the Assessments and/or Collection Rights without the prior written consent of Assignee.

F. Assignor shall not waive or excuse the obligation to pay any of the Assessments.

G. Assignor shall diligently enforce the Collection Rights in case of default by any Owner in the payment of the Assessments when the same shall be due.

H. Assignor shall, at its sole cost and expense, appear in and defend any and all actions and proceedings arising under, relating to or in any manner connected with any of the Assessments, the Collection Rights or the Collateral, or the obligations, duties or liabilities of the Assignor thereunder, and shall pay all costs and expenses of Assignee, including court costs and attorneys' fees, in any such action or proceeding in which Assignee may appear.

I. Assignor shall give written notice to Assignee when Owners of more than five (5%) of the Units are delinquent for more than sixty (60) days in the payment of assessments or when the aggregate of unpaid assessments that are more than sixty (60) days overdue exceeds five percent (5%) of the aggregate monthly assessment payable to the Association.

J. Assignor shall, in addition to any other schedules, reports, schedules or data required hereunder or under the Loan Documents, furnish Assignee with respect to each month, by the 15th day of the succeeding month, a list of any delinquencies in the payment of Assessments which were due and payable during the preceding month, which shall contain the names of all Owners and all lessees of Units and/or the names of all Owners who are delinquent in the

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payment of assessments and the amount of the delinquencies and such information shall not be disclosed to third parties except to the extent necessary to enforce Assignee's rights hereunder.

K. Assignor shall enforce the observance and performance of each covenant, term, condition and agreement contained in Condominium Documents to be observed and performed in connection with the Assessments.

L. Assignor shall not permit any of the Assessments, Collection Rights or rights in the Collateral to become subordinate to any lien or liens other than liens securing the indebtedness secured hereby or otherwise permitted herein.

M. Assignor shall take any and all steps required to protect the Collateral and in pursuance thereof Assignor agrees that applicable portions of the Collateral:

1.) Shall be kept at the Condominium and shall be used only in the conduct of Assignor's operations and operation of the buildings, structures and improvements on the Condominium;

2.) Shall not be misused, wasted or allowed to deteriorate, except for the ordinary wear and tear resulting from its use, as aforesaid;

3.) Shall at all times be insured against loss, damage, theft, and such other risks as Assignee may require in such amounts, with such companies, under such policies, in such form and for such periods as shall be satisfactory to Assignee, and each such policy shall provide that the loss thereunder and the proceeds payable thereunder shall be payable to Assignee as its interest may appear, and Assignee may apply any proceeds of such insurance which may be received by Assignee toward the payment of the indebtedness evidenced under the Note whether due or not due, in such order as Assignee may determine;

4.) Shall not be used in violation of any applicable statute, law, rule, regulation or ordinance; and

5.) May be examined and inspected by Assignee at any reasonable time, wherever located.

N. Assignor shall take any and all steps necessary to protect the priority of the security interest granted herein, and in pursuance of this obligation, Assignor agrees that:

1.) Assignor shall not sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein or offer to do so without the prior written consent of Assignee, or permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Assignment;

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2.) Assignor shall pay promptly when due all taxes and assessments upon the Collateral or for its use or operation and, if requested in writing by Assignee, shall deliver to Assignee, within ten (10) days after such request, a receipt or other evidence satisfactory to Assignee of the payment thereof;

3.) Assignor shall sign and execute alone or with Assignee any financing statement or other document or procure any documents and pay all connected costs, expenses and fees, including attorneys' fees, necessary to protect the security interest under this Agreement against the rights, interests or claims of third persons;

4.) Assignor shall reimburse Assignee for all costs, expenses and fees, including without limitation court costs and reasonable attorneys' fees, incurred for any action taken by Assignee to remedy a default of Assignor under this Agreement;

5.) Assignor shall: (A) from time to time promptly execute and deliver to Assignee all such other assignments, certificates, supplemental writings, and financing statements, and do all other acts or things as Assignee may request in order to more fully evidence and perfect the security interest created herein; (B) punctually and properly perform all of Assignor's agreements and obligations under this Agreement, the Note and the other Loan Documents and under any other security agreement, collateral pledge, agreement or contract of any kind now or hereafter existing as security for and in connection with payment of the indebtedness evidenced under the Note, or any part thereof; (C) pay the such indebtedness in accordance with the terms thereof and in accordance with the terms of this Agreement, the Note and the other Loan Documents or other writings evidencing such indebtedness, or any part thereof; (D) promptly furnish Assignee with any information or writings which Assignee may request concerning the Collateral; (E) allow Assignee to inspect all records of Assignor relating to the Collateral, the indebtedness secured hereby and the operation of Assignor or the Condominium and to make and take away copies of such records; (F) promptly notify Assignee of any change in any facts or circumstances warranted or represented by Assignor in this Agreement or in any other writing furnished by Assignor to Assignee in connection with the Collateral, the indebtedness secured hereby and the operation of Assignor or the Condominium; (G) promptly notify Assignee of any claim, action or proceeding affecting title to the Collateral, or any part thereof, or the security interest created herein, and, at the request of Assignee, appear in and defend, at Assignor's sole cost and expense, any such action or proceeding; and (H) promptly, after being requested by Assignee, pay to Assignee the amount of all expenses, including attorneys' fees, court costs and other legal expenses, incurred by Assignee in enforcing the security interest created herein;

6.) Assignor shall not, without the prior written consent of Assignee: (A) create any other security interest in, mortgage, pledge, or otherwise encumber the Collateral, or any part thereof, or (B) permit the same to be or become subject to any lien, attachment,

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execution, sequestration, other legal or equitable process, or any encumbrance of any kind or character;

7.) Should the Collateral, or any part thereof ever be in any manner converted by its issuer or maker into another type of property or any money or other proceeds ever be paid or delivered to Assignor, then, in any such event, all such property, money and other proceeds shall become part of the Collateral, and Assignor covenants to forthwith pay or deliver to Assignee all of the same which is susceptible of delivery and, at the same time, if Assignee deems it necessary and so requests, Assignor will properly endorse or assign the same. With respect to any of such property of a kind requiring any additional security agreement, financing statement or other writing to perfect a security interest therein in favor of Assignee, Assignor will forthwith execute and deliver to Assignee whatever Assignee shall deem necessary or proper for such purpose; and

8.) Should any covenant, duty or agreement of Assignor fail to be performed in accordance with its terms hereunder, Assignee may, but shall never be obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of Assignor, and any amount expended by Assignee in such performance or attempted performance shall become a part of the indebtedness evidenced by the Note, and, at the request of Assignee, Assignor agrees to pay such amount promptly to Assignee at Assignee's address set forth opposite its name below, or at such other place as Assignee may designate, together with interest thereon at the Default Rate (as such term is defined in the Note) from the date of such expenditure by Assignee until paid.

O. Assignor irrevocably consents that any Unit Owner or tenant, occupant, or other person in possession or occupancy of a Unit may completely rely upon Assignee's notice of an Event of Default hereunder and the right of Assignee to exercise its rights granted hereby without requirement on the part of such person to independently determine the actual existence of such Event of Default.

6. RIGHTS PRIOR TO DEFAULT. So long as no Event of Default has occurred hereunder, Assignee shall not demand from any Owner or any other person liable for any of the Assessments, any payment of the Assessments assigned hereunder, and Assignor shall have the right to collect, at the time provided for the payment thereof, all of the Assessments assigned hereunder, and to retain and use the same, as provided above. However, Assignee shall have the right to notify the Unit Owners of the existence of this Assignment at any time.

7. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an "Event of Default" for purposes of this Assignment and the other Loan Documents:

A. Any "Event of Default" shall occur under the Note or the other Loan Documents.

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B. Assignor defaults in the payment within ten (10) days after the date when due of (i) principal or interest payable pursuant to the Note or (ii) any other amount payable pursuant to the Note or any other agreement with Assignee, including, without limitation, any of the other Loan Documents.

C. Any material representation or warranty, as determined by Assignee in its sole but reasonable judgment, in this Assignment or in any of the other Loan Documents or this Assignment.

D. Failure by the Assignor to promptly perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by the Assignor under this Assignment, the Note or any other Loan Document, or with respect to Covenants specified in Sections 5.A., E., F. And N.(6), within thirty (30) days after written notice from Assignee.

E. The existence of any inaccuracy or untruth in any representation, covenant or warranty contained in this Assignment or any Loan Document, or of any statement or certification as to facts delivered to Assignee by Assignor, any co-maker or guarantor of the Note, or any applicant for the loan evidenced by the Note.

F. Assignor makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of his, her or its creditors, or seeks or consents to the appointment of any receiver, trustee or similar officer for all or; or if a trustee of any substantial part of the assets of Assignor is applied for or appointed, and if appointed in a proceeding brought against Assignor, any action or failure to act indicates its approval of, consent to, or acquiescence in such appointment, or within forty-five (45) days after such appointment, such appointment is not vacated or stayed on appeal or otherwise, or shall not otherwise have ceased to continue in effect.

G. Any proceedings involving Assignor are commenced by or against Assignor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the federal government or any state government and if such proceedings are instituted against Assignor, Assignor by any action or failure to act indicates its approval of, consent to or acquiescence therein, or an order shall be entered approving the petition in such proceedings and within forty-five (45) days after the entry thereof such order is not vacated or stayed on appeal or otherwise, or shall not otherwise have ceased to continue in effect.

H. Assignor defaults in any payment of principal or interest for any other obligation or in the performance of any other term, condition or covenant contained in any agreement, under which any such obligation is created the effect of which default is to cause or permit the holder of such obligation to cause such obligation to become due prior to its stated maturity.

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I. If there shall be entered against the Assignor one or more judgments or decrees involving in the aggregate a liability of \$25,000 or more which is not covered by insurance, and any such judgment or decree shall not have been vacated, discharged or stayed pending appeal within forty-five (45) days from the entry thereof.

J. The termination of the existence of the Assignor as a condominium association, and/or the termination of the Condominium as a condominium under the Act.

K. Any sale, transfer, lease, assignment, conveyance, pledge, lien or encumbrance of the Collateral, except in the ordinary course of operations or otherwise made in violation of the provisions of the Loan Documents.

L. If delinquent assessments exceed the percentage designated in Section 5.I hereof.

8. RIGHTS AND REMEDIES UPON DEFAULT. At any time upon or following the occurrence of any one or more Events of Default hereunder, Assignee may, at its option, exercise any one or more of the following rights and remedies without any obligation to do so, without in any way waiving such Event or Events of Default, without further notice or demand on Assignor, without regard to the adequacy of the security for the obligations secured hereby, without releasing Assignor from any obligation hereunder, and with or without bringing any action or proceeding to foreclose any lien granted by the Loan Documents:

A. Declare the unpaid balance of the principal sum of the Note, together with all accrued and unpaid interest thereon, immediately due and payable.

B. After having first giving at least three (3) days prior written notice to Assignor, demand, sue for, settle, compromise, collect, and give accommodations for all Assessments pursue the Collection Rights and any and all remedies for enforcement of the Assessments and all the Assignor's rights therein and thereunder; provided that, for such purpose, this Assignment shall constitute an authorization and direction to the Owners to pay all Assessments and other amounts payable under the Condominium Documents to Assignee, without proof of default hereunder, upon receipt from Assignee of written notice to thereafter pay all such Assessments and other amounts to Assignee and to comply with any notice or demand by Assignee for observance or performance of any of the covenants, terms, conditions and agreements contained in the Condominium Documents to be observed or performed by the Owners thereunder, and provided, further, that Assignor will facilitate in all reasonable ways Assignee's collection of the Assessments, and exercise of the Collection Rights including, upon request, executing and delivering written notices to the Owners to thereafter pay all Assessments, and other amounts to Assignee.

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C. Make any payment or do any act required herein of Assignor in such manner and to such extent as Assignee may deem necessary, and any amount so paid by Assignee shall become immediately due and payable by Assignor with interest thereon until paid at an annual rate equal to five and five tenths percent (5.50%) plus the Index (as defined in the Note) then in effect ("Default Rate"), and shall be secured by this Assignment.

D. Assignee shall have and may exercise any and all rights of enforcement and remedies before or after an Event of Default afforded to a Assignee under the Uniform Commercial Code in force in the State of Illinois ("Uniform Commercial Code") together with any and all other rights and remedies otherwise provided and available to Assignee at law or in equity as of the date of this Agreement or the date of Assignor's default; and, in conjunction with, in addition to, or substitution for those rights and remedies, at Assignee's discretion, Assignee may:

1.) To the extent permitted by law, enter upon Assignor's premises to take possession of, assemble and collect the Collateral or to render it or any portion of the Collateral unusable; and/or

2.) Remedy any default in any reasonable manner, without waiving its rights and remedies upon default and without waiving any other prior or subsequent default; and/or

3.) Without demand or notice of any kind, appropriate and apply toward the payment of all amounts outstanding under the Note, in such order of application as Assignee shall elect, any and all balance, credits, deposits, accounts or monies of or in the name of the Assignor now or hereinafter on deposit with or in possession of the Assignee, its affiliates or other institutions which have acknowledged or are bound by the pledge of any such balance, credits, deposits, accounts or monies made by Assignor hereunder and under the terms of the Loan Documents.

E. Assignor agrees that should it fail to make payments as provided in the Note or the other Loan Documents, or if a default be made on any obligation or promise of Assignor contained herein or hereby secured or contained in or secured by the Note or the other Loan Documents, then Assignee may, at its option, sell or dispose of the Collateral at public or private sale without any previous demand of performance or notice to Assignor of any such sale whatsoever, except as provided under the Uniform Commercial Code, and from the proceeds of sale retain: (i) all costs and charges incurred by Assignee in taking and causing the removal and sale of said property, including such attorneys' fees as shall have been incurred by Assignee; (ii) all sums due pursuant to the Note, the other Loan Documents and this Assignment, and all accrued interest thereon; and (iii) all monies due from Assignor to Assignee under any other indebtedness or obligation and all accrued interest thereon. Any surplus of such proceeds remaining shall be paid to Assignor.

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At any sale or sales made pursuant to this Agreement or in a suit to foreclose the same, the Collateral may be sold en masse or separately, at the same or at different times, at the option of Assignee or its assigns. Such sale may be public or private, with notice as required by the Uniform Commercial Code, and the Collateral need not be present at the time or place of sale. At any such sale, Assignee or the holder of the Note hereby secured may bid for and purchase any of the property sold, notwithstanding that such sale is conducted by Assignee or its attorneys, agents, or assigns, and no irregularity in the manner of sale or of giving notice shall operate to preclude Assignee from recovering the indebtedness hereby secured.

If any notification of intended sale or other disposition of the Collateral or any part thereof is required under the Uniform Commercial Code or other law, such notification, if mailed, shall be deemed reasonably and properly given if mailed to Assignor at least ten (10) days before such sale or disposition.

F. Assignee shall have the right at all times to enforce the provisions of this Assignment in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Assignee in refraining from so doing at any time or times. The failure of Assignee at any time or times to enforce its rights under said provisions strictly in accordance with the same shall not be construed or operate as a waiver of any of the rights and remedies granted Assignee hereunder or as having created a custom in any way or manner contrary to the specific provisions of this Assignment or as having in any way or manner modified the same. All rights and remedies of Assignee are cumulative and concurrent, and the exercise of one right or remedy by Assignee shall not be deemed a waiver or release of any other right or remedy. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Assignee by this Assignment is not required to be given.

G. In connection with any or all of the foregoing rights and remedies, and at Assignee's election, in its sole and absolute discretion, Assignor hereby appoints Assignee as its lawful attorney-in-fact with full power of substitution and with full power and authority to act in the name of Assignor with respect to the subject matter of this Assignment, including without limitation, anything relating to the Obligations, the Assessments, the Reserves and the Collection.

9. APPLICATION OF PROCEEDS. All sums collected and received by Assignee following the occurrence of any one or more Events of Default under the provisions of paragraph 7 of this Assignment shall be applied as follows:

A. First, to reimbursement of Assignee for and of all expenses (including court costs and attorneys' fees) of collecting the Assessments and exercising any of the Collection Rights and any other rights of Assignee granted hereunder or under the Note or the Loan Documents, with interest thereon at the Default Rate;

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B. Second, to reimbursement of Assignee for and of all sums expended by Assignee pursuant to paragraph 8.C. above to make any payment or do any act required herein of Assignor, together with interest thereon as provided herein.

C. Third, to reimbursement of Assignee for and of all other sums with respect to which Assignee is indemnified pursuant to paragraph 10 below, together with interest thereon as provided herein.

D. Fourth, to reimbursement of Assignee for and of all other sums expended or advanced by Assignee pursuant to the terms and provisions of or constituting additional indebtedness under any of the Loan Documents, with interest thereon as provided therein.

E. Fifth, to the payment of all accrued and unpaid interest on the principal sum of the Note.

F. Sixth, to payment of the unpaid balance of the principal sum of the Note.

G. Seventh, any balance remaining to Assignor, its legal representatives, successors and assigns.

10. LIMITATION OF ASSIGNEE'S LIABILITY. Assignee shall not be liable for any loss sustained by Assignor resulting from the exercise of Assignee's rights granted herein following the occurrence of any one or more Events of Default under the provisions hereof or from any other act or omission of Assignee in connection therewith. Assignee shall not be obligated to observe, perform or discharge, nor does Assignee hereby undertake to observe, perform or discharge any covenant, term, condition or agreement contained in any of the Condominium Documents or at law to be observed or performed by the Assignor thereunder, or any obligation, duty or liability of Assignor under or by reason of this Assignment, and Assignor shall and does hereby agree to indemnify Assignee for, and to hold Assignee harmless of and from, any and all liability, loss or damage which Assignee may or might incur under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to observe or perform any of the covenants, terms, conditions and agreements contained herein. Should Assignee incur any such liability, loss or damage under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and attorneys' fees, shall become immediately due and payable by Assignor with interest hereon at the Default Rate and shall be secured by this Assignment. This Assignment shall not operate to place responsibility for the care, control, management or repair of the Condominium or for the carrying out of any of the covenants, terms, conditions and agreements contained in any of the Condominium Documents upon Assignee, nor shall it operate to make Assignee responsible or liable for any negligence in the management, upkeep, repair or control of the Condominium.

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11. NON-WAIVER. Nothing contained in this Assignment and no act done or omitted to be done by Assignee pursuant to the rights and powers granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under the Note or any of the Loan Documents; this Assignment is made and accepted without prejudice to any of the rights and remedies of Assignee under the terms and provisions of such instruments; and Assignee may exercise any of its rights and remedies under the terms and provisions of such instruments either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Assignee may take or release any other security for the performance of the obligations secured hereby, may release any party primarily or secondarily liable therefor, and may apply any other security held by it for the satisfaction of the obligations secured hereby without prejudice to any of its rights and powers hereunder.

12. FURTHER ASSURANCES. Assignor shall execute or cause to be executed such additional instruments (including, but not limited to, general or specific assignments of the Assessments and/or Collection Rights and/or the other items of Collateral as Assignee may designate) and shall do or cause to be done such further acts, as Assignee may reasonably request, in order to permit Assignee to perfect, protect, preserve and maintain the agreements made by Assignee to Assignee by this Assignment.

13. SEVERABILITY. The invalidity or unenforceability of any particular provision of this Assignment shall not affect the other provisions, and this Assignment shall be construed in all respects as if such invalid or unenforceable provision had not been contained herein.

14. BENEFIT. This Assignment is binding upon each Assignor and its legal representatives, administrators, successors and permitted assigns, and the rights, powers and remedies of Assignee under this Assignment shall inure to the benefit of Assignee and its successors and assigns, including without limitation, the holder from time to time of the Note.

15. WRITTEN MODIFICATIONS. This Assignment shall not be amended, modified or supplemented without the written agreement of Assignor and Assignee at the time of such amendment, modification or supplement.

16. DURATION. This Assignment shall become null and void at such time as Assignor shall have paid the principal sum of the Note, together with all interest thereon, and shall have fully paid and performed all of the other obligations secured hereby and by the Loan Documents.

17. GOVERNING LAW. This Assignment shall be governed by and construed in accordance with the substantive laws of the State of Illinois.

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18. NOTICES. All notices and demands which are required or permitted to be given or served hereunder shall be deemed sufficiently served when delivered or mailed in the manner and to the persons described in the Loan Agreement.

DATED: November 25, 1996.

SHERIDAN SHORE CONDOMINIUM
ASSOCIATION, an Illinois not-for-profit
corporation

By: Millie Stentz
Its: President

ATTEST:

By: Doranna Wall
Its: Treasurer

13519\013\Sheridan Shore

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STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

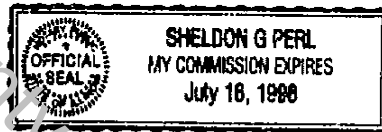
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Willie Hinton the President of Sheridan Shore Condominium Association ("Association"), and Dwana Hall the Treasurer of said Association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Treasurer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Association for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, Nov. 25, 1996.



NOTARY PUBLIC

(SEAL)



My commission expires: 07/16/98

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EXHIBIT A

Legal Description

The South 25 Feet of Lot 4 and all of Lots 5 and 6 in Block 6 in Cochran's addition to Edgewater, in Section 5, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 5740 North Sheridan, Chicago, Illinois. ✓

Pin 14-05-406-622-0000

Property of Cook County Clerk's Office

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