

All references in this document to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, 231 South LaSalle Street, Chicago, Illinois 60607, are hereby amended to read CONTINENTAL BANK N.A., 231 South LaSalle Street, Chicago, Illinois 60697

JUNE COURTNEY
BUSINESS CREDIT GROUP
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
231 SOUTH LASALLE STREET
CHICAGO, ILLINOIS 60697

89117210

THIS INSTRUMENT WAS PREPARED BY
AND IS TO BE RETURNED TO:

WHEREAS, the Company has entered into a commercial lease with M & J WILKOW MANAGEMENT CORPORATION, as authorized agent for the beneficiary of American National Bank and Trust Company of Chicago, not personally, but as Trustee under Trust Agreement dated February 1, 1987 and known as Trust No. 101143-01 (hereinafter referred to as "Lessor") dated January 16, 1989 for occupancy of the property legally described in Exhibit "A" attached hereto and made a part hereof (the "Property") (which lease, together with all of the Company's rights and remedies thereunder, and any and all proceeds payable under any policy of insurance covering loss resulting from untenability caused by destruction or damage to the property is hereinafter referred to as the "Lease"). The Lease is additional security for the payment of the Company's "Liabilities" (as defined in the Credit Agreement) and the performance of the Company's obligations under the Credit Agreement.

WHEREAS, the Banks now and from time to time hereafter shall make loans, advances and/or financial accommodations to or for the benefit of the Company pursuant to a certain Credit Agreement (the "Credit Agreement") dated as of October 31, 1988, between the Company and the Banks; and

W I L N E S S E S T H :

THIS COLLATERAL ASSIGNMENT OF TENANT'S RIGHTS IN LEASE (this "Assignment") is made as of the 16th day of January, 1989 by VIDEO SUPERSTORE MASTER LIMITED PARTNERSHIP, a Delaware limited partner-ship (hereinafter referred to as the "Company"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO ("Agent"), as agent for CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, THE EXCHANGE NATIONAL BANK OF CHICAGO and THE FIRST NATIONAL BANK OF CICERO (hereinafter collectively referred to as the "Banks").

COLLATERAL ASSIGNMENT OF TENANT'S RIGHTS IN LEASE

Edgewater

89117210

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

A. The Assignment. In order to induce the Banks to make advances under the Credit Agreement and as additional security for the payment of the Liabilities and for the performance and observance of all the agreements contained herein and in the Credit Agreement, the Company does hereby set over, and transfer to Agent and its successors, and assigns to Agent for the ratable benefit of the Banks, upon the terms and conditions hereinafter contained, a continuing collateral security interest in the Lease, together with all the right, title and interest of the Company therein and thereto, to have and to hold the same unto Agent, its successors and assigns forever, or for such shorter period as hereinafter may be indicated, as additional security for the payment of the Liabilities and for the performance and observance of all the agreements contained in the Credit Agreement.

B. Warranties, Representations and Covenants. The Company hereby covenants, represents, warrants and agrees as follows:

1) At all times, Agent shall have the right to verify the validity, amount of or any other matter relating to the Lease, by mail, telephone, telegraph or otherwise, in the name of the Company, Agent, the Banks, a nominee of the Banks, or any or all of said names, all in accordance with the terms and conditions of the Lease.

2) Unless Agent notifies the Company in writing that it dispenses with any one or more of the following requirements, the Company shall: (i) inform Agent, in writing, of any assertion of any material claims, offsets or counterclaims under the Lease; (ii) not permit or agree to any termination, cancellation, surrender, material extension, compromise or settlement or make any material change or modification of any kind or nature of or with respect to the Lease or the terms thereof; and (iii) furnish to and inform Agent of all material adverse information relating to or affecting the Lease.

3) The Lease is in full force and effect, and has not been amended or modified except as described herein or therein, the Company is the lessee under the Lease hereby assigned, and has good right to collaterally assign its interest in the same (subject, however, to the rights, if any, of the Lessor to consent to such collateral assignment), and that no other person, firm or corporation has any right, title or interest therein except as expressly set forth herein; and the Company has not previously sold, assigned, transferred,

59117210

UNOFFICIAL COPY

3 9 1 1 7 2 1 0

mortgaged or pledged its interest in the Lease to any other person or entity.

4) The Company has and shall observe, perform and discharge, duly and punctually, all and singular the obligations, terms, covenants, conditions and warranties of the Credit Agreement and the Lease, on the part of the Company to be kept, observed and performed, and to give prompt notice to Agent of any failure on the part of the Company to observe, perform and discharge same; to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connection with the Lease or the obligations, duties or liabilities of the Company and/or Lessor thereunder, and, upon request by Agent, will do so in the name and behalf of the Banks but at the expense of the Company, and to pay all costs and expenses of Agent and the Banks, including reasonable attorneys' fees in any action or proceeding in which Agent and/or the Banks may appear.

5) The Company has entered, or, within thirty (30) days from the date hereof, will enter, into occupancy of the Property; to the best of the Company's knowledge, Lessor is not in default in performing or complying with any of its obligations under the Lease; and Lessor has completed, or, within thirty (30) days from the date hereof, will have completed, all improvements required by the terms of the Lease and the Property is, or, within thirty (30) days from the date hereof, will be, open for the use of the Company, its customers, employees and invitees.

6) Neither Agent nor the Banks shall be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Property and neither Agent nor the Banks assume any obligation, duty or liability under the Lease.

7) The Company hereby agrees to indemnify and hold Agent and the Banks harmless of, from and against any and all liability, loss, damage or expense which Agent and/or the Banks may or might incur by reason of this Assignment. Should Agent and/or the Banks incur any such liability, loss, damage or expense, the amount thereof (including reasonable attorneys' fees) shall be payable by the Company immediately upon demand, shall bear interest (at the rate due on monies after a default) from the date of Agent's payment thereof until repaid to Agent, and shall be secured hereby.

8) The failure of Agent or the Banks to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time or at any time or times,

UNOFFICIAL COPY

39117210

shall not be construed or deemed to be a waiver by Agent or the Banks of any of its or their rights and remedies hereunder. The rights and remedies of Agent and the Banks under this Assignment are and shall be cumulative and in addition to any and all rights and remedies available to Agent and the Banks under the Credit Agreement.

9) Upon payment in full of all of the Liabilities, this Assignment shall become and be void and of no further effect, and the Banks shall, upon demand by the Company, execute a release to be filed of record.

10) This Assignment was executed and delivered in, and, except as otherwise specifically stated in any given paragraph hereof, shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois.

C. Power of Attorney. Upon the occurrence of a default under the terms of the Credit Agreement, the Company further irrevocably appoints Agent as the Company's attorney in fact to exercise any or all of the Company's rights in, to, and under the Lease and to do any or all other acts, in the Company's name or in the Agent's or Banks' own name or names, that the Company could do under the Lease, with the same force and effect as if this Assignment had not been made.

D. Exercise of Rights. Upon the occurrence of an Event of Default under the terms of the Credit Agreement, Agent, in its sole election and in its sole discretion, may do any one or more of the following, subject to the terms and conditions contained in the Lease:

1) Enter upon, take possession of, manage and operate the Property or any part thereof pursuant to the terms and conditions of the Lease, and the Company agrees to surrender possession of the same.

2) If such Event of Default under the Credit Agreement occurs due to the Company's default under the Lease, Agent may cure any such default under the Lease within the curative times provided in the Lease.

3) Exercise any and all rights and remedies afforded to Agent under the Credit Agreement and the Uniform Commercial Code and any and all other applicable provisions of law, including the right to sell the Company's interest in the Lease at a public or private sale.

UNOFFICIAL COPY

3 9 1 1 7 2 1 0


E. Successors And Assigns. This Assignment shall inure to the benefit of and be binding on the Company, the Agent and the Banks and the successors and assigns of each.

IN WITNESS WHEREOF, this Assignment has been duly executed the day and year first above written.

VIDEO SUPERSTORE MASTER LIMITED
PARTNERSHIP, a Delaware limited
partnership

By: VSMI Limited Partnership, an
Illinois limited partnership,
its general partner

By: SAB Corporation, an Illinois
corporation, its general partner

By:  PRESIDENT
Jeff Shearer, Its President

Property of Cook County Clerk's Office

UNOFFICIAL COPY

39117210

STATE OF ILLINOIS §
COUNTY OF DUPAGE §

I, LINDA MARIE VASILION, notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Jeff Shearer personally known to me to be the President of SAB Corporation, an Illinois corporation, general partner of VSMI Limited Partnership, an Illinois limited partnership, general partner of Video Superstore Master Limited Partnership, a Delaware limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, as general partner of said limited partnership, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 23rd day of February, 1989.

" OFFICIAL SEAL "
LINDA MARIE VASILION
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/17/91
~~My Commission Expires:~~
12-17-91

Linda Marie Vasilion
Notary Public

COOK County Clerk's Office

83117210

UNOFFICIAL COPY

3 9 1 1 7 2 1 0

EXHIBIT A TO COLLATERAL ASSIGNMENT OF TENANT'S RIGHTS IN LEASE DATED EFFECTIVE JANUARY 16, 1989, BETWEEN VIDEO SUPERSTORE MASTER LIMITED PARTNERSHIP AND CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS AGENT FOR THE BANKS

LEGAL DESCRIPTION:

PARCEL 1:

Lots 5 through 24, both inclusive, in Block 9 in Cochran's Third Addition to Edgewater in the East 1/2 of the Northwest 1/4 of Section 8, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Number: 14-08-121-030 Volume: 477
(Affects Lots 5 through 10, both inclusive)

14-08-121-022
(Affects Lots 11 and 12)

14-08-121-023
(Affects Lot 13)

14-08-121-024
(Affects Lot 14)

14-08-121-025
(Affects Lots 15 and 16)

14-08-121-026
(Affects Lots 17, 18 and 19)

14-08-121-027
(Affects Lots 20 through 24, both inclusive)

Common Address: 5300 N. Broadway
Chicago, IL 60660