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Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 09/14/2011 03:36 PM Pg: 1 of 10

*This document prepared  
By and*  
**After Recording Mail To:**  
Dana C. Siragusa  
1961 N. Fremont,  
Unit 2F  
Chicago, Illinois 60614

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**Property Address:** 1753-1755 N. Damen Avenue, Chicago, Illinois 60657

**Permanent Index Number(s):** 14-31-416-001, 14-31-416-002, 14-31-416-003, 14-31-416-004, 14-31-416-005

**Legal Description:**

LOTS 16 THROUGH 20, BOTH INCLUSIVE, IN BLOCK 37 AND THE WEST 1/2 OF VCATED ALLEY BETWEEN LOTS 15 AND 16 IN SAID BLOCK 27 IN E.R. SMITH'S SUBDIVISION OF SHEFFIELD'S ADDITION IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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## PLEDGE OF MEMBERSHIP INTEREST AGREEMENT

THIS PLEDGE OF MEMBERSHIP INTEREST AGREEMENT dated as of November \_\_, 2005 (the "**Agreement**"), between **ARTURO COLLAZO**, an individual of Chicago, Illinois and **JON GOLDMAN** (collectively "**Pledgors**"), and **DERMATOLOGY ASSOCIATES OF BAY COUNTY P.A. EMPLOYEE BENEFIT TRUST COMBINED SIRAGUSA ROLLOVER ACCOUNT** ("**DA**") and **ROBERT, DANA and JULIE SIRAGUSA** ("**RDJ**") (collectively "**Lender**").

### WITNESSETH:

**WHEREAS**, **DA** has heretofore made a loan to **1755 DAMEN LLC** ("**1755**") and **PLEDGORS** ("**Borrower**"), in the original principal amount of EIGHT HUNDRED THOUSAND AND NO/100 (\$800,000.00) DOLLARS and **RDJ** has made a loan to Borrower in the sum of TWO HUNDRED THOUSAND AND NO/100 (\$200,000.00) (the "**Loan**");

**WHEREAS**, the Loan is evidenced by, among other things, that certain Promissory Note dated as of November 22, 2005, made by Borrower in favor of Lender (the Promissory Note, as the same may have been or may hereafter be amended, modified, supplemented, renewed or replaced from time to time, is hereinafter referred to as the "**Note**") in the sum of \$1,000,000.00;

**WHEREAS**, Pledgors own 100% of the membership interests in 1755 and will benefit from the Loan;

**WHEREAS**, 1755 owns certain real estate commonly known as 1753-55 North Damen Avenue, Chicago, Illinois (the "**Property**");

**WHEREAS**, Lender is requiring that Pledgors enter in to this Agreement in favor of Lender in order to induce Lender to enter into the Loan and to secure payment of the Note.

**NOW, THEREFORE**, in consideration of the premises and the covenants hereinafter contained and to induce Lender to Lender to enter into the Loan, the parties agree as follows:

1. **Definitions.** Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed to them in the Note and other loan documents.
2. **Pledge.** Pledgors hereby pledge to Lender, and grant to Lender a continuing, first priority security interest in and to the Pledgors' 100% membership interests in the Company (the "**Membership Interest**"), and all dividends, cash instruments, distributions and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Membership Interest (the "**Pledged Collateral**").
3. **Security for Obligations.** This Agreement and the Pledged Collateral are security for the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, and the timely performance and satisfaction of all obligations under the Note and all other documents evidencing or securing the Loan (collectively, the "**Loan Documents**"), whether for principal,

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premium, interest, fees, costs and expenses, and all liabilities and obligations of Pledgors now or hereafter existing under this Agreement (the "**Secured Obligations**").

4. **Release of Pledged Collateral.** Lender will release the Pledged Collateral when Borrower pays all of the outstanding principal and interest under the Loan, plus all expenses incurred by Lender in connection with the Loan that Borrower is obligated to pay under the Loan Documents and satisfies all of Borrower's other obligations under the Loan Documents.

5. **Representations, Warranties and Covenants.** Pledgors represent and warrant to, and covenant with, Lender that:

(a) Pledgors are the sole holders of record and the sole legal and beneficial owners of the Pledged Collateral, free and clear of any lien, encumbrance, security interest or third party claim of any kind thereon or affecting the title thereto, except for the lien created by this Agreement and the lien on the Property held by Bridgeview Bank & Trust.

(b) Pledgors have paid all capital required to be paid by Pledgors pursuant to the Articles of Organization and Operating Agreement (the "**Constituent Documents**") of the Company.

(c) The Pledged Collateral represents 100% of all the capital and interest in profits, losses and distributions of the Company pursuant to the Constituent Documents, and 100% of the interest of Pledgors in the Borrower.

(d) Pledgors have the requisite power and authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral to Lender as provided herein.

(e) The Pledged Collateral has not been issued or transferred in violation of the securities registration, securities disclosure or other securities or "blue sky" laws of any jurisdiction to which such issuance or transfer may be subject.

(f) Attached hereto as Exhibit A are true and correct copies of the Constituent Documents. The Borrower is an entity duly formed, validly existing and in good standing in Illinois.

(g) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid first priority lien on and a first priority perfected security interest in the Pledged Collateral, and the proceeds thereof, securing the payment of the Secured Obligations.

(h) This Agreement constitutes a legal, valid and binding obligation of Pledgors enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

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(i) The representations, warranties and covenants set forth in this Section 5 shall survive the execution and delivery of this Agreement, until the full and final payment and satisfaction or discharge of all Secured Obligations.

6. **Additional Covenants.** Pledgors further covenant and agree that:

(a) Without the prior written consent of Lender, Pledgors will not sell, assign, transfer, pledge, or otherwise encumber or dispose of any of the Pledged Collateral or any right or interest therein, including, without limitation, any unpaid distributions or payments with respect thereto.

(b) Pledgors will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such action as Lender from time to time may reasonably request in order to ensure to Lender the benefits of the lien in and to the Pledged Collateral and other rights of Lender intended to be created by this Agreement.

(c) Pledgors have and will defend the title to the Pledged Collateral and the lien of Lender thereon against the claim of any other person or entity and will maintain and preserve such lien so long as any of the Secured Obligations (or the Loan Agreement) remain outstanding and this Agreement remains in effect.

(d) Pledgors will notify Lender, within five (5) days of occurrence, that the first mortgage loan held by Bridgeview Bank & Trust on the property located at 1755 N. Damen, Chicago, Illinois, has been paid in full so that Lender may record a mortgage against the Property.

7. **Voting Rights; Dividends; Distributions; Etc.**

(a) So long as no Event of Default (as hereinafter defined) or event which, with the giving of notice or the lapse of time, or both, would become an Event of Default, shall have occurred (**and be continuing**):

(i) Pledgors shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof pursuant to the Operating Agreement for any purpose not inconsistent with the terms of this Agreement; provided, however, that Pledgors shall not exercise nor shall they refrain from exercising any such right if such action could have a material adverse effect on the value of the Pledged Collateral or any part thereof. In addition, so long as this pledge is in full force and effect, Pledgors shall not consent to an amendment or termination of the Operating Agreement without Lender's prior written consent which consent shall not be unreasonably withheld.

(ii) Pledgors shall be entitled to receive and retain any and all dividends, distributions and interest paid in respect of the Pledged Collateral, provided however, that any and all

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(A) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(B) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(C) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral,

shall be Pledged Collateral, shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgors, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgors, and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

- (iii) Pledgors shall execute and deliver (or cause to be executed and delivered) to Lender all such proxies and other instruments as Lender may (reasonably) request for the purpose of enabling Lender to exercise the voting and other rights which it is entitled to exercise pursuant to paragraph (i) above and to receive the dividends, distributions or interest payments which it is authorized to receive pursuant to paragraph (ii) above.

(b) Upon the occurrence (**and during the continuance**) of an Event of Default (as hereinafter defined) or an event which, with the giving of notice or the lapse of time, or both, would become an Event of Default:

- (i) All rights of Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 7(a)(i) and to receive the dividends and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 7(a)(ii) shall cease, and all such rights shall thereupon become vested in Lender which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Pledged Collateral such dividends, distributions and interest payments; and
- (ii) All dividends, distributions and interest payments which are received by Pledgors contrary to the provisions of paragraph (i) of this Section 7(b) shall be received in trust for the benefit of Lender, shall be segregated

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from other funds of Pledgors and shall be forthwith paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsements).

## 8. **Defaults and Remedies.**

(a) Upon the occurrence of an Event of Default (as defined in the Note or other loan documents), Lender may exercise in addition to all other rights and remedies granted herein, in the Note or other loan documents, the rights and remedies of a creditor and a secured party under the Uniform Commercial Code of the State of Illinois and other applicable law. Without limiting the foregoing, upon the occurrence of an Event of Default or such other default, Lender (personally or through an agent) is hereby authorized and empowered, to sell in one or more sales after ten (10) business days' notice of the time and place of any public sale or of the time after which a private sale is to take place (which notice Pledgors agree is commercially reasonable), but without any previous notice or advertisement, the whole or any part of the Pledged Collateral, and to otherwise act with respect to the Pledged Collateral as though Lender were the outright owner thereof, Pledgors hereby irrevocably constituting and appointing Lender as the proxy and attorney-in-fact of Pledgors, with full power of substitution to do so; provided, however, Lender shall not have any duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so. Any sale shall be made at a public or private sale, either for cash or upon credit or for future delivery at such price as Lender may deem fair, and Lender may be the purchaser of the whole or any part of the Pledged Collateral so sold, free from any claim of Pledgors or any right of redemption. Each sale at auction shall be made to the highest bidder, but Lender reserves the right to reject any and all bids at such sale which, in its sole discretion, shall be deemed inadequate. Demands of performance, except as otherwise herein specifically provided for, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of Lender.

(b) In the event of any sales hereunder, Lender shall, after deducting all costs or expenses of every kind (including reasonable attorneys' fees and disbursements) for care, safekeeping, collection, sale, delivery or otherwise, apply the balance of the proceeds of the sales to the payment or reduction, either in whole or in part, of the Secured Obligations, returning the surplus, if any, to Pledgors.

(c) Pledgors agree that following the occurrence of an Event of Default or a default of Pledgors hereunder, they will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Pledgors waive the benefit of all such laws to the extent it lawfully may do so. Pledgors agree that they will not interfere with any right, power and remedy of Lender provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by Lender of any one or more of such rights, powers or remedies. No failure or delay on the part of Lender to exercise any

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such right, power or remedy and no notice or demand which may be given to or made upon Pledgors by Lender with respect to any such remedies shall operate as a waiver thereof, or limit or impair Lender's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgors in any respect.

9. **Application of Proceeds.** Any cash held by Lender as Pledged Collateral and all cash proceeds received by Lender in respect of any sale or liquidation of, or other realization upon, all or any part of the Pledged Collateral shall be applied by Lender as follows:

(a) First, to the payment of the costs and expenses of such sale, including reasonable compensation to Lender and its agents and counsel, and all expenses, liabilities and advances made or incurred by Lender in connection therewith;

(b) Next, to the payment of the Secured Obligations, in such order as Lender, in its sole discretion, shall determine; and

(c) Finally, after payment in full of all Secured Obligations, to the payment to Pledgors, or his heirs or legal representatives, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

10. **Lien Absolute.** All rights of Lender hereunder, and all obligations of Pledgors hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any agreement or instrument governing or evidencing or relating to the Secured Obligations;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any agreement or instrument governing, evidencing or relating to the Secured Obligations;

(c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgors.

11. **Waiver.** Pledgors consent and agree that Lender may at any time, or from time to time, in its discretion (a) renew, extend or change the time of payment, and/or the manner, place or terms of payment of all or any part of the Secured Obligations and (b) exchange, release and/or surrender all or any of the Pledged Collateral, or any part thereof, by whomsoever deposited all in such manner and upon such terms as Lender may deem proper, and without notice to or further assent from Pledgors, it being hereby agreed that Pledgors shall be and remain bound by this Agreement, irrespective of the existence, value or condition of any of the Pledged Collateral, and

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notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may at any time exceed the aggregate principal amount thereof set forth in any agreement governing any Secured Obligations. Pledgors hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Secured Obligations, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon such Pledgors. No act or omission of any kind on any Lender's part shall in any event affect or impair this Agreement. No delay on Lender's part in exercising any power of sale, option or other right hereunder, and no notice or demand which may be given to or made upon Pledgors by Lender with respect to any power of sale, option or other right hereunder, shall constitute a waiver thereof, or limit or impair any of Lender's rights to take any action or to exercise any power of sale, option, or any other right hereunder, without notice or demand, or prejudice Lender's rights as against Pledgors in any respect.

12. **Indemnification.** Pledgors agree to defend, indemnify and hold Lender harmless from and against any taxes, liabilities, claims and damages, including reasonable attorney's fees and disbursements, and other expenses incurred or arising by reason of the taking or the failure to take any action by Lender, in respect of any transaction effected under this Agreement or in connection with the lien provided for herein, including, without limitation, any taxes payable in connection with the delivery or registration of any of the Pledged Collateral as provided herein, other than claims and damages arising as the result of the gross negligence or willful misconduct of Lender. The obligations of Pledgors under this Section 12 shall survive the termination of this Agreement.

13. **Effectiveness.** This Agreement and the pledge hereunder shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgors for liquidation or reorganization, should Pledgors become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Pledgors' assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned, and in any such case, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

14. **Miscellaneous.**

(a) Lender may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.

(b) Pledgors agrees to promptly reimburse Lender for actual out-of-pocket expenses, including, without limitation, reasonable counsel fees, incurred by such Lender in connection with the administration and enforcement of this Agreement.

(c) Neither Lender nor any of its officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder,



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under the Loan Agreement, the Loan Documents or otherwise in connection herewith, except for its or their own gross negligence or willful misconduct.

(d) This Agreement shall be binding upon Pledgors and their successors, assigns, legal representatives and heirs, and shall inure to the benefit of, and be enforceable by, Lender and its successors, assigns and legal representatives, and shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois without giving effect to principles of choice of law, and none of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of Pledgors and Lender.

(e) Notwithstanding anything herein to the contrary, Pledgors acknowledge and agree that Lender may assign, pledge or transfer this Agreement and its rights hereunder and the assignee shall be entitled to the performance of all of Pledgors' agreements and obligations under this Agreement, and shall be entitled to enforce all the rights and remedies of Lender under this Agreement, for the benefit of assignee, as fully as if assignee were herein by name specifically given such rights and remedies. Pledgors expressly agree that they will assert no claims or defenses that it may have against Lender against the assignee, except those specifically available under this Agreement.

15. **Severability.** If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid.

16. **Notices.** All notices, demands, requests and other communications required hereunder shall be in writing and shall be deemed to have been given: (a) upon delivery, if personally delivered or sent by facsimile with fax machine confirmation of transmission; (b) three (3) days after deposit in the United States Mail when delivered postage prepaid, by certified or registered mail; or (c) one (1) business day after deposit with a nationally recognized overnight delivery service marked for delivery on the next Business Day, addressed to the party for whom it is intended, if to Lender at its address set forth in the Note evidencing the Loan, and if to Pledgors, at their address set forth on the signature page below.

17. **Section Titles.** The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

18. **Counterparts.** This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

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**IN WITNESS WHEREOF**, the Pledgors has caused this Agreement to be duly executed as of the date first written above.

**Pledgors:**

By: \_\_\_\_\_

Arturo Collazo  
1940 North Clark Street  
Chicago, Illinois 60614

By: \_\_\_\_\_

Jon Goldman  
1122 North LaSalle  
Chicago, Illinois 60610

Accepted and Acknowledged by:

**DERMATOLOGY ASSOCIATES OF BAY COUNTY P.A.  
EMPLOYEE BENEFIT TRUST COMBINED  
SIRAGUSA ROLLOVER ACCOUNT**

By: \_\_\_\_\_

Its: Authorized representative

*Robert J. Siragusa*  
Trustee

*Robert Siragusa*  
Robert Siragusa

Address: 2802 CANAL DRIVE  
PANAMA CITY FL  
32405

*Julie Siragusa*  
Julie Siragusa

*Dana Siragusa*  
Dana Siragusa

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_