



Doc#: 1129213008 Fee: \$70.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 10/19/2011 11:29 AM Pg: 1 of 5

Acknowledgment of Debt and Agreement to Guarantee and Grant Security Interests

This Agreement is entered into this 27th day of August, 2011 by and between Bellows and Bellows, P.C. ("Secured Party") and Alexander Hergan ("Guarantor"), as Guarantor of the debts to Secured Party of Central and Eastern European Investment, Ltd. ("CEEIF"), Central Eastern European Real Estate Shareholdings BV ("CEERES"), and Rhombus Asset Management, Inc. ("Rhombus"), (collectively "Debtors"). The parties agree as follows:

1. Acknowledgment of Debt. Central and Eastern European Investment, Ltd. ("CEEIF"), Central Eastern European Real Estate Shareholdings BV ("CEERES"), and Rhombus Asset Management, Inc. ("Rhombus"), are debtors jointly and severally to Secured Party. Secured party has provided legal services to Debtors since as early as August 2007, and continues to do so in litigation pending in the Circuit Court of Cook County Illinois pursuant to legal services Agreements between Secured Party and Debtors. Debtors, hereby acknowledge that as of August 26, 2011, Debtors are jointly and severally liable to Secured Party for the sum of USD \$1,000,000.00, said amount continuing to accrue.

2. Guarantee. Alexander Hergan, "Guarantor" agrees to personally guarantee payment of Debtors debt set forth above with assets owned by Guarantor and to further guarantee to pay all future fees and expenses arising from legal services provided by Secured Party to Debtors.

3. Definitions. Unless otherwise specified, all terms used in this Agreement will have the meanings ascribed to them under the Official Text of the Uniform Commercial Code, as it may be amended from time to time.

4. Grant of Security Interest. For value received, the Guarantor grants to Secured Party security interests in the property described below in Paragraph 5 (the "Collateral").

UNOFFICIAL COPY

5. Collateral Description. The Collateral in which these security interests are granted is all of Guarantor's interest, legal or beneficial, in the property described below, now owned or hereafter acquired, together with all replacements, accessions, proceeds, and produce:

a) Real Estate: 1120 S. West Fork Dr., Lake Forest, Illinois 60045, Property Identification Number 15-12-201-114. Guarantor shall execute a second mortgage or deed of trust on the above-described real estate owned by Guarantor, subject to the existing first mortgage in favor of Northern Trust, Co.; and

b) Guarantor's beneficial interests and shares in the following corporations: Avrig 35 S.R.L., Office Development S.R.L., Azimut Grup S.R.L., Avrig Floreasca Development S.R.L., Modrogan Investment S.R.L., Jitu Investment S.R.L., Central A.H. Pioneer S.R.L., Piatra Neamt Developers S.R.L., Koilada Invest S.R.L., Master Building S.R.L., Romcons Prest S.R.L., Home Development S.R.L., Avrig Asset Management S.R.L., Avnes Logistic Park S.R.L., Avalon Grup S.R.L., Pitesti Investment S.R.L., Nextlevel Development S.R.L., Wellinvested Project S.R.L., Central and Eastern European Investment Ltd. ("CEEIF") and Central Eastern European Real Estate Shareholdings BV ("CEERES"), and Rhombus Asset Management, Inc. ("Rhombus").

6. Restrictions on Collateral Transfer. Guarantor will not sell, lease, license, or otherwise transfer (including by granting security interests, liens, or other encumbrances in) all or any part of the Collateral or Guarantor's interest in the Collateral without Secured Party's written or electronically communicated approval.

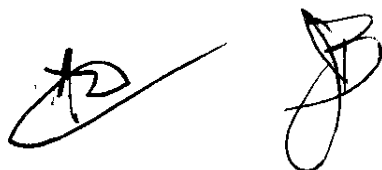
7. Perfection of Security Interest. Guarantor consents without further notice, to Secured Party's filing or recording of any documents necessary to perfect, continue, amend, or terminate its security interests, this includes the filing of any UCC-1 Financing Statement. Secured Party is

UNOFFICIAL COPY

authorized to sign any UCC-1 Financing Statement on behalf of Guarantor if necessary to provide public notice of this Security Agreement. Upon request of Secured Party, Guarantor must sign or otherwise authenticate all documents that Secured Party deems necessary at any time to allow Secured Party to acquire, perfect, continue or amend its security interest in the Collateral. Guarantor will pay the filing and recording costs of any documents relating to Secured Party's interests. Guarantor ratifies all previous filings and recordings, including financing statements and notations on certificates of title. Guarantor will cooperate with Secured Party in obtaining control or possession of that or any other Collateral.

8. Default. Guarantor is in default under this Agreement if: (a) Debtors fail to perform under or is in default of legal services Agreements with Secured Party or any other agreement or guaranty this Agreement secures, or (b) if Guarantor fails to keep any promise contained herein. In the event of a default and if Secured Party requests, Guarantor must assemble and make available all Collateral at a place and time designated by Secured Party. Upon default and at any time thereafter, Secured Party may declare all Obligations secured hereby immediately due and payable, and, in its sole discretion, may proceed to enforce payment of the same and exercise any of the rights and remedies available to secured party by law including those available to it under Article 9 of the UCC that is in effect in the jurisdiction Guarantor or the jurisdiction where the Collateral is located. Unless otherwise required under applicable law, Secured Party has no obligation to prepare the Collateral for sale or other disposition and Guarantor waives any right it may have to require Secured Party to enforce the security interests or payment or performance of the obligations against any other person.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, and the parties agree that any suit, action, or proceeding



UNOFFICIAL COPY

with respect to this Agreement shall be brought in the state courts in Chicago, Illinois or in the U.S. District Court for the Northern District of Illinois. The parties hereto hereby accept the exclusive jurisdiction of those courts for the purpose of any such suit, action, or proceeding. Venue for any such action, in addition to any other venue permitted by statute, will be in Chicago, Illinois.

10. Secured Party Rights. All rights conferred in this Agreement on Secured Party are in addition to those granted to it by law and in addition to those rights under legal services Agreements between Debtors and Secured Party. Secured Party's rights are cumulative and may be exercised simultaneously. Failure of Secured Party to enforce any rights or remedies will not constitute an estoppel or waiver of Secured Party's ability to exercise such rights or remedies. Unless otherwise required under the applicable law, Secured Party is not liable for any loss or damage to Collateral in its possession or under its control, nor will such loss or damage reduce or discharge the obligations that are due, even if Secured Party's actions or inactions caused or in any way contributed to such loss or damage.

11. Severability. If any provision of this Agreement is unenforceable, all other provisions remain in effect.

12 Grantor Certifications. Guarantor certifies that:

- (a) Guarantor's name as stated above is correct;
- (b) Guarantor has the legal authority to grant the security interests in the Collateral;
- (c) Guarantor's ownership in or title to the Collateral is free of all adverse claims, liens, or security interests (unless expressly permitted by Secured Party);

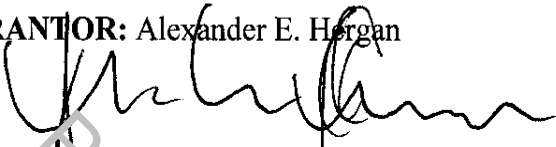


UNOFFICIAL COPY

(d) Guarantor has read and understands the meaning and effect of all of the terms of this Agreement. Guarantor has been encouraged to obtain separate counsel to review this agreement.

SIGNED and SEALED this 27th day of August, 2011.

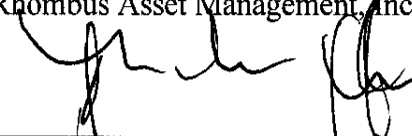
GUARANTOR: Alexander E. Hergan



SECURED PARTY: Bellows and Bellows, P.C.

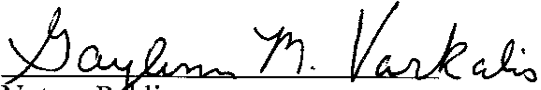
By: 

DEBTORS: Central and Eastern European Investment, Ltd.;
Central Eastern European Real Estate Shareholdings BV;
and Rhombus Asset Management, Inc.; jointly and severally

By: 
Alexander E. Hergan

State of Illinois)
)
County of Cook)

The foregoing instrument was acknowledged and executed before me this 27th day of August, 2011.


Notary Public

My Commission Expires: Nov. 19, 2012

