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Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8765



Doc#: 1409444065 Fee: \$78.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 04/04/2014 02:35 PM Pg: 1 of 21

The property identified as: **PIN:** 03-13-400-031-0000

Address:

Street: 1120 Milwaukee

Street line 2:

City: Prospect Heights

State: IL

ZIP Code: 60070

Lender: Eastern Aviation Fuels, Inc

Borrower: Hawthorne Global Aviation Services, LLC

Loan / Mortgage Amount: \$675,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: 307D1BF9-8913-478B-B8E6-65C4A094BA6B

Execution date: 02/21/2014

A00122051

Property of Cook County Clerk's Office

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This instrument was prepared by,
Recording Requested By,
And After Recording, Return To:

Rodney Currin
PO Box 1654
New Bern, NC 28563

SECOND LEASEHOLD MORTGAGE,
ASSIGNMENT OF RENTS AND LEASES AND
SECURITY AGREEMENT

THIS SECOND LEASEHOLD MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT (this "Mortgage") is executed as of February 1, 2014, by HAWTHORNE GLOBAL AVIATION SERVICES, LLC, a Delaware limited liability company ("Mortgagor"), to EASTERN AVIATION FUELS, INC. ("Mortgagee").

ARTICLE I. MORTGAGE

1.1 Grant. For the purposes and upon the terms and conditions in this Mortgage, and subject to the lien of the Senior Mortgage (defined below) Mortgagor irrevocably mortgages, grants, conveys, assigns, bargains, sells, releases, aliens, transfers and remises to Mortgagee and its successors and assigns forever and hereby represents and warrants to Mortgagee with the right of entry and possession, and grants to Mortgagee and its successors and assigns forever a continuing security interest in and to Mortgagor's leasehold estate and interest in (a) that certain Fixed Base Operation Net Ground Lease Agreement (the "Ground Lease") between Chicago Executive Airport ("Landlord") and Mortgagor dated July 1, 2008, as amended, modified and assigned (the "Leasehold Interest") which Ground Lease is evidenced by a Memorandum of Lease dated April 24, 2013 and recorded in the official records of Cook County, State of Illinois in as Document Number 1311629028, and described on Exhibit A attached hereto; (b) all easements, rights-of-way and rights used in connection with or as a means of access to any portion of said real property; (c) all tenements, hereditaments and appurtenances thereof and thereto; (d) all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining said real property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with said real property; (e) all buildings, improvements and landscaping now or hereafter erected or located on said real property, and all fuel farms and all fuel farm equipment, tanks and fixtures, both underground and above ground, now owned or hereafter acquired; (f) all development rights, governmental or quasi-governmental licenses, permits or approvals, zoning rights and other similar rights or interests which relate to the development, use or operation of, or that benefit or are appurtenant to, said real property; (g) all mineral rights, oil and gas rights, air rights, water or water rights, including without limitation, all wells, canals, ditches and reservoirs of any nature and all rights thereto, appurtenant to or associated with said real property, whether decreed or undecreed, tributary or non-tributary, surface or underground, appropriated or unappropriated, and all shares of stock in any water, canal, ditch or reservoir company, and all well permits, water service contracts, drainage rights and other evidences of any such rights; and (h) all interest or estate which Mortgagor now has or may hereafter acquire in said real property and all additions and accretions thereto, and all awards or payments made for the taking of all or any portion of said real property by eminent domain or any proceeding or purchase in lieu thereof, or any damage to any portion of said real property (collectively, the "Subject Property"). The listing of specific rights or property shall not be interpreted as a limitation of general terms.

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TO HAVE AND TO HOLD the Subject Property unto Mortgagee, its successors and assigns forever, for the purposes and uses set forth in this Mortgage, and Mortgagor covenants with and warrants to Mortgagee that, at the execution and delivery of this Mortgage, Mortgagor holds a valid leasehold estate in the Subject Property and that other than Permitted Exceptions the Subject Property is free from all encumbrances and claim of any other person. Mortgagor does under this Mortgage bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the leasehold interest in the Subject Property against all claims and demands whatsoever other than the Permitted Encumbrances, except as disclosed to Mortgagee prior to the date hereof in a writing that refers to this warranty.

PROVIDED, HOWEVER, that if and when Mortgagor has paid all of the Secured Obligations (defined below) and performed and observed all of the agreements, terms, conditions, provisions, and warranties relating to the Secured Obligations, this Mortgage and the estate, right, and interest of Mortgagee in and to the Subject Property shall cease and be released at the cost of Mortgagor, but otherwise, shall remain in full force and effect.

1.2 Address. The address of the Subject Property (if known) is: 1120 Milwaukee Avenue, Prospect Heights, Illinois 60070. Neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Mortgage on the Subject Property as described on Exhibit A. In the event of any conflict between the provisions of Exhibit A and said address, Exhibit A shall control.

1.3 Senior Mortgage. This Mortgage, and all rights of Mortgagee, and all obligations of Mortgagor to Mortgagee hereunder, are and shall be subject and subordinate in all respects to the liens and obligations set forth in that certain Leasehold Mortgaged and Assignment dated April 25, 2013 (as amended, restated, supplemented, or otherwise modified from time to time, the "Senior Mortgage"), executed by Mortgagor in favor of Wells Fargo Bank, National Association, a national banking association (the "Senior Lender") and recorded as Doc Number 1311629029 in the Cook County Recorder's Office.

ARTICLE II. OBLIGATIONS SECURED

2.1 Obligations Secured. Mortgagor makes this grant and assignment for the purpose of securing the following obligations (each, a "Secured Obligation" and collectively, the "Secured Obligations"):

(a) payment to Mortgagee of all sums at any time owing and performance of all other obligations arising under or in connection with that certain promissory note (the "Note"), dated as of the date hereof, in the original principal amount of Six Hundred Seventy-Five Thousand and 00/100 Dollars (\$675,000), executed by Mortgagor (also called the "Maker") and payable to Mortgagee or its order, together with the payment and performance of any other indebtedness or obligations incurred in connection with the credit accommodation evidenced by the Note, whether or not specifically referenced therein; and

(b) payment and performance of all obligations of Mortgagor under this Mortgage, together with all advances, payments or other expenditures made by Mortgagee as or for the payment or performance of any such obligations of Mortgagor; and

(c) all modifications, extensions and renewals of any of the Secured Obligations (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

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2.2 Obligations. The term "obligations" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, joint or several, including without limitation, all principal, interest, charges, including prepayment charges and late charges, and loan fees at any time accruing or assessed on any Secured Obligation.

2.3 Incorporation. All terms of the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property are hereby deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or any other Secured Obligation may permit borrowing, repayment and reborrowing; and (b) the rate of interest on one or more of the Secured Obligations may vary from time to time.

2.4 Maximum Secured Amount. The maximum amount secured by this Mortgage may decrease or increase from time to time, but shall never exceed \$1,000,000. The maximum amount secured by this Mortgage shall not in any way imply that Mortgagee shall be obligated to advance any amount at any time. Advances of disbursements made by Mortgagee to protect the security, under the terms hereof, shall not be deemed to be optional advances.

ARTICLE III. ASSIGNMENT OF RENTS

3.1 Assignment. For the purposes and upon the terms and conditions set forth herein, and subject to the Senior Mortgage, Mortgagor irrevocably assigns to Mortgagee all of Mortgagor's right, title and interest in, to and under all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Subject Property, whether existing as of the date hereof or at any time hereafter entered into, together with all guarantees of and security for any tenant's or lessee's performance thereunder, and all amendments, extensions, renewals and modifications thereto (each, a "Lease" and collectively, the "Leases"), together with any and all other rents, issues and profits of the Subject Property (collectively, "Rents"). This assignment shall not impose upon Mortgagee any duty to produce Rents from the Subject Property, nor cause Mortgagee to be: (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor or landlord under any Lease; or (c) responsible for any waste committed by any person or entity at any time in possession of the Subject Property or any part thereof, or for any dangerous or defective condition of the Subject Property, or for any negligence in the management, upkeep, repair or control of the Subject Property. This is an absolute assignment, not an assignment for security only, and Mortgagee's right to Rents is not contingent upon and may be exercised without taking possession of the Subject Property. Mortgagor agrees to execute and deliver to Mortgagee, within five (5) days of Mortgagee's written request, such additional documents as Mortgagee may reasonably request to further evidence the assignment to Mortgagee of any and all Leases and Rents. Mortgagee, at Mortgagee's option and without notice, may, following the occurrence and during the continuance of a Default notify any lessee or tenant of this assignment of the Leases and Rents (which shall provide such assignment is subject and subordinate to the Senior Mortgage).

3.2 Protection of Security. To protect the security of this assignment, Mortgagor agrees:

(a) At Mortgagor's sole cost and expense: (i) to perform each obligation to be performed by the lessor or landlord under each Lease and to enforce or secure the performance of each obligation to be performed by the lessee or tenant under each Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease except in the ordinary course of Mortgagor's business; (iii) not to anticipate the Rents under any Lease; and (iv) not to waive or release any lessee or tenant of or from any Lease obligations except in the ordinary course of Mortgagor's business. Mortgagor assigns to Mortgagee all of Mortgagor's right and power to modify the terms of any Lease, to accept a surrender under or terminate the term of or anticipate the Rents under any Lease, and

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to waive or release any lessee or tenant of or from any Lease obligations, and any attempt on the part of Mortgagor to exercise any such rights or powers without Mortgagee's prior written consent shall be a breach of the terms hereof.

(b) At Mortgagor's sole cost and expense, to defend any action in any manner connected with any Lease or the obligations thereunder, and to pay all costs of Mortgagee, including reasonable attorneys' fees, in any such action in which Mortgagee may appear.

(c) That, should Mortgagor fail to do any act required to be done by Mortgagor under a Lease beyond all applicable notice and cure periods, then Mortgagee, but without obligation to do so and without notice to Mortgagor and without releasing Mortgagor from any obligation hereunder, may make or do the same in such manner and to such extent as Mortgagee deems necessary to protect the security hereof, and, in exercising such powers, Mortgagee may employ attorneys and other agents, and Mortgagor shall pay necessary costs and reasonable attorneys' fees incurred by Mortgagee, or its agents, in the exercise of the powers granted herein. Mortgagor shall give prompt notice to Mortgagee of any default by any lessee or tenant under any Lease, and of any notice of material default on the part of Mortgagor under any Lease received from a lessee or tenant thereunder, together with an accurate and complete copy thereof.

(d) To pay to Mortgagee immediately upon demand all sums expended under the authority hereof, including reasonable attorneys' fees, together with interest thereon at the highest rate per annum payable under any Secured Obligation, and the same, at Mortgagee's option, may be added to any Secured Obligation and shall be secured hereby.

3.3 License. Mortgagee confers upon Mortgagor a license ("License") to collect and retain the Rents as, but not before, they come due and payable, until the occurrence and during the continuance of any Default. Upon the occurrence and during the continuance of any Default, the License shall be automatically revoked, and Mortgagee may, at Mortgagee's option and without notice, either in person or by agent, with or without bringing any action, or by a receiver to be appointed by a court: (a) enter, take possession of, manage and operate the Subject Property or any part thereof; (b) make, cancel, enforce or modify any Lease; (c) obtain and evict tenants, fix or modify Rents, and do any acts which Mortgagee deems proper to protect the security hereof; and (d) either with or without taking possession of the Subject Property, in its own name, sue for or otherwise collect and receive all Rents, including those past due and unpaid, and apply the same in accordance with the provisions of this Mortgage. The entering and taking possession of the Subject Property, the collection of Rents and the application thereof as aforesaid, shall not cure or waive any Default, nor waive, modify or affect any notice of default hereunder, nor invalidate any act done pursuant to any such notice. The License shall not grant to Mortgagee the right to possession, except as provided in this Mortgage.

3.4 Ground Lease. With respect to the Ground Lease, the Mortgagor represents, warrants and covenants with the Mortgagee as follows:

(a) All rents presently due under the Ground Lease have been paid and to Mortgagor's knowledge no default exists beyond notice and applicable grace period by any party under the Ground Lease;

(b) The granting of this Mortgage upon the Ground Leasehold Interest does not constitute a default under the Ground Lease (or if it does constitute a default, all appropriate consents have been obtained) or require the consent of any party to any of the foregoing;

(c) The Mortgagor will promptly provide the Mortgagee with copies of any and all notices of any default received by or known to the Mortgagor under the Ground Lease;

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(d) The Mortgagor will fully comply with all material obligations imposed upon it under the Ground Lease;

(e) In the event the Mortgagor defaults under the Ground Lease beyond all applicable notice and cure periods, then the Mortgagee, at its option, upon ten (10) days written notice to the Mortgagor, may take all steps necessary, including the payment of money, to preserve and maintain the Ground Lease and any sums so spent or expense so incurred (including, without limitation, reasonable attorneys' fees), together with interest thereon from such payment at the Default Rate, shall be subject to the security interest of this Mortgage; *provided, however*, that the unpaid fees set forth in Section 1 of the Eighth Amendment shall not be considered a "default" for the purposes of this Section 3.4(e);

(f) The Mortgagor will not, without the Mortgagee's prior written consent (which shall not be unreasonably withheld or delayed), agree to any modification, amendment or termination of the Ground Lease; and

(g) The Mortgagor shall not, without the prior written consent of the Mortgagee, permit the fee title to the Subject Property covered by the Ground Lease or any part thereof to merge with the leasehold estate created by the Ground Lease, but shall keep such estates separate and distinct; provided, however, that if the Mortgagor acquires the fee title or any additional estate, title or interest in the real property covered by the Ground Lease, this Mortgage shall, automatically and without further action on the part of any person, be and become a lien upon the fee title or other estate obtained by the Mortgagor and the Mortgagor shall notify the Mortgagee of any such acquisition by the Mortgagor and shall cause to be executed and recorded any further instrument deemed necessary by the Mortgagee to evidence the lien of this Mortgage encumbering such fee title or additional estate, title or interest obtained by the Mortgagor.

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES

4.1 Title. Mortgagor warrants that, except as disclosed to Mortgagee prior to the date hereof in a writing which refers to this warranty, Mortgagor lawfully possesses and holds a leasehold interest in, the Subject Property without limitation on the right to encumber as herein provided, and that this Mortgage is a valid lien on the Subject Property and all of Mortgagor's interest therein.

4.2 Taxes and Assessments. Subject to the right, if any, of Mortgagor to contest payment of the following pursuant to any other agreement between Mortgagor and Mortgagee, Mortgagor shall pay prior to delinquency all taxes, assessments, levies and charges imposed: (a) by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property or any interest therein; or (b) by any public authority upon Mortgagee by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Mortgagee pursuant to any Secured Obligation; provided however, that Mortgagor shall have no obligation to pay any income taxes of Mortgagee. Promptly upon request by Mortgagee, Mortgagor shall furnish to Mortgagee satisfactory evidence of the payment of all of the foregoing. Mortgagee is hereby authorized to request and receive from the responsible governmental and non-governmental personnel written statements with respect to the accrual and payment of any of the foregoing.

4.3 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation when due.

4.4 Liens, Encumbrances and Charges. Mortgagor shall immediately discharge any lien on the Subject Property, except for Permitted Exceptions, not approved by Mortgagee in writing. Except for Permitted Exceptions (including the Senior Mortgage) and except as otherwise provided in any Secured Obligation or other agreement with Mortgagee, Mortgagor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber the Subject Property, whether senior or subordinate hereto, including without limitation, any mechanics' liens.

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4.5 Insurance. Mortgagor shall insure the Subject Property against loss or damage by fire and such other risks as Mortgagee shall from time to time require. Mortgagee shall carry public liability insurance, flood insurance as required by applicable law and such other insurance as Mortgagee may reasonably require, including without limitation, business interruption insurance or loss of rental value insurance. Mortgagor shall maintain all required insurance at Mortgagor's expense, under policies issued by companies and in form and substance satisfactory to Mortgagee. Mortgagee, by reason of accepting, rejecting, approving or obtaining insurance, shall not incur any liability for: (a) the existence, nonexistence, form or legal sufficiency thereof; (b) the solvency of any insurer; or (c) the payment of losses. All policies and certificates of insurance shall name Mortgagee as loss payee, and shall provide that the insurance cannot be terminated as to Mortgagee except upon a minimum of ten (10) days' prior written notice to Mortgagee. Immediately upon any request by Mortgagee, Mortgagor shall deliver to Mortgagee the original of all such policies or certificates, with receipts evidencing annual prepayment of the premiums.

4.6 Intentionally Deleted.

4.7 Damages, Insurance and Condemnation Proceeds.

(a) (i) All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation (or transfer in lieu thereof) for public or private use affecting the Subject Property; (ii) all other claims and awards for damages to or decrease in value of the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to the Subject Property; and (iv) all interest which may accrue on any of the foregoing, are all absolutely and irrevocably assigned to and, subject to the rights of the Senior Mortgage, shall be paid to Mortgagee. At the absolute discretion of Mortgagee if a default has occurred and is continuing, whether or not its security is or may be impaired, but subject to applicable law if any, and without regard to any requirement contained in any other Section hereof, Mortgagee may apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any such claim and apply the balance to the Secured Obligations in any order, and release all or any part of the proceeds to Mortgagor upon any conditions Mortgagee may impose. Mortgagee may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Mortgagee; provided however, that in no event shall Mortgagee be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

(b) Unless a Default has occurred or is continuing, subject to the rights of the Senior Mortgage, Mortgagee shall permit insurance or condemnation proceeds held by Mortgagee to be used for repair or restoration but may impose any conditions on such use as Mortgagee deems reasonably necessary.

4.8 Maintenance and Preservation of Subject Property. Subject to the provisions of any Secured Obligation, Mortgagor covenants:

(a) to keep the Subject Property in good condition and repair;

(b) except with Mortgagee's prior written consent, which consent shall not be unreasonably withheld, not to remove or demolish any material portion of the Subject Property, nor materially alter, restore or add to the Subject Property, nor initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property; provided, however, Mortgagor shall have the right, without Mortgagee's consent, to (i) demolish and remove the hangers as provided in the Second Amendment to Ground Lease, (ii) replace or repair any portion of the Subject Property that is worn out or obsolete;

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(c) to restore promptly and in good workmanlike manner any portion of the Subject Property which may be damaged or destroyed, unless Mortgagee requires that all of the insurance proceeds be used to reduce the Secured Obligations as provided in the Section hereof entitled Damages; Insurance and Condemnation Proceeds;

(d) to comply with and not to suffer violation of any or all of the following which govern acts or conditions on, or otherwise affect the Subject Property: (i) laws, ordinances, regulations, standards and judicial and administrative rules and orders; (ii) covenants, conditions, restrictions and equitable servitudes, whether public or private; and (iii) requirements of insurance companies and any bureau or agency which establishes standards of insurability;

(e) not to commit or permit waste of the Subject Property; and

(f) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

4.9 Hazardous Substances; Environmental Provisions. Mortgagor represents and warrants to Mortgagee as follows:

(a) Except as disclosed to Mortgagee in writing prior to the date hereof, the Subject Property is not and has not been a site for the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws, as defined below, and/or other applicable environmental laws, ordinances and regulations (collectively, the "Hazardous Materials").

(b) The Subject Property is in material compliance with all laws, ordinances and regulations relating to Hazardous Materials (collectively, the "Hazardous Materials Laws"), including without limitation, the Clean Air Act, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Federal Toxic Substances Control Act and the Occupational Safety and Health Act, as any of the same may be amended, modified or supplemented from time to time, and any other applicable federal, state or local environmental laws, and any rules or regulations adopted pursuant to any of the foregoing.

(c) There are no claims or actions pending or to Mortgagor's knowledge threatened against Mortgagor or the Subject Property by any governmental entity or agency, or any other person or entity, relating to any Hazardous Materials or pursuant to any Hazardous Materials Laws.

(d) Mortgagor hereby agrees to defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation, attorneys' fees and expenses) which Mortgagee may incur as a direct or indirect consequence of the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of Hazardous Materials in, on, under or about the Subject Property. Mortgagor shall pay to Mortgagee immediately upon demand any amounts owing under this indemnity, together with interest from the date of demand until paid in full at the highest rate of interest applicable to any Secured Obligation. **MORTGAGOR'S DUTY AND OBLIGATION TO DEFEND, INDEMNIFY AND HOLD HARMLESS MORTGAGEE SHALL SURVIVE THE CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THIS MORTGAGE.** The foregoing indemnity shall not apply to any Hazardous Materials that are released in, on or under or about the Subject Property, (i) as a result of the acts or omissions of Mortgagee, or (ii) to the extent released after the date of a foreclosure or delivery of a deed in lieu of foreclosure of the Subject Property.

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(e) Mortgagor shall immediately advise Mortgagee in writing upon Mortgagor's discovery of any occurrence or condition on the Subject Property, or on any real property adjoining or in the vicinity of the Subject Property, that does or could likely cause all or any part of the Subject Property to be contaminated with any Hazardous Materials or otherwise be in violation of any Hazardous Materials Laws, or cause the Subject Property to be subject to any restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Materials Laws.

4.10 Protection of Security. Mortgagor shall, at Mortgagor's sole expense: (a) protect, preserve and defend the Subject Property and Mortgagor's title and right to possession of the Subject Property against all adverse claims except for matters of title which are prior to this Mortgage as shown in Mortgagee's title policy (the "Permitted Exceptions"); (b) if Mortgagor's interest in the Subject Property is a leasehold interest or estate, pay and perform in a timely manner all obligations to be paid and/or performed by the lessee or tenant under the lease or other agreement creating such leasehold interest or estate; and (c) protect, preserve and defend the security of this Mortgage and the rights and powers of Mortgagee under this Mortgage against all adverse claims other than from Permitted Exceptions. Mortgagor shall give Mortgagee prompt notice in writing of the assertion of any claim, the filing of any action or proceeding, or the occurrence of any damage, condemnation offer or other action relating to or affecting the Subject Property and, if Mortgagor's interest in the Subject Property is a leasehold interest or estate, of any notice of default or demand for performance under the lease or other agreement pursuant to which such leasehold interest or estate was created or exists.

4.11 Powers and Duties of Mortgagee. Mortgagee may, upon written request, without obligation to do so or liability therefor and without notice: (a) release all or any part of the Subject Property from the lien of this Mortgage; (b) consent to the making of any map or plat of the Subject Property; and (c) join in any grant of easement or declaration of covenants and restrictions with respect to the Subject Property, or any extension agreement or any agreement subordinating the lien or charge of this Mortgage. Mortgagee may from time to time apply to any court of competent jurisdiction for aid and direction in the exercise or enforcement of its rights and remedies available under this Mortgage, and may obtain orders or decrees directing, confirming or approving acts in the exercise or enforcement of said rights and remedies. Mortgagee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to, actions in which Mortgagor or Mortgagee shall be a party) unless held or commenced and maintained by Mortgagee under this Mortgage.

4.12 Compensation; Exculpation; Indemnification.

(a) Mortgagor shall pay Mortgagee reasonable compensation for services rendered concerning this Mortgage, including without limitation, the providing of any statement of amounts owing under any Secured Obligation. Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of: (i) the exercise of any rights, remedies or powers granted to Mortgagee in this Mortgage; (ii) the failure or refusal of Mortgagee to perform or discharge any obligation or liability of Mortgagor under this Mortgage or any Lease or other agreement related to the Subject Property; or (iii) any loss sustained by Mortgagor or any third party as a result of Mortgagee's failure to lease the Subject Property after any Default or from any other act or omission of Mortgagee in managing the Subject Property after any Default unless such loss is caused by the willful misconduct or gross negligence of Mortgagee; and no such liability shall be asserted or enforced against Mortgagee, and all such liability is hereby expressly waived and released by Mortgagor.

(b) Mortgagor shall indemnify Mortgagee against, and hold Mortgagee harmless from, any and all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which Mortgagee may suffer or incur: (i) by reason of this Mortgage; (ii) by reason of the performance of any act required or permitted hereunder or by law except to the extent caused by the willful misconduct or gross

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negligence of Mortgagee; or; (iii) as a result of any failure of Mortgagor to perform Mortgagor's obligations; or (iv) by reason of any alleged obligation or undertaking of Mortgagee to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property, including without limitation, the payment of any taxes, assessments, rents or other lease obligations, liens, encumbrances or other obligations of Mortgagor under this Mortgage except to the extent caused by the willful misconduct or gross negligence of Mortgagee. Mortgagor's duty to indemnify Mortgagee shall survive the payment, discharge or cancellation of the Secured Obligations and the release or satisfaction, in whole or in part, of this Mortgage.

(c) Mortgagor shall pay all indebtedness arising under this Section immediately upon demand by Mortgagee, together with interest thereon from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation. Mortgagee may, at its option, add any such indebtedness to any Secured Obligation.

4.13 Due on Sale or Encumbrance. Except as permitted by the provisions of any Secured Obligation or applicable law, if the Subject Property or any interest therein shall be sold, transferred (including without limitation, where applicable, through sale or transfer of a majority or controlling interest of the corporate stock, or any general partnership, limited liability company or other similar interests, of Mortgagor), mortgaged, assigned, encumbered or leased, whether voluntarily, involuntarily or by operation of law (each of which actions and events is called a "Transfer"), without Mortgagee's prior written consent, THEN Mortgagee may, at its sole option, declare all Secured Obligations immediately due and payable in full. Mortgagor shall notify Mortgagee in writing of each Transfer within ten (10) business days of the date thereof.

4.14 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under any Secured Obligation (each, an "Interested Party"), Mortgagee may, from time to time, release any Interested Party from liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, accept additional security, and enforce, waive, subordinate or release all or a portion of the Subject Property or any other security for any Secured Obligation. None of the foregoing actions shall release or reduce the personal liability of any Interested Party, nor release or impair the priority of the lien of this Mortgage upon the Subject Property.

4.15 Release of Mortgage. Upon satisfaction in full of the Secured Obligations, Mortgagee, without warranty, shall deliver for recording in the appropriate real property records a satisfaction or release of Mortgage for the Subject Property, or that portion thereof then covered hereby, from the lien of this Mortgage.

4.16 Subrogation. Mortgagee shall be subrogated to the lien of all encumbrances, whether or not released of record, paid in whole or in part by Mortgagee pursuant to this Mortgage or by the proceeds of any Secured Obligation.

ARTICLE V. DEFAULT PROVISIONS

5.1 Default. The occurrence of any of the following shall constitute a "Default" under this Mortgage: (a) Mortgagor shall fail to observe or perform any obligation or agreement contained herein and such default shall continue for a period of thirty (30) days from Mortgagee's delivery of written notice thereof or if a cure cannot be reasonably accomplished within such thirty (30) day period, within a reasonable time after receipt of such written notice; (b) any representation or warranty of Mortgagor herein shall prove to be incorrect, false or misleading in any material respect when made; or (c) an Event of Default (as defined in the Note) by Mortgagor occurs under the Note.

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5.2 Rights and Remedies. Upon the occurrence and during the continuance of any Default, and at any time thereafter, Mortgagee shall have all the following rights and remedies:

- (a) With or without notice, to declare all Secured Obligations immediately due and payable in full.
- (b) With or without notice, without releasing Mortgagor from any Secured Obligation and without becoming a mortgagee in possession, to cure any Default of Mortgagor and, in connection therewith: (i) to enter upon the Subject Property and to do such acts and things as Mortgagee deems necessary or desirable to protect the security of this Mortgage, including without limitation, to appear in and defend any action or proceeding purporting to affect the security of this Mortgage or the rights or powers of Mortgagee hereunder; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of Mortgagee, is senior in priority to this Mortgage, the judgment of Mortgagee being conclusive as between the parties hereto; (iii) to obtain, and to pay any premiums or charges with respect to, any insurance required to be carried hereunder; and (iv) to employ counsel, accountants, contractors and other appropriate persons to assist Mortgagee.
- (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Mortgage or to obtain specific enforcement of the covenants of Mortgagor under this Mortgage, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy. For the purposes of any suit brought under this subsection, Mortgagor waives the defenses of laches and any applicable statute of limitations.
- (d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and with regard to: (i) the adequacy of the security for the repayment of the Secured Obligations; (ii) the existence of a declaration that the Secured Obligations are immediately due and payable; or (iii) the filing of a notice of default; and Mortgagor consents to such appointment.
- (e) To take and possess all documents, books, records, papers and accounts of Mortgagor or the then owner of the Subject Property; to make or modify Leases of, and other agreements with respect to, the Subject Property upon such terms and conditions as Mortgagee deems proper; and to make repairs, alterations and improvements to the Subject Property deemed necessary, in Mortgagee's judgment, to protect or enhance the security hereof.
- (f) To resort to and realize upon the security hereunder and any other security now or later held by Mortgagee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received in accordance with the Section hereof entitled Application of Foreclosure Sale Proceeds, all in such order and manner as Mortgagee shall determine in its sole discretion.
- (g) Upon sale of the Subject Property at any judicial foreclosure, Mortgagee may credit bid (as determined by Mortgagee in its sole discretion) all or any portion of the Secured Obligations. In determining such credit bid, Mortgagee may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Subject Property as such appraisals may be discounted or adjusted by Mortgagee in its sole underwriting discretion; (ii) expenses and costs incurred by Mortgagee with respect to the Subject Property prior to foreclosure; (iii) expenses and costs which Mortgagee anticipates will be incurred with respect to the Subject Property after foreclosure, but prior to resale, including without limitation, costs of structural reports and other due diligence, costs to carry the Subject Property prior to resale, costs of resale (e.g., commissions, attorneys' fees, and taxes), Hazardous Materials clean-up and monitoring, deferred maintenance, repair, refurbishment and retrofit, and costs of defending or settling litigation affecting the Subject Property; (iv) declining trends in real property values generally and with respect to properties similar to the Subject Property; (v) anticipated discounts upon resale of the Subject

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Property as a distressed or foreclosed property; (vi) the existence of additional collateral, if any, for the Secured Obligations; and (vii) such other factors or matters that Mortgagee deems appropriate. Mortgagor acknowledges and agrees that: (A) Mortgagee is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (B) this Section does not impose upon Mortgagee any additional obligations that are not imposed by law at the time the credit bid is made; (C) the amount of Mortgagee's credit bid need not have any relation to any loan-to-value ratios specified in any agreement between Mortgagor and Mortgagee or previously discussed by Mortgagor and Mortgagee; and (D) Mortgagee's credit bid may be, at Mortgagee's sole discretion, higher or lower than any appraised value of the Subject Property.

(h) Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction that does not include either agricultural real estate (as defined in 735 ILCS 5/15-1201), or residential real estate, and to the fullest extent permitted by law, Mortgagor hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under 735 ILCS 5/15-1601(b) and the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium law under any state or federal law.

(i) Notwithstanding the provisions of this Section, any foreclosure of all or any portion of the lien of this Mortgage shall be in accordance with the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 et seq., as from time to time amended.

5.3 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of sale, including costs of evidence of title and attorneys' fees in connection with a sale, all proceeds of any foreclosure sale shall be applied first, to payment of all Secured Obligations (including without limitation, all sums expended by Mortgagee under the terms hereof and not then repaid, with accrued interest at the highest rate per annum payable under any Secured Obligation), in such order and amounts as Mortgagee in its sole discretion shall determine; and the remainder, if any, to the person or persons legally entitled thereto.

5.4 Application of Other Sums. All Rents or other sums received by Mortgagee or any agent or receiver hereunder, less all costs and expenses incurred by Mortgagee or such agent or receiver, including reasonable attorneys' fees, shall be applied to payment of the Secured Obligations in such order as Mortgagee shall determine in its sole discretion; provided however, that Mortgagee shall have no liability for funds not actually received by Mortgagee.

5.5 No Cure or Waiver. Neither Mortgagee's or any receiver's entry upon and taking possession of the Subject Property, nor any collection of Rents, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall impair the status of the security of this Mortgage, or cure or waive any breach, Default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Secured Obligations and any other sums then due hereunder have been paid in full and Mortgagor has cured all other Defaults), or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option of the Subject Property or a subordination of the lien of this Mortgage.

5.6 Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately upon demand the full amount of all out of pocket payments, advances, charges, costs and expenses, including court costs and reasonable attorneys' fees (to include reasonable outside counsel fees expended or incurred by Mortgagee pursuant to this Article V, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Mortgagee or any other person) relating to Mortgagor or in any way affecting any of

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the Subject Property or Mortgagee's ability to exercise any of its rights or remedies with respect thereto. All of the foregoing shall be paid by Mortgagor with interest from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation.

5.7 Power to File Notices and Cure Defaults. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns as Mortgagor's true attorney-in-fact to perform any of the following powers, which agency is coupled with an interest: (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest; and (b) upon the occurrence and during the continuance of a Default, to perform any obligation of Mortgagor hereunder; provided however, that Mortgagee, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Mortgagee, and Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to act under this Section.

5.8 Remedies Cumulative; No Waiver. All rights, powers and remedies of Mortgagee hereunder are cumulative and are in addition to all rights, powers and remedies provided by law or in any other agreements between Mortgagor and Mortgagee. No delay, failure or discontinuance of Mortgagee in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy.

5.9 Mortgagee's Right to Procure Insurance. Mortgagor acknowledges receipt of the following notice: "Unless you [Mortgagor] provide evidence of the insurance coverage required by your agreement with us [Mortgagee], we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own."

If Mortgagor fails to maintain any insurance required hereunder, Mortgagee may, but shall not be obligated to, purchase such required insurance at Mortgagor's expense to protect Mortgagee's interests in the Subject Property. This insurance may, but need not, protect Mortgagor's interests in the Subject Property. The coverage that Mortgagee purchases shall not be required to pay any claim that the Mortgagor makes or any claim that is made against Mortgagor in connection with the Subject Property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing evidence that Mortgagor has obtained the insurance required hereunder. If Mortgagee purchases insurance for the Subject Property, Mortgagor will be responsible for the costs of the insurance, including the insurance premium. The costs of the insurance obtained by Mortgagee may be more than the cost of insurance Mortgagor may be able to obtain on its own. Unless Mortgagee otherwise agrees in writing, Mortgagor shall pay to Mortgagee the full costs of such insurance, together with the accrued interest thereon and the other charges in connection therewith, within thirty (30) days after "Notice of Placement of Insurance" as required by applicable law.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.1 No Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in, or any other lien on, the Subject Property unless Mortgagee specifically consents to a merger in writing.

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6.2 Execution of Documents. Mortgagor agrees, upon demand by Mortgagee, to execute any and all documents and instruments required to effectuate the provisions hereof.

6.3 Right of Inspection. Mortgagee or its agents or employees may enter onto the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and ascertaining Mortgagor's compliance with the terms hereof.

6.4 Notices. All notices, requests and demands which Mortgagor or Mortgagee is required or may desire to give to the other party must be in writing, delivered to Mortgagee at the following address:

Eastern Aviation Fuels, Inc.
601 McCarthy Blvd.
New Bern, North Carolina 28562
Attention: Robbie Stallings

and to Mortgagor at its address set forth at the signature lines below, or at such other address as either party shall designate by written notice to the other party in accordance with the provisions hereof.

6.5 Successors; Assignment. This Mortgage shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto; provided however, that this Section does not waive the provisions of the Section hereof entitled Due on Sale or Encumbrance. Mortgagee reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Mortgagee's rights and benefits under the Note, any and all other Secured Obligations and this Mortgage. In connection therewith, Mortgagee may disclose all documents and information which Mortgagee now has or hereafter acquires relating to the Subject Property, all or any of the Secured Obligations and/or Mortgagor and, as applicable, any partners, joint venturers or members of Mortgagor, whether furnished by any Mortgagor or otherwise.

6.6 Rules of Construction. (a) When appropriate based on the identity of the parties or other circumstances, the masculine gender includes the feminine or neuter or both, and the singular number includes the plural; (b) the term "Subject Property" means all and any part of or interest in the Subject Property; (c) all Section headings herein are for convenience of reference only, are not a part of this Mortgage, and shall be disregarded in the interpretation of any portion of this Mortgage; (d) if more than one person or entity has executed this Mortgage as "Mortgagor," the obligations of all such Mortgagors hereunder shall be joint and several; and (e) all terms of Exhibit A, and each other exhibit and/or rider attached hereto and recorded herewith, are hereby incorporated into this Mortgage by this reference.

6.7 Severability of Provisions. If any provision of this Mortgage shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Mortgage.

6.8 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

ARTICLE VII. SECURITY AGREEMENT

7.1 Security Interest. As security for all of the Secured Obligations (called "Obligations" in this Article VII), Mortgagor (called "Debtor" in this Article VII) grants to Mortgagee (called "Creditor" in this Article VII) a lien and continuing security interest in the Collateral (defined below). Debtor authorizes Creditor to file financing statements covering the Collateral as Creditor shall deem necessary or desirable to protect Creditor's interest in the Collateral. Debtor shall not file any amendments, correction statements or termination statements concerning the Collateral without the prior written consent of Creditor. Debtor

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will, on Creditor's demand, pay the cost of filing any financing, continuation, termination, amendment or security interest filing statements as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. Debtor represents, warrants and agrees that the Collateral is and shall remain free and clear of all liens, security interests and encumbrances, except for Permitted Liens. Creditor's security interest shall continuously exist until all Obligations have been paid in full.

7.2 Construction of Article and Definitions. Unless the context otherwise requires, all of the terms used in this Article VII without definition which are defined by the Uniform Commercial Code shall have the meanings assigned to them by the North Carolina Uniform Commercial Code, as in effect on the date hereof. "Debtor" and "Creditor" shall include their respective heirs, legal representatives, successors and assigns. All words shall be deemed to refer to the singular, plural, masculine, feminine or neuter as the identity of the person or entity or the context may require. The following terms used in this Article VII shall have the following meanings:

(a) "Collateral" shall mean all fuel farms and all fuel farm equipment, tanks and fixtures, both underground and above ground, and all related accessories and personal property including but not limited to all straps, anchors, turnbuckles, containers, manholes, modules, probes, switches, connectors, and cabinets, whether now owned or hereafter acquired, and any additions, replacements, accessions, or substitutions thereof and all cash and non-cash proceeds and products thereof (collectively, "Collateral").

(b) "Loan Documents" shall mean this Mortgage and Note, and all other agreements, instruments and contracts previously, simultaneously or hereafter executed and delivered by Debtor and/or by any Obligor or any other person as security for, as guaranty of or otherwise in connection with the Obligations, whether or not this Mortgage is specifically referred to therein.

(c) "Obligations" shall mean all amounts that Debtor now or may in the future owe Creditor under the Note, including any renewals, extensions and modifications of the Note and the costs of collection, and all obligations of Debtor hereunder.

(d) "Obligor" shall mean Debtor, each person who is primarily or secondarily liable for the repayment of any of the Obligations, and each person who has granted security for the repayment of any of the Obligations.

(e) "Security Agreement" means Article VII of this Mortgage.

7.3 Possession of the Collateral. Upon the request of Creditor, Debtor will promptly deliver to Creditor all documents that may be requested by Creditor, previously or hereafter received by Debtor and constituting or evidencing the Collateral. Debtor shall promptly deliver to Creditor all money, certificates, instruments, passbooks and other such documents, and all other property of any kind, previously or hereafter received by Debtor in respect of, in evidence of, as an addition to, in substitution for, in replacement of or in exchange for any of the Collateral. Any or all of the Collateral may at any time, at the option of Creditor, be registered in the name of Creditor or its nominee. In the event that any of the Collateral shall mature or otherwise become payable, Creditor may, in the place and stead of Debtor, cause the same to be renewed, rolled over or reinvested in such manner and upon such terms and conditions as Creditor may reasonably determine. Creditor shall have the right to receive and to apply to any of the Obligations, as Creditor may determine in its discretion, any money or other property payable on account of any sale, assignment or transfer of any of the Collateral, whether pursuant to a redemption or repurchase of the Collateral by the issuer thereof, or otherwise.

7.4 Duty of Care. Beyond the exercise of reasonable care to assure the safe custody of any of the Collateral while in the possession of Creditor, Creditor shall have no duty or liability to collect any cash or other property due in respect thereof or to give any notices with respect thereto or to protect or preserve any rights pertaining thereto, and shall be relieved of all responsibility for the Collateral upon surrendering the same to Debtor. Creditor shall be deemed to have exercised reasonable care with respect to any of the Collateral in its possession if Creditor takes such action as Debtor shall reasonably

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request in writing; but no failure to comply with any such request shall be deemed a failure to exercise reasonable care, and no failure to do any act not requested by Debtor shall be deemed a failure to exercise reasonable care.

7.5 Representations and Warranties. Debtor represents and warrants to Creditor that, except as previously disclosed to Creditor in writing: (a) this Agreement and any other Loan Documents executed by Debtor constitute the legally binding obligations of Debtor and are fully enforceable against Debtor in accordance with their terms, subject to application of general principles of equity and laws affecting the rights of creditors generally; (b) to Debtor's knowledge, there are no judgments, injunctions or similar orders outstanding against Debtor or any of the Collateral and no actions, suits or proceedings pending or threatened against Debtor; (c) Debtor is and shall remain the owner of the Collateral and has good and marketable title to the Collateral free and clear of all liens, pledges, security interests and other encumbrances except for Permitted Liens; (d) Debtor has filed all tax returns which are required to be filed by Debtor and Debtor has paid all taxes shown to be due thereon or which have been assessed against Debtor; (e) Debtor's name is as specified on the signature line of this Agreement; (f) Debtor will immediately advise Creditor in writing of any intended change of Debtor's principal residence address and the places where the Collateral, or any part thereof, are kept; and (g) all information contained in any financial statement, application, schedule, report or any other document given to Creditor by Debtor or by any other person in connection with the Obligations is in all respects true and accurate and Debtor, and such other person has not omitted to state any material fact or any fact necessary to make such information not misleading.

7.6 Covenants. Until all of the Obligations have been paid in full, Debtor covenants and agrees that Debtor will, except as otherwise agreed to in writing by Creditor: (a) deliver to Creditor in writing, upon Creditor's request, and periodically if Creditor shall so request, such written statements and reports as Creditor may request concerning the Collateral, any other assets of Debtor, or the financial condition of Debtor; (b) file all tax returns which are required to be filed by Debtor and pay all taxes and assessments prior to the date on which penalties attach thereon; (c) do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Creditor may reasonably request to vest in and assure to Creditor its rights hereunder or in any of the Collateral, and pay to Creditor all taxes, fees and costs (including reasonable attorneys' fees) paid or incurred by Creditor in connection with the preparation, filing or recordation thereof; (d) maintain the Collateral in good repair and operating condition; (e) keep the Collateral in the State of Illinois; and (f) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities or agencies to which Debtor is subject. Debtor covenants and agrees that Debtor will not, without Creditor's prior written consent: (i) sell, assign, transfer or lease any of the Collateral and will not permit any lien, security interest or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of Creditor; (ii) change the location of any of the Collateral from its current location; or (iii) move Debtor's principal place of business from its current address.

7.7 Insurance. Debtor will insure such of the Collateral as specified by Creditor against such casualties and risks in such form and amounts as may from time to time be required by Creditor. All insurance proceeds shall be payable to Creditor and all policies or certificates of insurance shall be furnished to Creditor evidencing among other things that notice of cancellation be provided to Creditor. Debtor will pay all premiums due or to become due for such insurance and hereby assigns to Creditor any returned or unearned premiums which may be due upon cancellation of insurance coverage. Creditor is hereby irrevocably (a) appointed Debtor's attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect such returned or unearned premiums or the proceeds of insurance, and (b) authorized to apply such insurance proceeds in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to this Article VII.

7.8 Default. The occurrence of any one or more of the following events shall constitute a default under this Article VII: (a) the failure of any Obligor to pay promptly when due any sum due in respect of the Obligations; (b) the failure of any Obligor to perform, observe or comply with any of the Loan Documents; (c) the dissolution or death of any Obligor; (d) the filing of any petition for relief under the

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7.10 Notice of Sale of the Collateral. Any written notice of sale, disposition or other intended action by Creditor with respect to the Collateral which is required by applicable laws and is sent by regular mail, postage prepaid, to Debtor at Debtor's address specified below, or such other address of Debtor which may from time to time be shown on Creditor's records, at least 10 days prior to such sale, disposition or other action or any longer period required by applicable law, shall constitute reasonable notice to Debtor.

7.11 Sale of the Collateral and Disclaimer of Warranties. All sales or other dispositions of Collateral may be made for cash, upon credit or for future delivery. It is mutually agreed that it is commercially reasonable for Creditor to disclaim all warranties which arise with respect to the disposition of the Collateral. Creditor shall have no obligation to delay any liquidation, sale or other disposition because the same may result in the imposition of any forfeiture, premium or penalty; Debtor hereby acknowledging that the risk of such forfeiture, premium or penalty is inherent in granting a security interest in the Collateral to Creditor. In connection with any liquidation, sale or other disposition of any of the Collateral, Creditor shall have the right, in the name, place and stead of Debtor, to execute all necessary endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral. Debtor recognizes that Creditor may be unable to effect a public sale of all or a part of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Act") and/or the securities laws of one or more states (the "Blue Sky Laws"), but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire all or a portion of the Collateral for their own account, for investment and without a view to the distribution or resale thereof. Debtor understands and agrees that any private sale so made may be at prices and on other terms less favorable than if the Collateral were sold in one or more public sales, and agrees that Creditor has no obligation to delay the sale of any of the Collateral for the period of time necessary to permit the issuer of the Collateral (even if the issuer agrees to register the Collateral) to register the Collateral for sale under the Act or the Blue Sky Laws. Debtor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner. If any consent, approval or authorization of any federal, state, municipal or other governmental department, agency or authority should be necessary to effectuate any sale or other disposition of the Collateral, Debtor will execute all such applications and other instruments as may be required in connection with securing any such consent, approval or authorization, and will otherwise use its best efforts to secure the same. In addition, if the Collateral is disposed of pursuant to Securities and Exchange Commission Rule 144, Debtor agrees to complete and execute a Form 144, or comparable successor form, at Creditor's request, and Debtor agrees to provide any material adverse information in regard to the current and prospective operations of any corporation whose stock constitutes all or a portion of the Collateral of which Debtor has knowledge and which has not been publicly disclosed, and Debtor hereby acknowledges that Debtor's failure to provide such information may result in criminal and/or civil liability.

7.12 Performance for Debtor. Creditor shall have the right, but no obligation, to pay amounts on behalf of Debtor in order to cause Debtor to be in compliance with any of the terms of this Agreement or any of the other Loan Documents, including payment of premiums for required insurance and payment of tax obligations of Debtor. Debtor shall pay Creditor on demand for all such amounts paid by Creditor. Creditor may, in its discretion, add such amounts to the unpaid principal balance of the Obligations and charge interest at the highest rate charged on the Obligations. Debtor authorizes Creditor to request other secured parties of Debtor to provide accountings, confirmations of Collateral and confirmations of statements of account concerning Debtor. Debtor hereby designates and appoints Creditor and its designees as attorney-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse Debtor's name on requests to other secured parties of Debtor for accountings, confirmations of collateral and confirmations of statements of account.

7.13 Waivers. No failure or delay by Creditor to insist upon the strict performance of any provision of the Agreement or any of the other Loan Documents or to exercise any right, power or remedy shall constitute a waiver thereof, or preclude Creditor from exercising any such right, power or remedy. No waiver or amendment of this Agreement or any of the other Loan Documents shall be deemed to be made by Creditor unless in a writing signed by Creditor, and each such waiver, if any, shall apply only to

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the specific instance involved. No substitution, impairment, exchange or release of any of the Collateral shall limit or otherwise affect the liability of Debtor with respect to any of the Obligations. Upon termination of this Agreement and Creditor's security interest hereunder, payment of all Obligations and termination of any commitments of Creditor which would give rise to any Obligations, within 60 days following Debtor's request to Creditor, Creditor shall release control of any security interest in the Collateral perfected by control and Creditor shall send Debtor a statement terminating any financing statement filed against the Collateral.

7.14 Invalidity of Any Part. In the event that any one or more of the provisions of this Article shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Article operate or would prospectively operate to invalidate this Article or this Mortgage or the Obligations, then and in any of those events, the following shall occur: (a) the provision(s) shall be enforced to the fullest extent of its validity, legality and enforceability; or, (b) if such provisions would operate so as to invalidate this entire Article or the Obligations, only such provision(s) shall be void as though not herein contained, and the remainder of the clauses and provisions of this Article will remain in full force and effect.

(signature(s) on next page)

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first set forth above.

Mortgagor(s)

Address(es)

HAWTHORNE GLOBAL AVIATION SERVICES, LLC

3955 Faber Place Drive, Suite 301
N. Charleston, South Carolina 29405

By: [Signature]
Name: Bryan Burdette
Title: CEO

State of South Carolina)
County of Charleston)

ACKNOWLEDGEMENT

This instrument was acknowledged before me on ~~February~~ APRIL 2ND, 2014 by Bryan Burdette as CEO of Hawthorne Global Aviation Services, LLC.

(Seal)

[Signature]
Signature of Notary Public

Property of Cook County Clerk's Office

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EXHIBIT A (Description of Property)

Address of Premises: 1120 Milwaukee Ave., Prospect Heights, IL

Permanent Index Number(s):	03-13-400-031-0000
	03-13-400-042-0000
	03-13-400-043-0000
	03-13-400-044-0000
	03-13-400-04 7-0000
	03-13-400-048-0000
	03-13-400-049-0000

Legal Description of Property:

That part of the southeast quarter of Section 13, Township 42 north, Range 11 east of the Third Principal Meridian described as follows: Commencing at the intersection of the center line of Milwaukee Avenue and the south line of said southeast quarter; thence N24°26'57"W along said center line, 1528.14 feet to the northerly line of that portion of the right-of-way of Milwaukee Avenue conveyed by Doc. 95701263; thence S65°33'03"W along said northerly line, 64.0 feet to the westerly line of said right-of-way for a point of beginning; thence S24°26'57"E along said westerly line, 122.76 feet; thence N65°33'03"E along said westerly line, 9.0 feet; thence S24°26'57"E along said westerly line, 82.0 feet; thence S26°21'42"E along said westerly line, 659.22 feet; thence S24°26'57"E along said westerly line, 424.50 feet; thence N48°06'36"W, 229.73 feet; thence N62°06'46"W, 474.30 feet; thence N24°26'57"W, 102.23 feet; thence N65°33'03"E, 351.00 feet to the point of beginning in Cook County, Illinois.

Area: 354,116.46 sq.ft., 6.129 acres

4838-7482-0373, v. 5

Property of Cook County Clerk's Office