

This Third Mortgage made as of the 7 day of June, 2002 by Paladin Partners, LLC, and Illinois Limited Liability Company (hereinafter referred to as the "Mortgagor") to Car Wash Depot, Inc., an Illinois corporation (hereinafter referred to as the "Mortgagee").



Property of Cook County Clerk's Office

**RECITAL**

Mortgagor is the legal owner of the premises commonly known as 23-27 S. Wolf Road, Northlake, Illinois and more particularly legally described as follows, to wit:



The North 4.0 feet of Lot 23, also the East 10.0 feet of the South 6.0 feet of the North 10.0 feet of said Lot 23, and all of Lots 24 through 34, in Block 1, in Midland Development Company's North Lake Village, a Subdivision of the North 1/2 of the Northwest 1/4 of Section 5, Township 39 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois. Commonly known as 23-27 S. Wolf Road, Northlake, Illinois. (hereinafter referred to as the "Premises")

- PIN: Part of LOT 23 15-05105-042
- PIN: LOT 24 15-05105-027
- PIN: LOT 25 15-05105-026
- PIN: LOT 26 15-05105-025
- PIN: LOT 27 15-05105-024
- PIN: LOT 28 15-05105-023
- PIN: LOT 29 15-05105-022
- PIN: LOT 30 15-05105-021
- PIN: LOT 31 15-05105-020
- PIN: LOT 32 15-05105-019
- PIN: LOT 33 15-05105-018
- PIN: LOT 34 15-05105-017

**P.N.T.**

Robert Desmond and Matthew Walsh (hereinafter referred to collectively as "Guarantors"), the sole Members of Paladin Partners, LLC., aforesaid, the Mortgagor have contemporaneously herewith executed and delivered to Mortgagee their personal guarantees of the indebtedness due from Paladin Partners, LLC. and borrowed by it from Mortgagee in the original principal amount of One Hundred Thousand Dollars (\$100,000.00), said indebtedness being evidenced by the Installment Note of Paladin Partners, LLC. of even date herewith (hereinafter referred to as the "Installment Note") and payable to Mortgagee at the place designated therein; and whereas by the aforesaid Guaranty the said Members of Mortgagor promise to pay the Installment Note in the manner and upon the conditions therein set forth to the Mortgagee upon default.

**NOW, THEREFORE**, to assure payment of said sum of One Hundred Thousand Dollars (\$100,000.00) and interest thereon upon default and to thus secure unto Mortgagee the performance and covenants and agreements of the Guarantors, Mortgagor does hereby grant, remise, release, alien, convey and

mortgage unto the Mortgagee, its successors and assigns, the Premises described in the Recital above and by reference herein, together with the property described as follows: (a) all right, title and interest, including the right of use or occupancy, which Mortgagor may now have or hereafter acquire in and to any lands occupied by streets, alleys or public places adjoining said premises or in such streets, alleys or public places; (b) all improvements, tenements, hereditament, gas, oil, minerals, easements, fixtures and appurtenances, and all other rights and privileges thereunto belonging or appertaining; (c) all apparatus, machinery, equipment, and fixtures, trade fixtures belonging to Mortgagor now or hereafter therein or thereupon used to supply gas, electric, heat, air conditioning, ventilation, water, light, power and to treat or dispose of refuse or waste; (d) all screens, windows, storm doors and windows, alarm systems, communication systems and appliance used by the the Mortgagor for or in connection with the maintenance and operation of said real estate or intended for the use or convenience of tenants, other occupants or patrons thereof; (e) all items of furnishing, furniture, trade equipment, inventory, supplies, and personal property used or useful in the operation of the real estate; and all replacements and substitutions for the foregoing whether or not any of the foregoing is or shall be on or attached to said real estate. It is mutually agreed, intended and declared that all of the aforesaid property owned by the Mortgagor shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this mortgage to be real estate and covered by this Mortgage.

**TO HAVE AND TO HOLD** the Premises, properties, rights and privileges hereby conveyed or assigned, or intended to be so, under Mortgagee, its successors and assigns, forever for the uses and purposes herein set forth. Mortgagor hereby releases and waives all rights under and by virtue of the Homestead exemption laws of the State of Illinois, if applicable, and Mortgagor hereby represents that at the time of the delivery of these presents the Mortgagor is well seized of said real estate and premises in fee simple absolute, and with full legal and equitable title to the mortgaged Premises and property, with good right, full power and lawful authority to sell, assign, convey and mortgage the same, and that Mortgagor will forever defend the same against all lawful claims.

1. Mortgagor agrees to satisfy, when due, and if called upon the indebtedness secured hereby.
2. Mortgagor hereby covenants and represents that:
  - a. Mortgagor is duly authorized to make and enter into this Mortgage and to carry out the transactions contemplated hereby.
  - b. This Mortgage has been duly executed and delivered pursuant to authority legally adequate therefore and is a legal, valid and binding obligation of Mortgagor, enforceable in accordance with the terms hereof.
  - c. Mortgagor is not now in default under any instrument or obligations relating to the Premises and no party has asserted any claim of default against Mortgagor relating to these Premises.
  - d. The execution and performance of this Mortgage and the consummation of the transaction contemplated will not result in the breach of any of, or constitute a default under, any mortgage, lease, loan or credit arrangement or agreement, trust indenture or other instrument to which Mortgagor is a party or by which it may be bound or affected; nor do any such instruments impose or contemplate any obligations which are or will be inconsistent with any other obligations imposed on Mortgagor under any other instruments heretofore or hereafter delivered by Mortgagor.
  - e. There are no actions, suits, proceedings (including, without limitation, any condemnation or bankruptcy proceedings) pending or threatened against or affecting the Mortgagor or the Premises, or which may adversely affect the validity or enforceability of this Mortgage, at law or in equity, or before or by any governmental authority or agency, Mortgagor is not in default with respect to any Writ, Injunction, Decree or demand of any Court or any governmental authority or agency affecting the Premises.
3. Mortgagor agrees not to abandon the Premises; to keep the Premises in good, safe and insurable condition and repair and not to commit or suffer waste thereupon; to pay for and complete within a reasonable time any building at any time in the process of construction upon the Premises; to refrain from impairing or diminishing the value of this Mortgage to Mortgagee; and neither make nor permit structural

or other substantial alterations or improvements to the Premise without the prior written consent of the Mortgagee.

4. Mortgagor agrees that if the United States or the State of Illinois or any of their subdivisions having jurisdiction shall levy, assess or charge any tax, assessment or other imposition upon this Mortgage, or the indebtedness secured thereby, or the Installment Note, or the interest of Mortgagee in the Premises or upon the Mortgagee by reason of or as holder of any of the foregoing (excepting therefrom any income tax on interest payments on the principal portion of the indebtedness secured hereby), then, unless all such taxes, assessments and impositions as may be lawfully paid by Mortgagor are paid by Mortgagor to and for the Mortgagee as they become due and payable, all sums hereby secured shall become immediately due and payable at the election and option of Mortgagee, notwithstanding anything contained herein or in any law heretofore or hereafter enacted. Mortgagor agrees to exhibit to Mortgagee, at least annually and at any time upon reasonable request, official receipt showing payment of all such taxes, assessments and impositions which Mortgagor is, under the provisions hereof, required to pay .

5. Mortgagor agrees to pay, not later than the due date and before any penalty or interest attaches, all general taxes and all special assessments and special taxes, water, drainage and sewer charges and all other charges of any kind whatsoever, ordinary and extraordinary, which are or may be levied, assessed or imposed on or against the Premises and, at the request of the Mortgagee, to exhibit to Mortgagee official receipts evidencing such timely payments; provided however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to or on the date on which the assessment installment is due and payable. Mortgagor, at Mortgagor's sole cost and expense, may in good faith, by appropriate proceeding, contest and challenge the validity, applicability or amount of any asserted tax or assessment, but pending such proceeding, contest or challenge the Mortgagor shall not be deemed in default hereunder if on or before the due date of the asserted tax and/or assessment the Mortgagor establishes an escrow acceptable to Mortgagee in an amount reasonable estimated by Mortgagee to be adequate to cover the payment of the tax or assessment, and possible interest, penalties, legal and accounting costs and should the amount of the escrow prove to be insufficient to pay any amounts adjudged by a court of competent jurisdiction to be due and owing, Mortgagor shall immediately pay such deficiency no later than the date such adjudication becomes final.

6. (a) Mortgagor agrees to at all times maintain in full force and effect policies of insurance (including, without limitation, fire and extended risk coverage insurance) on the Premises insuring against such risks and in such amounts as is deemed satisfactory to the Mortgagee. Each such policy shall in all events be greater in amount than the amount required to prevent Mortgagor from becoming a co-insurer within the terms of said policy or policies.

(b) All such insurance policies shall be written by companies and on forms with endorsements satisfactory to Mortgagee and the policies evidencing the same, with proper and suitable loss-payable and standard non-contribution mortgagee clauses in favor of the Mortgagee attached and such shall be deposited with the Mortgagee. All such policies shall provide for, among other things, written notice to Mortgagee of their pending expiration or any anticipated call for cancellation or termination at least thirty (30) days prior to the occurrence of the expiration, cancellation or termination of any such policy. Not less than ten (10) days prior to such event, Mortgagor shall deposit with the Mortgagee an appropriate renewal or replacement policy or policies consistent with the requirements of this Paragraph 6. In the event of a loss, Mortgagee shall be authorized to collect all insurance proceeds and apply them, at Mortgagee's option, in the reduction of the debt secured hereby, if due, or allow Mortgagor to use such monies, or any portion thereof, in the repair and restoration of damage to the Premises.

7. Mortgagor agrees that Mortgagor shall comply with all restrictions affecting the Premises and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, agency, commission or officer (whether federal, state or local jurisdiction) exercising regulation or

supervision over the Mortgagor or the Premises or any part thereof.

8. Mortgagor agrees that if the United States government or any department, agency or bureau thereof or the State of Illinois or any of its political subdivisions thereof shall at any time require documentary stamps to be affixed to the Installment Note, the Guaranty or to this Mortgage, Mortgagor shall, upon demand, pay for such stamps in the required amount and deliver them to Mortgagee, and Mortgagor agrees to indemnify Mortgagee against liability on account of such documentary stamps, whether such liability arises before or after payment of the obligations secured by this Mortgage and whether or not this Mortgage shall have been released.

9. Mortgagor agrees to faithfully perform all of its obligations under all present and future leases or other agreements relative to the use and occupancy of the Premises, at any time assigned to Mortgagee by separate instrument as additional security for the obligations of Mortgagor to Mortgagee, and to refrain from any action or inaction which would result in termination of any such leases or agreements or in the diminution of the value thereof or of the rents or revenues generated thereby. Mortgagor further agrees that any such lease or agreement relating to the Premises and made after the date of the recording of this Mortgage shall contain a covenant to the immediate effect that the lessee or occupant of the Premises or any part thereof shall provide the Mortgagee an estoppel letter relating to the performance of the terms of the lease or agreement.

10. If any building or other improvements now or hereafter erected upon the Premises shall be destroyed or damaged by fire or other cause or casualty, whether insured or uninsured against, Mortgagor shall restore or rebuild such building or other improvements with the materials and workmanship of as good a quality as existed prior to the damage or destruction by fire or other cause or casualty. Mortgagor shall commence the work of rebuilding and restoration as soon as possible and proceed diligently with it until completion; provided however, that in the event the Mortgagee applies to the indebtedness secured hereby part or all of the proceeds of insurance payable by reason of such fire, cause or casualty, Mortgagor shall never the less be obligated to restore the Premises.

11. Mortgagor agrees to indemnify, defend and hold Mortgagee harmless from all loss, damage and expense, including reasonable attorney's fees, incurred in connection with any suit or proceeding in or to which the Mortgagee may be made a party for the purpose of protecting the lien of this Mortgage.

12. Mortgagor hereby assigns to Mortgagee, as additional security hereunder, all awards of damages resulting from condemnation proceedings or the taking of or injury to the Premise for public use, and Mortgagor agrees that the proceeds of all such awards shall be held in escrow until such time as the underlying obligations of the Mortgagor to the Mortgagee shall have been completely released or discharged. If at the time such proceeds become due and payable, Mortgagor is in default under any of the terms and provisions of this Mortgage or any instrument which is secured by this Mortgage, then the award shall be applied first to the payment or cure of said default and the remaining part thereof, if any, deposited into the escrow as aforesaid.

13. Mortgagor agrees that in the event of default in performance of any of the Mortgagee's agreements and covenants herein contained, Mortgagee may, but is not obligated, make payment or perform any act hereunder of the Mortgagor, in any form and manner deemed expedient after reasonable inquiry into the validity thereof. By way of illustration only, and not in limitation as to meaning, Mortgagee may, but need not, purchase, discharge, compromise or settle any tax lien or any other lien, encumbrances, suit, proceeding, title or claim thereof, suffered or permitted by the Mortgagor. Any and all monies paid for any of the purposes herein authorized and all other monies advanced by Mortgagee to protect the Premises shall be so much additional indebtedness secured hereby and shall become immediately due and payable, without notice and with interest thereon at the Post Maturity Interest Rate (hereafter defined). In making any such payment hereby so authorized, Mortgagee shall be the sole judge of the legality and validity of the underlying claim or demand and of the amount or amounts necessary to be paid in satisfaction thereof.

14. Any of the following events or acts shall constitute an event of default under this Mortgage:

20723393

- (a) If Mortgagor (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceeding, at law or in equity, or before any administrative tribunal, which have or purported to have the effect of preventing the Mortgagor from complying with the terms of this Mortgage) shall:
- (i) fail to make payment of any sum provided to be paid by the Mortgagor under this Mortgage when due, or,
  - (ii) fail to observe or perform any of the Mortgagor's other covenants, agreements or obligations under this Mortgage and such default shall continue for a continuous period of thirty (30) days after notice thereof by the Mortgagee to the Mortgagor, or if such default can not, with due diligence, be cured within said thirty (30) days, Mortgagor fails to commence and continue to cure such default within said thirty (30) day period and shall fail to complete, in a diligent manner, such performance.
- (b) If any guarantor shall default in the performance of any obligation provided of guarantor to be performed under the terms of the Guaranty, or shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to the bankruptcy Act of the United States, or shall be adjudicated a bankrupt or insolvent, or shall make an assignment for the benefit of creditors, or shall admit in writing its or his inability to pay debts generally as they mature, or if a petition or answer proposing the adjudication of Mortgagor or any guarantor of the indebtedness secured hereby as a bankrupt or the reorganization of Mortgagor pursuant to the Bankruptcy Act or any similar federal or state law is filed and such petition or answer shall not be discharged or denied within sixty (60) days after the date of filing thereof.
- (c) If a receiver, trustee or liquidator of Mortgagor or any guarantor of the indebtedness secured hereby or of the Premise shall be appointed in any proceeding brought against Mortgagor or any guarantor of the indebtedness secured hereby and if any such receiver, trustee or liquidator shall not be discharge within sixty (60) days after such appointment.
- (d) If the Premises or substantial part thereof shall have been abandoned.
- (e) If any representation or warranty set forth herein or in any instrument or communication delivered in connection with transaction evidenced in part by this Mortgage shall prove incorrect in any material respect as of the time when the same shall have been made.
15. If any event of default shall have occurred, then the following provisions shall apply:
- (a) All sums secured hereby shall, at the option of the Mortgagee, become immediately due and payable without presentment, demand or further notice, with interest thereon from the date of the first of any such default.
  - (b) Mortgagee may immediately foreclose upon this Mortgage. The court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, without further notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the Premises or the occupancy thereof as a homestead, appoint a receiver for the benefit of the Mortgagee, with the power to collect the rents, issues and profits derived from the Premises, due and to become due, during such foreclosure suit, and the full statutory period of redemption, if any. The reciever, out of such rents, issues and profits when collected may pay costs incurred in the management, preservation, repair and operation of the Premises, pay prior or coordinate with other lien holders, if any, pay taxes, assessments and utilities, pay for insurance then due or accruing, and may pay all or any part of the indebtedness secured hereby or any deficiency decree entered in such foreclosure proceedings.
  - (c) Mortgagee shall, at its option and election, have the right, acting through its agents or attorneys, either with or without process of law, peaceably enter the premises and take possession thereof, expel and remove any persons, goods or chattels and collect or receive rents, issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and, after deducting all reasonable attorney's fees and expenses incurred in the protection, care, maintenance and operation of the Premises, apply the remaining net income upon the indebtedness secured hereby or

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upon any deficiency decree entered in any foreclosure proceedings.

16. In any foreclosure proceeding there shall be allowed and included in the Decree of Sale, to be paid out of the proceeds of the sale, the following:

- (a) All sums remaining unpaid and due Mortgagee and secured hereby.
- (b) All other items advanced or paid by Mortgagee pursuant to the provisions of this Mortgage with interest at the Post Maturity Rate from the date of advancement.
- (c) All court costs, attorney's fees, appraisal fees, expenditures for opinion witnesses, court reporter fees, Sheriff fees and commissions, recording fees publication costs and cost of procuring title insurance. All such items of expense shall become so much additional indebtedness secured hereby and immediately due and payable, with interest at the Post Maturity Rate when incurred or paid by Mortgagee.
- (d) The foregoing items of payment shall be distributed and paid as Mortgagee may, in its sole discretion, determine, and any surplus after the payment thereof shall be paid to the Mortgagor.

17. Each remedy or right of the Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing in law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or of a different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient or appropriate by the Mortgagee.

18. Mortgagor agrees that upon demand of Mortgagee, from time to time made, it will execute, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may reasonably be necessary to effectuate the purpose and intent of this Mortgage.

19. All notices, demands, consents requests, approvals, undertakings or other instruments required or permitted to be given in connection with this Mortgage shall be in writing and shall be sent registered or certified United States Mail, addressed as follows:

If the Mortgagee: Car Wash Depot, Inc., c/o Howard Perino, 1130 W. Polk Street, Chicago, Illinois 60607

With copies to: Lewis R. Shapiro, Esq., 550 W. Frontage Road, Suite 2775, Northfield, Illinois 60093

If to Mortgagor: Paladin Partners, LLC. c/o Robert Desmond, 1116 W. Oakdale, Chicago, Illinois 60657

With copies to: Joseph Palmisano, Esq., 79 W. Monroe Street, Suite 826, Chicago, Illinois 60603

Mortgagor and Mortgagee shall, from time to time, have the right to specify as the proper addresses and/or address for the purpose of this Mortgage any other address in the United States, but only upon giving at least thirty (30) days written notice to the other party.

20. Mortgagor agrees that without affecting the liability of any party for payment of the indebtedness secured hereby or affecting the lien of this Mortgage (other than persons or property explicitly released as a result of the exercise by Mortgagee of its rights and privileges hereunder), Mortgagee may at any time, and from time to time, on request of Mortgagor, without notice to any person liable for payment of the indebtedness secured hereby, extend the time or agree to alter the terms of payment of such indebtedness.

21. Mortgagor agrees that this Mortgage and Guaranty it secures are to be construed and governed by the laws of the State of Illinois.

22. Upon full payment of all sums secured hereby at the time and in the manner provided, this conveyance shall be null and void, and upon demand therefor following such payment, a release of this Mortgage shall, in due course, be made by Mortgagee to Mortgagor.

23. All provisions hereof shall inure to and bind the respective successors, vendees and assigns of the parties hereto. The word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part thereof, whether or not such

20723393

person shall have executed the Guaranty of this Mortgage.

24. To the full extent permitted by law, Mortgagor hereby waives any and all rights of redemption and all rights of redemption from the sale of the Premises under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person acquiring an interest in or title to the Premises subsequent to the date hereof.

25. The term "Post Maturity Rate" as used herein means the interest rate of 12% percent per annum in excess of the interest rate payable under the Note prior to (a) default in payment of principal or interest when due, or (b) any other default as provided for in this Mortgage; but in either case, not more than the maximum rate, if any, permitted by law.

26. Mortgagor agrees that it will not create or permit any federal tax or other lien to attach to or be filed against the Premises without the prior written consent of the Mortgagee.

27. Mortgagor shall not sell, convey, transfer or otherwise dispose of all or any part of the Premises (including the sale or transfer of any interest therein by Article of Agreement For a Deed), or suffer or permit an assignment of all or any part of the beneficial interest of any land trust or trusts, if any, which may now hold legal title to the Premises, without first obtaining the written consent and approval of the Mortgagee. If Mortgagee does sell, convey, transfer or otherwise make a disposition of the Premises without obtaining Mortgagee's prior written consent, which consent Mortgagee may withhold for any reason or no reason at all, the Mortgagee may elect, by written notice to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable thirty (30) days from the date of giving such notice.

IN WITNESS WHEREOF this instrument is executed and delivered as of the day and year first written above.

PALADIN PARTNERS, LLC.

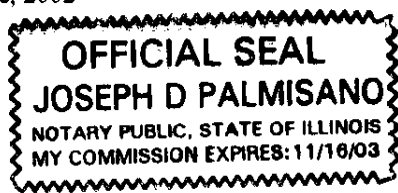
BY: [Signature]  
Managing Member or Manager

State of Illinois )  
                          ) S.S.  
County of Cook )

I, Joseph D Palmisano a Notary Public in and for said County, in the State above referred, do hereby certify that Robert Desmond personally known to me to be the Manager or Managing Partner of Paladin Partners, LLC Robert Desmond and \_\_\_\_\_ personally known to me to be the President and the Secretary, respectively of Paladin Partners, LLC., and personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager, President and/or as such Secretary, he (they) signed and delivered the said instrument in such capacities pursuant to authority given by the Members of Paladin Partners, LLC., as his (their) free and voluntary act, and as the free and voluntary act and deed of said Paladin Partners, LLC., for the uses and purposes therein set forth.

Given under my hand and notarial seal this 7 day of June, 2002

[Signature] (Notary Public)



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