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Cook County Recorder
UNIT NO. 12630

STATE OF Illinois

COUNTY OF Cook



**VILLAGER FRANCHISE SYSTEMS, INC.
DECLARATION OF FRANCHISE AGREEMENT**

The undersigned VILLAGER FRANCHISE SYSTEMS, INC., a Delaware corporation (the "Company") and HBP HOSPITALITY, INC., a _____ corporation, ("Franchisee") declare as follows:

1. A Franchise Agreement, dated as of Sept. 28, 1999, has been executed by the parties pursuant to which the Company has granted to Franchisee the right and license to operate certain lodging premises located at **21609 Govenors Highway, Matteson, Illinois 60443**, a legal description of which premises is attached hereto as Exhibit A (the "Premises"), as a "VILLAGER LODGE" facility. Such identification and operation is subject to the terms of the Franchise Agreement and the policies, and standards established by the Company from time to time, provided that Franchisee is solely responsible for the safety, security, operations and maintenance of the Premises, employment of all employees, agents and contractors, and the debts and contracts associated therewith.

2. The term of the license to operate the Premises under the "VILLAGER LODGE" name extends from the date Franchisee is authorized by the Company to open using the "VILLAGER LODGE" name for a period of FIFTEEN years, subject to earlier termination as provided in the Franchise Agreement. The license terminates at the earliest to occur of the term's expiration, Termination or a Transfer, as defined in the Franchise Agreement. The Franchise Agreement may not be transferred, assigned, delegated, pledged, hypothecated, donated or conveyed without the prior written consent of the Company. The Franchise Agreement establishes certain conditions that must be satisfied in connection with any transfer. The request for consent must be submitted with the Company's standard franchise application and approved before the transfer of the Premises. The Company will require the transferee to pay its Relicense and Application Fees and execute its standard form of Franchise Agreement then offered to new franchisees prior to approving the transfer. Transfers in violation of the Franchise Agreement are void and cause the license to terminate without notice (or after such other procedure as may be prescribed by local law). The Company will provide no services to the transferred Premises until the transferee executes the documentation required by the Company.

3. The Company may also license Franchisee to use certain computer software necessary to connect the Premises with the Company's central reservation system. Any such software license may not be transferred, assigned, delegated, donated, hypothecated, pledged or conveyed without the Company's prior written consent. Any software license terminates concurrently with the license granted under the Franchise Agreement.

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4. The Company loans certain manuals and confidential materials to Franchisee for use at the Premises. The Company retains ownership of such manuals and confidential materials and may require the return of the same at any time. All software furnished under any software license, all documentation and manuals relating thereto, and all operating and other manuals, and confidential information furnished by the Company remain the property of the Company, and no lien, claim or security interest shall attach thereto.

5. If the license is terminated and the Franchisee or party in possession of the Premises fails to remove all marks, signs, and items bearing the licensed servicemarks and names, or return the reservation system software, manuals and other confidential materials furnished by the Company, the Franchise Agreement authorizes the Company or its agents to enter the Premises without further notice or judicial process and remove all items bearing the licensed servicemarks and names, the software, the manuals and other confidential materials, upon tender of the purchase price of Ten Dollars in cash.

6. The Company may release this instrument at any time by filing notice of release in the records where this instrument is recorded. Franchisee is not required to execute such notice.

7. This instrument is not an encumbrance or conveyance affecting title to the Premises. The Company has no lien on, or security interest in or to, the Premises, provided that the Company maintains a purchase money security interest in computer hardware it sells to Franchisee until payment of the purchase price is received.

IN WITNESS WHEREOF, the parties have executed this declaration intending that it be filed for record in the real property records of the County in which the Premises are located.

FRANCHISEE:

THE COMPANY:

HBP HOSPITALITY, INC..

VILLAGER FRANCHISE SYSTEMS, INC.

By: P. U. ... Patel

By: [Signature]

Print Name of Signer: PRAVIN PATEL

Print Name of Signer: Richard M. Saltzman
Vice President

Title: President

Title: [Signature]

Witness: [Signature]

Witness: [Signature]

Print Name of Witness: KANU S. PATEL

Print Name of Witness: Jeffrey A. Klatzkow

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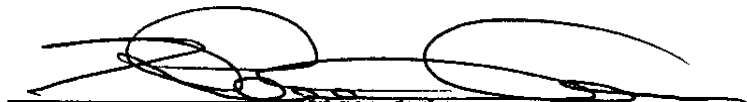
ACKNOWLEDGEMENTS

STATE OF Ill, COUNTY OF Cook ss:

On the 1 day of December, 1999, before me personally appeared Pravin Patel and president to me known, who, being by me duly sworn, did depose and say that they are the president (title) and _____ of HPB Hospitals, Inc. (name of corporation/partnership)

(title) described in and which executed the foregoing instrument; and acknowledged to me that they executed the same in their authorized capacities.

(NOTARY SEAL)

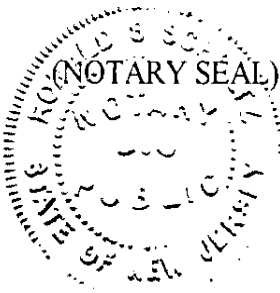

My Commission expires: _____
"OFFICIAL SEAL"
SHERWIN WINER
Notary Public, State of Illinois
My Commission Expires 01/04/00


STATE OF NEW JERSEY, COUNTY OF MORRIS ss:

On the 20th day of December, 1999, before me personally appeared Richard M. Saltzman and _____ to me known, who, being by me duly sworn, did depose and say that they are the Vice President (title) and _____ of Villager Franchise Systems, Inc. (name of corporation/partnership)

(title) described in and which executed the foregoing instrument; and acknowledged to me that they executed the same in their authorized capacities.

(NOTARY SEAL)




(Notary Public)
RONALD S SCHOLTZ
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES 10 19 2004

My Commission expires: _____

This instrument prepared by and to be returned to: Joel R. Buckberg, Esq., VILLAGER FRANCHISE SYSTEMS, INC., 6 Sylvan Way., Parsippany, NJ 07054; (973) 496-5265.

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CHICAGO TITLE INSURANCE COMPANY
OWNER'S POLICY (1992)
SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007797355 D2

THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

THE WEST 50 FEET OF LOT 3, AND LOT 4, EXCEPT THAT PART DESCRIBED AS FOLLOWS:

THAT PART OF LOT 4 IN THE SUBDIVISION OF PART OF LOT 3 LYING NORTH OF THE NORTH RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN RAILROAD COMPANY AS LOCATED THROUGH SAID LOT 3 IN MILLER, LEWIS AND MILLER'S SUBDIVISION OF THE WEST 1/2 OF THE WEST 1/2 OF SECTION 26, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 4; THENCE ON AN ASSUMED BEARING OF SOUTH 89 DEGREES, 52 MINUTES, 36 SECONDS EAST ON THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 27 FEET; THENCE SOUTHWESTERLY ON A CURVED LINE CONVEX TO THE NORTHWEST HAVING A RADIUS OF 55 FEET, A CHORD BEARING OF SOUTH 62 DEGREES, 40 MINUTES, 08 SECONDS WEST, A CHORD DISTANCE OF 30.37 FEET, A DISTANCE OF 30.76 FEET TO A POINT ON THE WEST LINE OF SAID LOT 4 SAID POINT BEING 14 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 4; THENCE NORTH 00 DEGREES, 05 MINUTES, 54 SECONDS WEST ON THE WEST LINE OF SAID LOT 4, A DISTANCE OF 14 FEET TO THE POINT OF BEGINNING;

ALSO,

THE WEST 150 FEET OF LOT 5 AND ALL OF LOTS 6, 7, 8, 9, 10, 11 AND 12 IN THE SUBDIVISION OF PART OF LOT 3 LYING NORTH OF THE NORTH RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN RAILROAD COMPANY AS LOCATED THROUGH SAID LOT 3 IN MILLER, LEWIS AND MILLER'S SUBDIVISION OF THE WEST 1/2 OF THE WEST 1/2 OF SECTION 26, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.