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MORTGAGE (Arlington Heights)

This Mortgage is made as of March 29, 1988 by LASALLE NATIONAL BANK, not personally but as a trustee under a Trust Agreement, dated June 3, 1987, and known as Trust No. 112357 (the "Land Trust") ("Mortgagor"), to VPPI SBC, INC., a Delaware corporation ("Mortgagee"), and portains to the real estate described in Exhibit A attached hereto and hereby made a part hereof.

RECTTALS

- A. Moctgagee owns all of the outstanding proferred stock (the "Preferred Stock") of The Hoffman Group, Inc., a Delaware corporation ("hC!").
- B. Mortgagee and HGI are parties to that certain Agreement for Redemption of Preferred Stock, dated as of March 25, 1988 (the "Redemption Agreement")
- C. Pursuant to the terms of the Redemption Agreement, HGI has redeemed certain shares of the Preferred Stock and, in payment of the redemption price therefor, has executed and delivered to Mortgagee that certain Note of even date horewith in the original principal amount of \$2,800,000.00 (the "Note").
- D. As security for HGI's obligations under the Note, there have been or will be executed and delivered to Mortgagee, in addition to this Mortgage:
 - (1) Mortgages (the "Other Mortgages") given by Mortgagor or HGI on certain other parcels of real property described in the Redemption Agreement;
 - (2) The Wynstone Joint Venture Assignment by HGI (as defined in the Redemption Agreement); and

This instrument was prepared by and should be returned to 3. Dean Heller, Esq.
Tuttle & Taylor Incorporated 355 South Grand Avenue, 40th Floor Los Angeles, California 90071

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(3) Pledges (the "Beneficial Interest Assignments") of HGI's beneficial interest in the Land Trust and the trust created by that certain Trust Agreement between HGI and LaSalle National Bank and known as Trust No. 112715. The Note, this Mortgage, the Other Mortgages, the Wynstone Joint Venture Assignment and the Beneficial Interest Assignments are collectively referred to herein as the "Loan Documents."

NOW, THEREFORE, in order to secure the performance of the Mortgagor's and HGI's obligations under and covenants contained in the Note and hereinbelow, the payment of all other amounts due, and the performance and discharge by Mortgagor or HGI of all other obligations, under the Loan Documents, and in consideration of the matters recited in the Redemption Agreement, the Note and hereinabove, Cortgagor hereby grants, bargains, sells, conveys, and mortgages to Mortgagee and its successors and assigns forever the real estate, and all of its estate, right, title, and interest therein, situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A attached hereto and made a part hereof (the "Premises"), together with the following described property (the Premises and the following described property being collectively referred to hereinbelow as the "Property"), all of which citar property is hereby pledged primarily on a parity with the Premises and not secondarily:

- (a) All buildings and other improvements (if any) of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Property immediately upon the delivery thereof to the Premises;
- (b) All right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of any ways, streets, roads, avenues, sidew. Iks, and alleys adjoining the Premises;
- (c) Each and all of the tenements, hereditaments, easements, rights of way, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter apportaining thereto, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise, or license and the reversions and remainders thereof;

 (d) All rents, subrents, earnings, income, receipts,
- (d) All rents, subrents, earnings, income, receipts, royalties, revenues, issues, deposits, and profits accruing and to accrue from the Premises and the avails thereof;

- (e) All permits, licenses, rights or entitlements to use granted or issued by any governmental authority or transferred from any other parcel of land that allow development of said real property to a greater extent than would be permissible without such permits, licenses, rights or entitlements;
- (f) All leasehold estate, right, title and interest of Mortgagor in and to all leases or subleases (if any) covering the Premises or any portion thereof now or hereafter existing or entered into, and all right, title or interest of Mortgagor therounder;
- (i) All goods, fixtures and personal property (if any) now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon, including without limitation any and all air conditioners, antennae, appliances, apparatus, art work, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidiciers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, paintings, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, sculptures, security systems, shades, shelving, sinks, sprinklers, scacuary, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to such improvements, it being intended, agreed, and declared that all such property owned by wortgagor and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purposes of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aftrosaid property that is not such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code of the state in which the Premises are located, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as "secured party," as such term is defined in such Code;
- (h) All the estate, interest, right, title, other claims or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in said real property and leasehold estate, and all awards made for the

taking by condemnation or eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said real property, said leasehold estate or the fixtures, including, without limitation, any awards resulting from a change of grade of streets or from a taking of access and awards for severance damages;

- (i) Together with all other interest of every kind and character which Mortgagor now has or at any time hereafter acquires in and to the Premises and all property which is used or useful in connection with the Premises;
- TO HAVE AND TO HOLD the same unto Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

AND Moregagor further covenants and agrees as follows:

I GENERAL AGREEMENTS

- 1.01 <u>Performance of Obligations</u>. Mortgagor and HGI shall perform all of their obligations under the Loan Documents.
- Paragraph 1.04 hereof, Mortgagor shall pay immediately, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted or assessed against the Property or any part thereof or interest therein, and to furnish to Mortgagee upon request duplicate receipts therefor within 30 days after payment thereof; provided, however, that Mortgagor May, in good faith and with reasonable diligence, contest the validity or amount of any such taxes, assessments or charges, if:
 - (a) Such contest has the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Property or any part thereof of interest therein to satisfy the same;
 - (b) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties, or costs; and
 - (c) Mortgagor has provided to Mortgagee, and maintains until final disposition of such contest, security acceptable to Mortgagee that is sufficient, in Mortgagee's judgment, to pay in full such contested tax, charge or assessment and all penalties and interest that might become due thereon, and shall increase the amount of such security to cover additional

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penalties and interest whenever, in Mortgagee's judgment, such increase is advisable.

In the event Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain such security, Mortgagee may, at its option, liquidate any security deposited with Mortgagee, in payment of, or on account of, such taxes, charges or assessments, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of any such security so deposited is insufficient for the payment in full of such takes, charges or assessments, together with all penalties and interest thereon, Mortgagor shall forthwith, upon domand, either deposit with Mortgagee a sum that, when added to such security, a sufficient to make such payment in full, or, if Mortgagee has applied such security on account of such taxes, charges or assusoments, restore such security to an amount satisfactory to Mortgagee. Provided that Mortgagor is not then in default herounder, Mortgagee shall, if so requested in writing by Mortgagor, after floor disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such taxes, charges or assersments, apply the security so deposited in full payment of such taxes, charges or assessments or that part thereof then unpaid, together with all penalties and interest thereon.

1.03 Payments by Mortgager. Subject to Mortgagor's rights under Paragraph 1.02 above, Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment not made by Mortgagor when dur tolating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions, or liens that may be asserted against the Property, or any part thereof, and may is so according to any bill, statement, or estimate produced from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfature, or title or claim relating thereto. Mortgagee is further authorized to make or advance, in the place and stead of Mortgagor, any payment relating to any apparent or throatened adverse title, Iten, statement of lien, encumbrance, claim, charge, or payment. otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 1.03, whenever, in its judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Mortgagee is further authorized, at its option, to obtain at Mortgagor's expense an endorsement to the existing title insurance policy insuring this Mortgage. All such advances and indebtedness authorized by this Paragraph 1.03 shall constitute an additional obligation secured hereby and shall be repayable by Mortgagor upon demand with interest at the "Applicable Interest Rate" specified in the Note (the "Note Rate").

1.04 Late Payment of Taxes. Notwithstanding the provisions of Paragraph 1.02 hereof, Mortgagor shall have the option, exercisable by written notice to Mortgagee prior to the time taxes, charges or other assessments against the Property are due and owing, to withhold payment of such taxes, charges or other assessments for a period not to exceed 90 days from the date such taxes, charges or assessments first became due and owing, and such withheld payment shall not constitute a default hereunder; provided, however, (a) that Mortgagor shall provide Mortgagee concurrently with such notice a copy of any notices or statements received from the taxing or assessing authority, (b) that Mortgagor shall provide Mortgagee within five days of receipt thereof a copy of any further notices or statements received from such authority, and (c) that Mortgagor shall within five days after payment furnish to Mortgagee proof of payment of such taxes, charges and assersments; and further provided that nothing in this Paragraph 1.04 shall affect the rights of Mortgagee under Paragraph 1.03 hereof to make any such payment, and to demand immediate reimbursement of such amount, with interest at the Note Rate, at any time Mortcagee deems making such payment necessary or desirable to protect Mortgagee's security.

1.05 Insurance.

Hazard. Mortgagor shall keep the improvements now existing or hereafter erected on the Premises insured under a replacement cost form of insurance policy against loss or damage resulting from fire, flood, windstorm, earthquake and other hazards as may be required by Mortgagee, and to pay promptly, when due, any premiums on such insurance. All such insurance shall be in form and of content, and shall be carried in companies, approved in writing by Mortgagee, and all such policies and renewals theroof (or cortificates evidencing the same), marked "paid," shall be delivered to Mortgagee at least thirty days before the exporation of then existing policies and shall have attached thereto standard non-contributing mortgage clauses entitling Mortgreeo to collect any and all procoeds payable under such insurance, as well as standard waiver of subrogation endorsements. Mortgagor shall not carry any separate insurance on sign improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of loss. the event of a change in ownership or of occupancy of the Premises approved in writing by Mortgagee, immediate notice thereof by mail shall be delivered to all such insurers. the event of any casualty loss, Mortgagor shall give immediated notice thereof by mail to Mortgagoe. Mortgagor hereby authorizes Mortgagoe, at Mortgagoe's option, to adjust and compromise any such losses under any of the aforesaid insurance and, after deducting any costs of collection, to use, apply, or disburse the proceeds thereof, at its option,

- (i) as a credit against any obligation secured hereby (except that Mortgagee will not so apply the proceeds so long as no Default, or event which, with the giving of notice or the passage of time, or both, would be a default, exists hereunder and the aggregate amount of such loss is less than \$100,000); (ii) toward repairing, restoring, and rebuilding the aforesaid improvements, in which event Mortgagee shall not be obliged to see to the proper application thereof nor shall the amount so released or used for such purposes be deemed a payment on the obligations secured hereby; or (iii) by delivering the same to Mortgagor.
- In the event Mortgagee elects to apply such proceeds toward repairing, restoring, and rebuilding such improvements, such proceeds shall be made available, from time to time, upon Mortgagee raing furnished with satisfactory evidence of the estimated cost of such repairs, restoration, and rebuilding and with such architect's and other certificates, waivers of lien, certificates, contractors' sworn statements, and other evidence of the estimated cost thereof and of payments as Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds \$10,000, with all plans and specifications for such repairs, restoration, and rebuilding as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed 90% of the value of the work performed, from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgages shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the obligation secured hereby, all right, title, and interest of Mortgagee in and to any such insurance policies then in force, and any claims or proceeds thereunder, shall pass to Mortgagee or any purchaser or grantee therefrom. Mortgagee may, at any time and in its sole discretion, procure and substitute for any and all of the insurance policies so held as aforesaid, such other policies of insurance, in such amounts, and carried in such companies, as it may select.
- (b) Liability. Mortgagor shall carry and maintain such comprehensive public liability and worker's compensation insurance as may be required from time to time by Mortgagee in form, content and amounts, and with companies approved in writing by Mortgagee; provided, however, that the amounts of such liability coverage, including umbrella policies, shall not be less than \$6,000,000 single limit and that the policies shall name Mortgagee as an additional insured party thereunder. Certificates of such insurance, premiums prepaid shall be deposited with Mortgagee and shall contain provision

for at least 30 days' written notice to Mortgagee prior to any cancellation thereof (except cancellation for non-payment of premium, and then for at least ten days' prior written notice).

- 1.06 Condemnation and Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Property, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, any improvement located thereon, or any easement thereon or appurtenance thereof (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which awards Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Mortgager immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Premises, or any easement thereon or appurtenance thereof (including severance of, consequential damage to, or change in grade of streets), and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor authorizes Mortgagee, at Mortgagee's option upon written notice from Mortgagee to Mortgagor, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Mortgagee's or Mortgagor's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. Mortgagor further agrees to make, execute, and deliver to Mortgagee, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. At Mortgagee's option, any such award may be applied to moving, repairing, rebuilding or restoring the improvements, in which event the same shall be paid out to HGI in the same manner as is provided with respect to insurance proceeds in Paragraph 1.05(a) hereof.
- 1.07 <u>Maintenance of Property</u>. No building or other improvement on the Premises shall be altered, removed, or demolished, nor shall any fixtures, chattels, or articles of personal property on, in, or about the Premises be severed, removed, sold, or mortgaged, without the prior written consent of Mortgagee, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered by this Mortgage or by any separate

security agreement executed in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any other security interest therein, encumbrances thereon, or reservation of title thereto. Mortgagor shall promptly repair, restore, or rebuild any building or other improvement now or hereafter situated on the Premises that may become damaged or be destroyed. Any such building or other improvement shall be so repaired, restored, or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction.

Mortgagor further agrees to permit, commit, or suffer no waste, impairment, or deterioration of the Property or any part thereof; to properly keep and maintain the Property and every part thereof in good repair and condition; to effect such repairs as Mortgagee may reasonably require, and, from time to time, to make all necessary and proper replacements thereof and additions thereto so that the Premises and such buildings, other improvements, fixtures chattels, and articles of personal property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Mortgagor shall maintain all landscaping upon the Premises in a neat and verdant condition.

1.08 Compliance with Laws. Mortgagor shall comply with all statutes, ordinances, regulations, rules, orders, decrees, and other requirements relating to the Property or any part thereof by any federal, state, or local authority; and shall observe and comply with all conditions and requirements necessary to preserve and maintain any and all rights, licenses, permits (including without limitation zoning variances, special exceptions, and nonconforming uses), privileges, franchises, and concessions that are applicable to the Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Property. Mortgagor shall not initiate or acquiesce in any zoning reclassification of the Property without the Mortgagee's prior written consent.

uritten consent, Mortgagor shall not create, suffer, or permit to be created or filed against the Property or any part thereof hereafter any mortgage lien or other lien, whether superior or inferior to, or co-ordinate with, the lien of this Mortgage; provided, however, that Mortgagor may permit liens inferior to the lien of this Mortgage to be recorded against the Property in favor of Carlins & Moss, Ltd., or its principals. In the event of any involuntary lien claim arising from work performed, material furnished, or obligation incurred by Mortgagor, Mortgagor shall, within ten days after Mortgagor's obtaining knowledge of such lien, notify Mortgagee of such lien and, if Mortgagee does not

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then consent to the existence of such lien, Mortgagor may contest such lien upon furnishing Mortgagee security and indemnification satisfactory to Mortgagee for the final payment and discharge thereof. Provision by Mortgagor of title insurance or bonds payable to Mortgagee in form and amount and with companies satisfactory to Mortgagee shall be sufficient security for the final payment and discharge of mechanics' or materialmens' liens.

Mortgagor shall not, without Mortgagee's prior written consent, sell, transfer, convey, assign, hypothecate, further encumber, or otherwise transfer the title to all or any portion of the Property, or all or any portion of any interest of Mortgagor in the Property, other than to Mortgagee, whether by operation of law, voluntarily, or otherwise, or contract to do any of the foregoing. Any waiver by Mortgagee of the provisions of this Paragraph 1.03 shall not be deemed to be a waiver of the right of Mortgagee in the future to insist upon strict compliance with the provisions hereof.

- 1.10 Subrogation to Prior Lienholder's Rights. If the proceeds of any sale of the Property, any part thereof, or any amount paid out or advancer by Mortgagee is or was used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumprance upon the Property or any part thereof, then Mortgagee shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such nolder, and shall have the benefit of the priority of the same, whether or not the same remains of record.
- 1.11 Mortgagee's Dealings with Transferee. In the event of the sale or transfer, by operation of law, voluntarily, or otherwise, of all or any part of the Property. Mortgagee shall be authorized and empowered to deal with the vender or transferee with regard to the Property, the obligation secure hereby, and any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its covenants hereunder, specifically including those contained in Paragraph 1.09 hereof.
- government, or any federal, state, or municipal government or government, or any federal, state, or municipal government or governmental subdivision, requires Internal Revenue or other documentary stamps, levies, or any tax on this Mortgage, or requires payment of any tax on any of the obligations or payments secured hereby (other than a general income or inheritance tax), then such obligations and all interest accrued thereon shall be and become due and payable, at the election of the Mortgagee, 30 days after the mailing by Mortgagee of notice of such election to Mortgagor; provided, however, that such election shall be unavailing, and this Mortgage shall be and remain in effect, if

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Mortgagor can and does lawfully pay for all such stamps or all such tax, including interest and penalties thereon, to or on behalf of Mortgagee.

- 1.13 Change in Tax Laws. In the event of the enactment, after the date of this Mortgage, of any law of the state in which the Premises are located imposing upon Mortgagee the payment of all or any part of the taxes, assessments, charges, or liens hereby required to be paid by Mortgagor, then Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges, or liers or reimburse Mortgagee therefor; provided, however, that if, in the opinion of counsel for Mortgagee, it would be unlawful to require Mortgagor to make such payment or the making of such payment would result in the imposition of interest beyond the maximum amourt permitted by law, then Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the obligation secured hereby to become due and payable within 30 days after the giving of such notice; and provided, further, that nothing contained in this Paragraph 1.13 shall be construed as obligating Mortgagor to pay any portion of Mortgagee's federal, state or local income tax.
- 1.14 <u>Inspection of Property</u>. Mortgagor shall permit Mortgagee and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Mortgagee in its discretion deems necessary.
- keep and maintain at the address stated in Section 4.01 below, or such other place as Mortgagee may approve in writing, full and correct books and records showing in detail the income and expenses of the Property, which books and records shall be adequate to reflect correctly the results of the operations of the Property. Mortgagor shall also keep and maintain at such address copies of all contracts, budgets, change orders, leases, and other instruments which affect the Property. Upon reasonable demand therefor by Mortgagee, Mortgagor shall permit Mortgagee or its agents to examine and copy all such books and records and all supporting vouchers and data at any time and from time to time on request at such address or at such other location as may be mutually agreed upon.
- 1.16 Hazardous Waste. Mortgagor shall not store, treat or dispose of, or cause or permit the storage, treatment or disposal of, any hazardous substance or hazardous waste (as defined in the Comprehensive Environmental Response, Composition and Liability Act of 1980, as amended 42 U.S.C. Sec. 9061 et sec; Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1802; Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq; the Illinois Environmental Protection Act, Ill. Rev. Stat. Ch. 111-1/2, § § 1001 et seq; and in the regulations adopted and

promulgated pursuant to said laws), on, under or about the Premises and Mortgagor hereby represents and warrants to Mortgagoe that it knows of no such storage, treatment or disposal.

- 1.17 Other Amounts Secured. This Mortgage secures, in addition to the obligations under the Loan Documents, and in addition to any advances or expenses pursuant to Paragraphs 1.03, 1.05, 1.06, 1.13, 1.18, 2.05, 2.06, 2.09 and 2.10 hereof, and any other amounts as provided herein, the payment of any and all charges, damages, expenses and advances due to or paid or incurred by Mortgagee in connection with the Loan Documents.
- 1.38 Security Instruments. Mortgagor shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, to Mortgagee, within ten days after request by Mortgagee, a security agreement, financing statements, and any other similar security instrument required by Mortgagoe, in form and of content satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor or HGI that, in the sole opinion of Mortgagee, is essential or useful in the operation of the Property and concerning which there may be any doubt whether title thereto has been corresped, or a security interest therein perfected, by this Mortgage inder the laws of the state in which the Premises are located or in which any of Mortgagor's or HGI's property is located. Mortgagot shall further execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement, certificate, or other document as Mortgagee may request in order to perfect, preserve, maintain, continue, and extend such security instruments. Mortgagor further agrees to pay to Mortgagee all costs and expenses incurred by Mortgagee in connection with the preparation, execution, ecording, filing, and refiling of any such document.
- 1.19 Releases. Mortgagee, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any infector liens thereon, may release from the lien hereof all or any pack of the Property, or release from liability any person obligated to repay any obligations secured hereby, without in any way affecting the liability of any party to the Note, this Mortgage, or any of the other Loan Documents, including without limitation any guaranty given as additional security for the obligations secured hereby, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of any such obligation. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the obligation secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the obligation secured hereby, in the Property.

TI DEFAULTS AND REMEDIES

- 2.01 Events Constituting Defaults. Each of the following events shall constitute a default (a "Default") under this Mortgage:
 - (a) The occurrence of an "Event of Default" under the Note:
 - (b) Failure of Mortgagor to perform or observe any coverant, warranty, or other provision contained in this Mortgago; provided, however, that Mortgagor shall not be in default bereunder if Mortgagor cures any non-monetary breach under this Mortgage susceptible to cure within 30 days of receipt of notice of breach of such covenant, agreement or obligation, or if such non-monetary breach is susceptible to cure but not within 30 days and Mortgagor commences to cure such non-monetary breach promptly upon notice and thereafter diligently pursues such cure to completion.
 - (c) Untruth or breach in any material respect of any representation or warranty contained in this Mortgage, or the repudiation of any covenant, warranty or other provision contained herein;
 - (d) Admission by Mortgagor or HGT in writing, including, without limitation, an answer or other pleading filed in any court, of Mortgagor's or HGT's insolvency or its inability to pay its debts generally as they fail due;
 - (e) Institution by Mortgagor or HGT of bankruptcy, insolvency, reorganization, or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar dobtors' or creditors' rights law, federal or state, now or hereafter existing, or the making by Mortgagor or HGT of a general assignment for the benefit of creditors;
 - (f) Institution of any such proceedings against Mortgagor or HGI that are consented to by Mortgagor or HGI or are not dismissed, vacated, or stayed within 90 days after the filing thereof;
 - (g) Appointment by any court of a receiver, trustee, or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Property or all or a major portion of the property of Mortgagor or HGI, if such appointment or assumption is consented to by Mortgagor or HGI or, within 90 days after such appointment or assumption, such receiver, trustee, or liquidator is not discharged or such jurisdiction is not relinquished, vacated, or stayed;

- (h) The suffering or permitting by Mortgagor or HGI of any superior or inferior lien to be attached to the Property or any part thereof without Mortgagee's prior written consent;
- The sale, transfer, conveyance, assignment, hypothecation or other transfer by Mortgagor or HGI of the title to all or any portion of the Property, in violation of Section 1.09 hereof.
- 2.02 Acceleration of Maturity. At any time during the existence of any Default, and at the option of Mortgagee, the entire principal balance then outstanding under the Note, together with interest accrued thereon and all other sums due from Mortgager or HGI thereunder or under this Mortgage or any of the other Loan Documents, shall without notice become immediately due and payable.
- 2.03 Foreclosure of Mortgage. Upon occurrence of any Default, or at any time thereafter, Mortgagee may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the State of Illinois. Any failure by Mortgages to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.
- 2.04 Mortgagee's Continuing Options. The failure of Mortgagee to exercise either or both of its options to accelerate the maturity of the indebtedness secured hereby and to foreclose the lien hereof following any Detault as aforesaid, or to exercise any other option granted to Mortgagae hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments of such obligation, shall neither constitute a waiver of any such Default or of Mortgagee's options hereundar nor establish, extend, or affect any grace period for payments due under the Note, but such remedies shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, ray at Mortgagee's option be rescinded by written acknowledgment to that effect and shall not affect Mortgagee's right to accelerate maturity upon or after any future Default. In addition, Mortgagee may, at its option, bring a separate action to collect on the Note, and/or exercise any of its other remedies under any of the Loan Documents, without exercising any of its remedies under this Mortgage, but without waiving the right to exercise any such remedies at a later date.
- 2.05 Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee in under any of the Note, this Mortgage, or the other Loan Documents, or in any other proceeding whatsoever in connection with any of the Loan Documents or any portion of the Property in which Mortgagee is named as a party, there shall be allowed and included, as additional obligation in the judgment or decree resulting therefrom, all expenses paid or incurred in connection

with such proceeding by or on behalf of Mortgagee (which may be estimated as to items to be expended after entry of such judgment or decree) constituting attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Premises as Mortgagee may deem reasonably necessary either to prosecute or defend such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises or the Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Property and the maintenance of the lien of this Mortgage thereon, including, without limitation, the reasonable fees of any attorney employed by Mortgagee in any litigation affecting the Note, this Mortgage, any of the Loan Documents or any of the Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest thereon at the Note Rate and, with such interest, shall be secured hereby.

- 2.06 Performance by Mortgagee. In the event of any Default, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise, or settle any tax lien or other prior or juntor lien or title or claim thereof; redeem from any tax sale or forfeiture affecting the Property; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including reasonable attorney's fees, and any other monies advanced by Mortgagee to protect the Property and the lien of this Mortgage, shall be so much additional obligation secured hereby, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Note Rate. Inaction of Mortgagee shall never be construed to be a waiver of any right accruing to it by reason of any default by Mortgagor.
- 2.07 Right of Possession. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgager shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Property or any part thereof, personally or by its agents or attorneys, and Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Property relating thereto, and may exclude Mortgagor,

such owner, and any agents and servants thereof wholly therefrom and may, as attorney-in-fact and agent of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

- (a) Hold, operate, manage, and control all or any part of the Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Property, including, without limitation, actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;
- (b) Cancel or terminate any lease or sublease of all or any part of the Property for any cause or on any ground that would entitle Mortgagor to cancel the same;
- (c) Elect to disaffirm any lease or sublease of all or any part of the Property made subsequent to this Mortgage or subordinated to the lien hereof;
- (d) Extend or modify any then existing leases and make new leases of all or any part of the Property, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and the issuance of a deed or deeds to a parchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the obligation secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and
- (e) Make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Property as Mortgagee in its discretion sees fit, to insure and reinsure the Property and all risks incidental to Mortgagee's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom.
- 2.08 <u>Priority of Payments</u>. Any rents, issues, deposits, profits, and avails of the Property received by Mortgagee after taking possession of all or any part of the Property, or pursuant to any assignment thereof to Mortgagee under the provisions of

this Mortgage or any of the other toan Documents, shall be applied in payment of or on account of the following, in such order as Mortgagee or, in case of a receivership, as the court, may determine:

- (a) Operating expenses of the Property, including, without limitation, reasonable compensation to Mortgagee, to any receiver of the Property, or to any agent or agents to whom management of the Property has been delegated (including affiliates of Mortgagee), lease commissions and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized;
- (b) Taxes, special assessments, and water and sower charges now doe or that may hereafter become due on the Property, or that may become a lien thereon prior to the lien of this Mortgage;
- (c) Any and all repairs, decorations, renowals, replacements, alterations, additions, betterments, and improvements of the Proporty (including, without limitation, the cost of placing the Troperty in such condition as will, in the judgment of Mortgagee or any receiver thereof, make it readily rentable or salable):
- (d) Payment of any expenses incurred by Mortgagee in curing any default by Mortgagor, or enforcing any of Mortgagee's rights, under any of the Loan Documents;
- (e) Satisfaction of the indebtodress evidenced by the Note or any other obligation secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto or any of the Other Mortgages in such order as Mortgagee in its sole discretion may determine) and
- (f) Any remaining funds to Mortgagor or its successors or assigns, as their interests and rights may appear.
- 2.09 Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may, upon application, appoint a receiver of the Property. Such appointment may be made either before or after foreclosure sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby; without regard to the value of the Property at such time and whether or not the same is then occupied as a homestead; and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Property and to collect all rents, issues.

deposits, profits, and avails thereof during the pendency of such foreclosure suit and, in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, heirs, executors, administrators, legal representatives, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits, and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management, and operation of the Property during the whole of any such period. To the extent permitted by law, such receiver may be authorized by the court to extend or modify any then existing leases and to make new leases of the Property or any part thereof, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien hercos, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedurss, satisfaction of foreclosure decree, or issuance of certificate of sale or deed to any purchaser. All expenses incurred by the receiver or by Mortgagee in connection with such receivership shall be immediately due and payable pursuant to the provisions of Paragraph 2.08 hereof, and, to the extent not immediately paid pursuant to Paragraph 2.08 or by Mortgagor, shall be added to the obligations secured hereby and shall bear interest at the Note Rate.

- 2.10 Foreclosure Sale. In the event of any foreclosure sale of the Property, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Property or any part thereof. All expenses of foreclosure shall be immediately due and payable by Mortgagor and, to the extent not immediately paid out of foreclosure proceeds or by Mortgagor, shall be added to the obligations secured hereby and shall bear interest at the Note Rate.
- 2.11 Application of Proceeds. The proceeds of any foreclosure sale of the Property, or any part thereof, shall be distributed and applied, first, to the payment of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 2.05 hereof, and, thereafter, in accordance with Paragraph 2.08 hereof.
- 2.12 Application of Deposits. In the event of any Default, Mortgagee may, at its option, without being required to do so, apply any monles or securities that constitute deposits made to or held by Mortgagee or any depositary pursuant to any of

the provisions of this Mortgage toward payment of any of Mortgagor's obligations under the Note, this Mortgage or any of the other Loan Documents, in such order and manner as Mortgagee may elect. When the obligations secured hereby have been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Property. Such deposits are hereby pledged as additional security for the prompt payment of all obligations secured hereby and shall be held to be applied irrevocably by such depositary for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

- 2.13 Waiver of Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisement, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself, for all who may claim through or under it, and for any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof, hereby also waives any and all rights to have the Property and estates comprising the Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold in its entirety. Mortgagor hereby further waives any and all rights of redemption from sale under any order or decret of foreclosure of the lien hereof pursuant to the rights herein granted, for itself, for each and every person acquiring any interest in the Property or title to the Premises subsequent to the date of this Mortgage, and for all other persons to the extent permitted by law.
- 2.14 Acceptance of Partial Payment. Acceptance by Mortgagee of any payment in an amount less than the amount then due on said obligation shall be deemed acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be a Default; at any time thereafter, Mortgagee shall be entitled to exercise all rights conferred upon it in this instrument upon the occurrence of a Default.

III RELEASE AND SATISFACTION

3.01 Full Release and Satisfaction. Upon payment in full of all amounts due under the terms of the Note, and all other indebtedness secured hereby, and the performance of all of the other agreements contained in the Loan Documents, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

3.02 Costs of Release and Satisfaction. With respect to each release and satisfaction pursuant to this Article III, Mortgagor shall pay any and all reasonable costs of preparing, executing, acknowledging and recording any and all Satisfactions of Mortgage, Partial Satisfactions of Mortgage and other instruments required for such release and satisfaction.

IV MISCELLANEOUS

Notices. Any notice that Mortgagee or Mortgagor may desire of be required to give to the other shall be in writing and shall be hard-delivered, with written acknowledgment of the receipt thereof requested, or sent by cortified or registered mail, return receipt requested, postage prepaid, or by receipted courier service to the intended recipients thereof at the addresses set forth below or at such other addresses as such intended recipients may, from time to time, by notice in writing, designate to the sender pursuant hereto. All such notices, if given in accordance with the foregoing requirements, shall be deemed to have been delivered when delivered in person or, if mailed, at the time of derivery or attempted delivery shown on such receipt. Except as othe wise specifically required herein, notice of the exercise of any right or option granted to Mortgagee by this Mortgage is not required to be given.

Notices given hereunder shall be addressed as follows:

If to Mortgagor:

The Hoffmar Group, Inc.

1501 Woodfield Drive

Suite 315 W

Schaumburg, Illinois 60195 Attention: Norman & Hassinger, Jr.

with a copy to:

Barack, Ferrazzano, Kirschbaum &

Perlman

333 West Wacker Drive

Suite 1120

Chicago, Illinois 60606

Attention: Charles H. Perlman, Esq.

If to Mortgagee:

VPPI SBC, Inc.

200 West 9th Street Plaza Wilmington, Delaware 19899 Attention: Norman J. Shuman

with a copy to:

The Palmieri Company

609 South Grand Avenue

Los Angeles, California 90017 Attention: C. Graham Tebbe, Jr.

and:

Tuttle & Taylor Incorporated 355 South Grand Avenue 40th Floor Los Angeles, California 90071 Attention: J. Dean Heller, Esq.

- 4.02 <u>Time of Essence</u>. It is specifically agreed that time is of the essence of this Mortgage.
- 4.03 Covenants Run with Land. All of the covenants of this Mortgage shall run with the land constituting the Premises.
- 4.04 Governing Law. The place of negotiation, execution, and delivery of this Mortgage, and the location of the Property bein, the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State. To the extent that this Mortgage may operate as a security agreement under the Uniform Commercial Code, Mortgagee shall have all rights and remedies conferred therein for the benefit of a secured party, as such term is defined therein.
- 4.05 Rights and Romedies Cumulative. All rights and remedies set forth in this Mortgage are cumulative, and the holder of the Note and of every other obligation secured hereby may recover judgment hereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.
- 4.06 <u>Severability</u>. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is gold invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.
- 4.07 Non-Walver. Unless expressly provides in this Mortgage to the contrary, no consent or walver, express or implied, by any interested party referred to herein, to or of any breach or default by any other interested party referred to herein, in the performance by such other party of any obligations contained herein shall be deemed a consent to or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other, obligations hereunder.
- 4.08 <u>Headings</u>. The headings of sections and paragraphs in this Mortgage are for convenience of reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof.

- 4.09 <u>Grammar</u>. As used in this Mortgage, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.
- 4.10 <u>Deed in Trust</u>. If title to the Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.
- 4 11 <u>Successors and Assigns</u>. This Mortgage and all provisions hereof shall be binding upon Mortgagor, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Mortgagor, and the word "Mortgagor," when used herein, shall include all such persons and entities, and any others liable for the payment of the obligations secured hereby or any part thereof, whether or not they have executed the Redemption Agreement of this Mortgage. The word "Mortgagee," when used herein, shall include Mortgagee's successors, assigns, and legal representatives.
- 4.12 <u>Representation by Counsel</u>. Mortgagor acknowledges that Mortgagor and Mortgagee have been represented by counsel in the negotiation and execution of this Mortgage, the Note Agreement and the other Loan Documents.
- 4.13 Trustee's Exculpatory Clause. This Mortgage is executed by the undersigned, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants in its individual capacity that it possess full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenent, representation, agreement or condition, either express of implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this Paragraph, all such liability, if any, being expressly waived by Mortgagee and by every person nor or hereafter claiming any right or security hereunder; provided that nothing herein contained shall be construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee in any such foreclosure proceedings or other enforcement of the payment of the indebtedness hereby secured out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee under any other document or instrument evidencing, securing or guarantying the indebtedness hereby secured.

UNOFFICIAL

IN WITNESS WHEREOF, Mortgagor and HGI have caused this Mortgage to be executed as of the date hereinabove first written.

Attest:

DASALLE NATIONAL BANK, not personally, but solely as trustee under Trust No. 112357

By: Rosemary Collins Name:

Title: ASSISTANT SECRETARY

Ву: Name: Corinne Bek ASSISTANT VICE PRESIDENT Title

Attest:

By: Name: Title: a Delaware corporation

THE HOFFMAN GROUP, INC.,

By: Name: SOUNT CLORA'S OFFICE Title

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STATE	op	ILLINOIS)	
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COUNTY	OF	COOK)	

I, Harriet Denisewicz , a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY Bank that Coring Bok, Assistant/, President of La Salle National/, known to me to be acting not personally but as Trustee under Trust Agreement dated June 3, 1987 and known as Trust Number 112357 and AssistantSecretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and for the uses and purposes therein set forth; and said Assignant Secretary then and there acknowledged that she, as custodian of the seal of said Bank/Thurstx Gownsengexto said instrument as xxxx own free and voluntary act and as the free and voluntary act of said Bank/Rauskx@snpany, as Truster as aforesaid, for the uses and purposes therein set forth.

of		under m 19 <u>88</u>	y hand	and Notarial	Seal, this	29 day
				Murrel	The res	ullyolin
Му	Commission E	xpires:		Notary Publi		

"OFFICIAL SEMA"

Harriot Denisowier

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STATE OF ILLINOIS)
> ss
COUNTY OF COOK >

I, ARICA E. MERDET, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that p.m. Hassinger—personally known to me to be the President of THE HOFFMAN GROUP, INC., a Delaware corporation, and Art personally known to me to be the foregoing of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such—president and Ast. Secretary, they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Official Soal, this 27% day of March, 1986.

Notary Public

My Commission Expires:

2-4-89

88131963

LOT 5 IN GEORGE KMCHOPF ESTATE CUPDITION OF PARTS OF SECTIONS 12 AND 13, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN AND SECTIONS 7 AND 18, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ENCEPT THAT PART LYING SOUTH OF THE NORTH LINE OF THE COMMONWEALTH EDISON COMPANY RIGHT OF WAY, SAID NORTH LINE BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WEST LINE OF SAID SECTION 7 THAT IS 17.82 FEET NORTH OF THE SOUTH WEST CORNER OF SAID SECTION 7 AND THE SOUTH WEST CORNER OF SAID LOT 5, SAID POINT BEING THE

NORTH EAST CORNER OF SAID SECTION 13; THENCE EAST ALONG THE NORTH LINE OF SAID SECTION 13 ENTENDED EAST, A DISTANCE OF 174.00 FEET TO AN ANGLE POINT; THENCE SOUTHEASTERLY TO A POINT ON THE NORTH LINE OF LOT 8 IN-GEORGE KIRCHOFF ESTATE SUBDIVISION, AFORESAID, WHICH IS 370.30 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 8 (AS MEASURED ALONG SAID NORTH LINE THEREOF); THENCE EAST ALONG THE NORTH LINE OF SAID LOT 8 FOR A DISTANCE OF 370.30 FEET TO THE NORTH EAST CORNER OF SAID LOT 8; ALSO EXCAPT THAT PART THEREOF BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WEST LINE OF SAID SECTION 7 THAT IS DISTANT 17.82 FEET NORTH OF THE SOUTH WEST CORNER OF SAID SECTION 7 AND THE SOUTH WEST CORNER OF SAID LOT 5, SAID POINT BEING THE NORTH EAST CORNER OF SAID SECTION 13; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 7, BEING ALSO THE WEST MINE OF SAID LOT 5, FOR A DISTANCE OF 1649.08 FEET TO THE POINT OF INTERSECTION OF SAID WEST LINE WITH THE NORTHWESTERLY EXTENSION OF THE SOUTH ESTERLY LINE OF RAND ROAD AS THE SAME IS NOW LOCATED AND ESTABLISHED. THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE OF RAND ROAD FOR A DISTANCE OF 265.92 FEET; THENCE WESTERLY ALONG A STRAIGHT LINE FOR A DISTAICH OF 28.28 FEET TO A POINT ON A LINE DRAWN PERPENDICULAR TO SAID CENTER LIVE OF RAND ROAD FROM A POINT THEREON THAT IS DISTANT 298.00 FEET SCUTHEASTERLY OF THE WEST LINE OF SAID SECTION 7 (AS MEASURED ALONG SAID CENTER LINE) SAID POINT ON THE PERPENDICULAR LINE BEING DISTANT 70.00 FEET SOUTHWESTERLY OF SAID CENTER LINE OF RAND ROAD (AS MEASURED ALONG SAID PERPENDICULAR LINE); THENCE SOUTHWESTERLY ALONG SAID LINE DRAWN PERPENDICULAR TO THE CENTER LINE OF RAND ROAD, FOR A DISTANCE OF 83.02 FEET TO A POINT THAT IS DISTANT 96.00 FEET EAST OF THE WEST LINE OF SAID SECTION 7, AS MEASURED PERPENDICULAR TO SAID WEST LINE FROM A POINT TIERLON THAT IS 320.94 FEET SOUTH OF SAID CENTER LINE OF RAND ROAD, THENCE SOUTH ALONG A LINE PARALLEL TO AND 96.00 FEET EAST OF THE WEST LINE OF SAID SECTION 7 FOR A DISTANCE OF 195.06 FEET; THENCE SOUTHWESTERLY ALONG & STRAIGHT LINE FOR A DISTANCE OF 535.57 FEET TO A POINT THAT IS DISTANT \$5.00 FEET EAST OF THE WEST LINE OF SAID SECTION 7, AS MEASURED PERFENDICULAR TO SAID WEST LINE FROM A POINT THEREON THAT IS 669.21 FEET NORTH OF THE NORTH EAST CORNER OF SAID SECTION 13: THENCE SOUTH ALONG A LINE PARALLEL TO AND 55.00 FEET EAST OF THE WEST LINE OF SAID SECTION FOR A DISTANCE OF 669.21 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 13 EXTENDED EAST, THENCE WEST ALONG THE NORTH LINE OF SAID SECTION 13 EXTENDED EAST FOR A DISTANCE OF 55.00 FEET TO THE POINT OF BEGINNING, ALSO ENCEPTING THEREFROM ALL THAT PART OF SAID LOT 5 FALLING IN RAND ROAD AS WIDENED BY INSTRUMENT RECORDED DECEMBER 10, 1940 AS DOCUMENT NO. 12592033 AND ALSO ENCEPTING THEREFROM ALL THAT PART OF SAID LOT 5 FALLING IN WOODS DRIVE (FORMERLY RANDHAVEN LANE) ACCORDING TO THE PLAT OF DEDICATION THEREOF RECORDED JULY 30, 1974 AS DOCUMENT NO. 22797785 AND ALSO EXCEPTING THEREFROM ALL THAT PART OF SAID LOT 5 TAKEN FOR ROAD PURPOSES BY CONDEMNATION CASE NO. 87L50249 IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

ALSO ENCEPT

SAID LAST DESCRIBED POINT, 171.64 FEET TO AN INTERSECTION WITH THE RECONDS EVEL VIONG V FIRE LYNGERL LO SVID FVEL DESCRIBED CCRAED FIRE YL SECONDS EAST, 428.10 PEET); THENCE NORTH 45 DEGREES 19 MINUTES 11 PINE (LHE CHORD OF SAID ARC BEARS WORTH 85 DEGREES 19 MINUTES 11 POINT, AN ARC DISTANCE OF 464,96 PEET TO A POINT OF TANGENCY IN SAID BEING LYNGENL LO SVID FVSL DESCRIBED CHEVAED FINE VL SVID FVSL DESCRIBED A CURVED LINE CONVEX SOUTHERLY, HAVING A RADIUS OF 333.00 FEET AND DECREES 10 NINCTES 49 SECONDS EAST, 145.22 PEET); THENCE EASTERLY ALONG CONFOUND CURVATURE IN SAID LINE (THE CHORD OF SAID ARC BEARS SOUTH 40 LAST DESCRIBED POLUT, AN ARC DISTANCE OF 146.76 FRET TO A POLYT OF OF 290.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID SOUTHEASTERLY ALONG A CURVED LINE CONVEX SOUTHWESTERLY, NAVING A RADIUS SECONDS EAST, 194.36 FEET TO A POINT OF CURVATURE IN SALA LINE; THENCE OF WOODS DRIVE, AFORESAID; THENCE SOUTH 25 DEGREES 40 TINUTES 49 COURSES ARE ALONG THE SOUTHWESTERLY, SOUTHERLY AND SOUTHEASTERLY LINE TO THE SOUTHWESTERLY LINE OF WOODS DRIVE, AFORESAID: THE FOLLOWING FOUR ROAD PURPOSES BY CONDEMNATIONCASE NUMBER 87LSC2/A AFORESAID, 16.51 FEET MINUTES S6 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF LAND TAKEN FOR CASE NUMBER 87150249, AFORESAID, 91.00 FERT THENCE NORTH 64 DEGREES 24 THE SOUTHWESTERLY LINE OF LAND TAKEN FOR RIND PURPOSES BY CONDENNATION 84'30 FEET); THENCE SOUTH 25 DEGREES 35 NINUTES OF SECONDS EAST ALONG CHORD OF SAID ARC BEARS SOUTH S6 DEGRIFS 28 MINUTES 29 SECONDS EAST, HAVING A RADIUS OF 247,00 FEET, AN ARC DISTANCE OF 64.72 FEET (THE TIME OF WOODS DRIVE, BEING A CURVED LINE CONVEX NORTHEASTERLY AND 1974 AS DOCUMENT 22797785; THEWCE SOUTHEASTERLY ALONG SAID SOUTHERLY RANDHAVEN LANE) ACCORDING TO THE PLAT OF DEDICATION RECORDED JULY 30, SOUTHERLY OF WOODS DRIVE TO THE SOUTHERLY LINE OF WOODS DRIVE (FORNERLY THENCE NORTH 35 DEGREES 21 NINCTES 51 SECONDS EAST 240.97 FEET TO THE FEET; THENCE NORTH O3 DEGREES 22 MINUTES O0 SECONDS EAST, 340.03 FEET; AFORESAID; THENCE FORTH OO DEGREES OO MINUTES OO SECONDS EAST 241.96 LAND TAKEN FOR ROAD PURPOSES BY CONDENNATION CASE NUMBER 6750249, BEGINNING: INE FOLLOWING THREE COURSES ARE ALONG THE EASTERLY LINE OF COURT OF COUR COUNTY, ILLINOIS, SAID POINT BEING THE PLACE OF LOW BOYD SURPOSES BY CONDENNATION OF CASE NUMBER 87L50249 IN CIRCUIT SECTION 19, 65.65 FEET TO A POINT ON THE EASTERLY LINE OF LAND TAKEN SECONAS EAST ALONG THE EASTERLY EXTENSION OF THE NORTH LINE OF SAID COBMER OF SAID SECTION 13; THENCE NORTH 89 DEGREES 50 MINUTES 54 CORNER OF SAID LOT 5, SAID POINT OF CONNENCEMENT BEING THE WORTH EAST NORTH OF THE SOUTH WEST CORNER OF SAID SECTION 7 AND THE SOUTH WEST CONNENCING AT A POINT IN THE WEST LINE OF SAID SECTION 7, 17.82 FEET

THAT PART OF LOT 5 IN GEORGE KIRCHOFF ESTATE SUBDIVISION OF PARTS OF PRINCIPAL MERIDIAN, AND SECTIONS 7 AND 18, TOWNSHIP 42 NORTH, RANGE 11 TOWNSHIP 42 NORTH, RANGE 11 FAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

PARCEL A:

BECINGING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF KAND ROAD AS WIDENED BY INSTRUMENT RECORDED DECEMBER 10, 1940 AS DOCUMENT 19592033 WITH THE WORTHWESTERLY LINE OF WOODS DRIVE (FORMERLY RADDHAVEN AND) WORTHERLY AND WORTHEASTERLY LINE OF SAID WOODS DRIVE; THENCE SOUTHEASTERLY AND WORTHEASTERLY LINE OF SAID WOODS DRIVE; THENCE SOUTHERLY, WORTHERLY AND WORTHEASTERLY LINE OF SAID WOODS DRIVE; THENCE SOUTHERLY, WORTHEASTERLY LINE OF SAID LAST DESCRIBED DRIVE; THENCE A RADIUS OF 267,00 FEET AND RECORDED LINE CONVEX SOUTHERLY, WORTHEASTERLY, AND WORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY, AND MORTHEASTERLY, AND MORTHEASTERLY, AND MORTHEASTERLY, AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY, AND MORTHEASTERLY, AND MORTHEASTERLY, AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY AND MORTHEASTERLY, AND MORTHEASTERLY AND MORTHEASTERLY, THENCE SOUTH AS DOCUMENT OF MORTHEASTERLY, THENCE OF AND MORTHEASTERLY, THENCE SOUTHERST, THENCE OF AND MORTHEASTERLY, THENCE AND MORTHEASTERLY, THENCE AND MORTHEAST, THENCE OF AND MORTHEASTERLY, THENCE AND MORTHEASTERL

THAT PART OF LOT 5 IN GRONGE KIRCHOFF ESTATE SUBDIVISION OF PARTS OF PRINCIPAL MENIDIAN, AND SECTIONS 7 AND 18, TOWNSHIP 42 SONTH, RANGE 11 PRINCIPAL MENIDIAN, AND SECTIONS 7 AND 18, TOWNSHIP 42 SONTH, RANGE 11 PRINCIPAL MENIDIAN, DESCRIBED AS FOLLOWS:

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BECINNING' IN COOK COUNTY, ILLINOIS. COMMONWEALTH EDISON COMPANY RIGHT OF WAY, 108.35 FEET TO THE POINT OF SECONDS WEST ALONG THE LAST DESCRIPED LINE, BEING THE WORTH LINEOF THE CORNER OF SAID SECTION 13; THENCE SOUTH 89 DEGREES 50 MINUTES 54 EXTENSION OF THE NORTH LINE OF SAM SECTION 13, EAST OF THE NORTH EAST 13, SAID POINT BEING 174.00 FEETS AS HEASURED ALONG THE EASTERLY TO A POINT ON THE EASTERLY LYFUSION OF THE NORTH LINE OF SAID SECTION NORTH LINE OF THE COMMONWEALTH EDISON COMPANY RIGHT OF WAY, 739.30 FEET OF WAY; THENCE NORTH 24 DECREES 51 NINUTES 14 SECONDS WEST ALONG THE VHOI'E BOIAL IN LIIE ACKLU LINE OF SAID COMMONMEALTH EDISON COMPANY RICHT LINE OF THE CONNOWNED ITH EDISON COMPANY RIGHT OF WAY, 370.30 FEET TO AN SAID LOT 5, BEING ALSO THE NORTH LINE OF SAID LOT 6 AND BEING THE NORTH SOUTH 89 DECREES 46 MINUTES 51 SECONDS WEST ALONG THE SOUTH LINE OF THE GEORGE KIRCHOFF ESTATE SUBDIVISION, AFORESAID; THENCE CONTINUING COMPANY RIGHT OF WAY, 365.89 FEET TO THE MORTH EAST CORNER OF LOT 8 IN 7, AFORESAID, AND BEING THE HORTH LINE OF THE COMMONNEALTH EDISON SAID LOTS, BEING ALSO THE SOUTH LINE OF THE SOUTH WEST 1/4 OF SECTION SOUTH BY DEGREES 46 MINUTES SI SECONDS WEST ALONG THE SOUTH LINE OF TEEN TO AN INTERESECTION WITH THE SOUTH LINE OF SAID LOT 5; THENCE TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 241.02 SVID SOUTHWESTERLY LINE OF RAND ROAD AS WIDENED, BEING A LINE TANGENT 544,16 FEET); THENCE SOUTH 47 DEGREES 57 MINUTES 09 SECONDS EAST ALONG CHORD OF SAID ARC BEARS SOUTH 46 DECREES 19 MINUTES 42 SECONDS EAST, 544.23 FEET TO A POINT OF TANGENCY IN SAID SOUTHWESTERLY LINE (THE SOUTHWESTERLY AND HAVING A RADIUS OF 9599.34 FEET, AN ARC DISTANCE OF SOUTHWESTERLY LINE OF RAND ROAD WIDENED, BEING CURVED LINE CONVEX DECEMBER 10, 1940 AS DOCUMENT 12592033; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF RAND ROAD AS WIDENED, BY INSTRUMENT RECORDED

NORTHWESTERLY ALONG A CURVED LINE CONVEX SOUTHWESTERLY, HAVING A RADIUS OF 234,00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SALD LAST DESCRIBED POINT, AN ARC DISTANCE OF 113.38 FEET TO A POINT OF TANGENCY IN SAID LINE (THE CHORD OF SAID ARC BEARS NORTH 40 DEGREES 10 MINUTES 49 SECONDS WEST, 112.17 FEET); THENCE NORTH 25 DEGREES 40 MINUTES 49 SECONDS WEST ALONG A LINE TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 194.25 FEET TO THE SOUTHEASTERLY LINE OF LAND TAKEN FOR ROAD PURPOSES BY CONDEMNATION CASE NUMBER 87L50249, IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS; THENCE NORTH 64 DEGREES 24 UNUTES 56 SECONDS EAST ALONG SAID LAST DESCRIBED LINE, 17.49 FEET; THE FOLLOWING TWO COURSES ARE ALONG THE NORTHEASTERLY AND SOUTHEASTERLY LINES OF THE LAND TAKEN FOR ROAD PURPOSES BY CONDEMNATION CASE NUMBER 37,50249, AFORESAID; THENCE NORTH 25 DEGREES 35 MINUTES 04 SECONDS WEST, 1 0.85 FEET; THENCE NORTH 66 DEGREES 08 MINUTES 30 SECONDS EAST, 318.47 FEET TO AN INTERSECTION WITH THE SOUTHWESTERLY LINE OF RAND ROAD AS VIDENED BY INSTRUMENT RECORDED DECEMBER 10, 1940 AS DOCUMENT 12592033; THENCE SOUTH 43 DEGREES 54 MINUTES OF SECONDS EAST ALONG SAID SCUTTIFIESTERLY LINE OF RAND ROAD AS WIDENENED, 490.12 FEET TO A POINT OF CURVATURE IN SAID LINE; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF RAND ROAD AS WIDENED, BEING A CURVED LINE CONVEX SOUTHWESTERLY, PAVING A RADIUS OF 9599.34 FEET AND BEING TANGENT TO SAID LAST DESCRIBED MINE AT SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 68.58 FEET TO THE POINT OF BEGINNING (THE CHORD OF SAID ARC BEARS SOUTH 44 TEGREES OF MINUTES 20 SECONDS EAST, 68.58 FEET), IN COOK COUNTY, ILLINOIS.

DESCRIBED TO BEGINNING (THE CHORD OF SATE TO SECONDS EAST, 68.58 FEET), IN COOK COUNTY, I Permanent Index Number 03-07-301-002-0000 (110) Street Address. White Road Road Carlington Heights, IL

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