COMMITTEE OF THE WHOLE MEETING
No. 2012-09
TUESDAY, SEPTEMBER 10, 2013

7:00 P.M.

CALL TO ORDER

ROLL CALL

ADMINISTRATION
1. Presentation from Tangent Gaming Capital
2. Executive Closed Session under Section 2(c)(5) Property Acquisition
3. Discussion on TIF Budgets for the Village (Information will be given at the meeting)

ADJOURNMENT

Sincerely,

Donna M. Gayden
Village Administrator

Posted and distributed 9/6/13

ASSIGNMENT OF LOAN DOCUMENTS

THIS ASSIGNMENT OF LOAN DOCUMENTS (the *"Assignment"*) is made and entered into as of August ___, 2013 between RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution (the *"Assignor" or "RBS"*), and the VILLAGE OF GLENWOOD (the *"Assignee" or "Village" or "Glenwood"*).

RECITALS

In consideration of the mutual representations, warranties, covenants and agreements contained in this Agreement, the sufficiency of which of hereby acknowledged, the parties hereto represent and agree as follows:

A. Predecessor in interest to Assignor, First National Bank (*"FNB"*), is the holder and owner of a loan made to Lincoln-Way Homes, an Illinois limited liability company (the *"Debtor" or "Homes"*), which is evidenced by a certain Promissory Note dated June 24, 2005 made by Debtor in favor of Assignor's predecessor in interest, FNB, in the original principal amount of $800,000.00 (*"Note I"*), a copy of which is attached hereto as Exhibit A;

B. Note I is secured by a certain Mortgage dated June 24, 2005 given by First National Bank of Manhattan, as Trustee under Trust Agreement date July 1, 2004, and known as Trust No. 441 (the *"Trustee"*), in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder of Deeds of Cook County, Illinois (the *"Recorder"*) on July 7, 2005 as Document Number 0518833181, on certain property located at 473, 481, 486 and 490 Glenwoodie, Glenwood, Illinois 60425 (*"Mortgage I"*), a copy of which is attached hereto as Exhibit B;

C. Note I is further secured by a certain Assignment of Rents dated June 24, 2005 given by Trustee in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder on July 7, 2005 as Document Number 0518833182 on certain property located 473, 481, 486 and 490 Glenwoodie, Glenwood, Illinois 60425 (the *"Assignment of Rents I"*), a copy of which is attached hereto as Exhibit C;

D. Note I is further secured by a certain Commercial Security Agreement dated June 24, 2005 given by the Debtor granting Assignor's predecessor in interest, FNB, a security interest in certain assets and personal property of the Debtor (the *"Commercial Security Agreement"*), a copy of which is attached hereto as Exhibit D;

E. Note I is further secured by a certain Guaranty of Completion and Performance Agreement dated June 24, 2005 given by the Debtor, Lincoln-Way Partners, Inc., an Illinois corporation ("Partners"), William N. Bolker, and Claudia K. Bolker in favor of Assignor's predecessor in interest, FNB, and guaranteeing a lien-free completion of the construction project and performance of other covenants by the Debtor (the *"Guaranty of Completion and Performance"*), a copy of which is attached hereto as Exhibit E;

___. Note I and Mortgage I were modified by a certain Third Loan Modification and Extension Agreement and Modification of Mortgage entered into between Debtor and Trustee, as

borrowers; Lincoln-Way Partners, Inc., an Illinois corporation, William N. Bolker, and Claudia K. Bolker, as Guarantors; and Assignor made as of August 15, 2009 and recorded witht the Recorder on January 5, 2010 as Document Number 1000533075 (the *"Third Loan Modification"*), a copy of which is attached as Exhibit ___.

[NOTE: The above Third Modificatino also refers to a Construction Loan Agreement dated Dated June 25, 2005 which I don't see any reference to in the above; I assume this should also be assigned to the Village]

[NOTE: where is the 1st and 2nd loan Modifications; they should be referenced and included as part of the Loan Documents]

F. Predecessor in interest to Assignor, FNB, is also the holder and owner of a loan made to the Debtor, which is evidenced by a certain Promissory Note dated July 15, 2005 made by Debtor in favor of Assignor's predecessor in interest, FNB, in the original principal amount of $2,000,000.00 (*"Note II"*), a copy of which is attached hereto as Exhibit F;

G. Note II is secured by a certain Mortgage dated July 15, 2005 given by the Trustee in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder on August 10, 2005 as Document Number 0522204166, on certain property located at Lots 1 through 12, 14, 15, 17, 18, 20, 22, the south 68.29 feet of lot 23, and 24 and 25, in the Villas of Glenwood, Glenwood, Illinois, 60411 (*"Mortgage II"*), a copy of which is attached hereto as Exhibit G;

H. Note II is further secured by a certain Assignment of Rents dated July 15, 2005 given by Trustee in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder on August 10, 2005 as Document Number 0522204167 on certain property located at Lots 1 through 12, 14, 15, 17, 18, 20, 22, the south 68.29 feet of lot 23, and 24 and 25, in the Villas of Glenwood, Glenwood, Illinois, 60411 (the *"Assignment of Rents II"*), a copy of which is attached hereto as Exhibit H;

I. Note II is further secured by certain Commercial Guaranties dated July 15, 2005 given by Lincoln-Way Partners, Inc., an Illinois corporation, William N. Bolker, and Claudia K. Bolker in favor of Assignor's predecessor in interest, FNB, unlimitedly promising to pay all existing and future indebtedness of Debtor (the *"Commercial Guarantees"*), copies of which are attached hereto as Exhibit I;

_. Note II and Mortgage II were modified by a certain Modification of Mortgage dated Januaury 15, 2007 entered into by Trustee and Assignor's predecessor in interest, FNB, and recorded on April 15, 2007 as Document Number 0710718019 (the *"Modification"*), a copy of which is attached as Exhibit ____..

____. Note II and Mortgage II were modified by a certain Fifth Loan Modification and Extension Agreement and Modification of Mortgage entered into between Debtor and Trustee, as

borrowers; Lincoln-Way Partners, Inc., an Illinois corporation, William N. Bolker, and Claudia K. Bolker, as Guarantors; and Assignor made as of August 15, 2009 and recorded with the Recorder on January 5, 2010 as Document Number 1000533076 (the *"Fifth Loan Modification"*), a copy of which is attached as Exhibit ____..

[NOTE: The above Fifiht Modificatino also refers to a Construction Loan Agreement dated Dated June 25, 2005 which I don't see any reference to in the above; I assume this should also be assigned to the Village]

[NOTE: where is the 1st through 4th loan Modifications; they should be referenced and included as part of the Loan Documents]

__. Note I, Note II, Mortgage I, and Mortgage II are further secured by a certain Junior Mortgage and Security Agreement entered into by Trustee and Assignor dated as of August 15, 2009 and recorded with the Recorder on January 5, 2010 as Document Number 1000533073 (the *Junior Mortgage I"*), a copy of which is attached as Exhibit ___

__. Note I, Note II, Mortgage I, and Mortgage II are further secured by a certain Junior Mortgage and Security Agreement entered into by Trustee and Assignor dated as of August 15, 2009 and recorded with the Recorder on January 5, 2010 as Document Number 1000533074 (the *Junior Mortgage II"*), a copy of which is attached as Exhibit ___.

J. The original Note I, Note II, Mortgage I, Mortgage II, Assignment of Rents I, Assignment of Rents II, Third Loan Modification, Modification, Fifith Loan Modification, Junior Mortgage I, Junior Mortgage II, Commercial Security Agreement, Guaranty of Completion and Performance, Commercial Guarantees, and various other related documents pertaining to collateral for Note I and Note II, each as amended, modified, extended, reaffirmed and revised from time to time (all of which are sometimes hereinafter collectively referred to as *"Loan Documents"*), are currently in the possession of the Assignor and were the subject of a foreclosure lawsuit titled *RBS Citizens, N.A. v. First National Bank of Manhattan, et al.* (Case No. 11 CH 27744), where an Amended Judgment of Foreclosure was ordered on May 28, 2013 in the Circuit Court of Cook County, Cook County, Illinois (the "*Lawsuit*").

__. Assignor became the successor in interest to FNB by means of _____.

K. Assignor desires to assign to Assignee all of Assignor's right, title, and interest in, to and under the Loan Documents in accordance with the terms and conditions of this Assignment.

L. Assignee has agreed to accept the foregoing Assignment in accordance with the terms and conditions of this Assignment.

Agreement

NOW, THEREFORE, for and in consideration of the payment by Assignee to Assignor of the sum of One Million Dollars (s ($1,000,000.00) (the *"Purchase Price"*), less credits are required by the terms of this Agreement and for other good and valuable consideration which are set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor does hereby grant, bargain, sell, assign, transfer, convey and set-over to Assignee all of Assignor's right, title, and interest in, to and under the Loan Documents. Assignee hereby assumes the Loan Documents and will substitute itself as Plaintiff in the Lawsuit, and accepts all of the rights, benefits and privileges arising thereunder, as of the date hereof.

2. In exchange for the payment of the Purchase Price, Assignor shall tender the original Loan Documents to Assignee containing the original signatures of all parties.

3. Assignor represents and warrants to Assignee that, as of the date hereof and as of the Closing Date, the following are true and accurate statements in all material respects:

A. Assignor is duly formed and validly existing in the jurisdiction of its formation, and Assignor is in good standing under the laws of the jurisdiction of its formation or organization;

B. Assignor has full power and authority to own assets and to transact the business in which it is presently engaged;

C. Assignor has the power, authority, and legal right to make, deliver and perform this Assignment and all of its transactions contemplated hereunder and has taken all necessary action to authorize the execution, delivery and performance of this Assignment;

D. Except for this Assignment, since the execution of the Loan Documents, Assignor has not assigned, set-over, transferred or conveyed any of its right, title, or interest to and under the Loan Documents. Assignor is the sole owner of the rights which were either given directly to Assignor in the Loan Documents or given to Assignor's predecessor in interest, FNB; and

E. Assuming due authorization, execution and delivery by Assignee, this Assignment and all the obligations of Assignor hereunder are the legal, valid and binding obligations of Assignor, enforceable against Assignor in accordance with the terms of this Assignment and subject to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles generally affecting or limiting the rights of contracting parties.

F. That, to Assignor's knowledge, there is no pending or threatened litigation, administrative proceeding, ruling or investigation involving any federal or state governmental agency having jurisdiction over Assignor which, if determined adversely to Assignor, would have a material adverse effect on Assignor's execution, deliver, or performance of this Assignment.

G. No consent of any other party, and no consent, approval or authorization of or license from or registration with, any government authority, bureau or agencies required in connection with the execution, delivery and performance of this Assignment.

H. Neither the execution and delivery of this Assignment by Assignor, nor the performance by Assignor of its obligations hereunder, will result in a breach, violation or default by Assignor of any provision of its organizational documents.

I. The foregoing representations are material to this Agreement, true and correct and incorporated into this section as if they were fully set forth herein.

4. Assignee represents and warrants as follows:

A. Assignee is a –home rule municipality under the Constitution and laws of the Statre of Illinois and
has full power and authority to own assets and to transact the business in which it is presently engaged.

B. Assignee has the power, authority and legal right to accept, deliver and perform all of the transactions contemplated hereunder and has taken all necessary action to authorize the execution, delivery and performance of this Assignment.

C. No consent of any other party, and no consent, approval or authorization of or license from or registration with, any government authority, bureau or agencies required in connection with the execution, delivery and performance of this Assignment.

D. Assignee has had the opportunity to make its own independent investigation and appraise all of the facts and circumstances relevant to determine whether to accept an assignment of the Loan Documents and the financial and operating prospects of the collateral encumbered in connection with the Loan Documents.

E. Neither the execution and delivery of this Assignment by Assignee, nor the performance by Assignee of its obligations hereunder, will

result in a breach, violation or default by Assignee of any provision of its organizational documents.

F. Except for Section 3 above, Assignee expressly agrees that it is not relying on any oral or written representation or warranty of Assignor, express or implied, relating to the collateral encumbered by the Loan Documents or the terms and conditions of the Loan Documents.

5. Assignee understands, acknowledges and agrees that Assignor makes no representations or warranties to the Assignee concerning any of the following matters: (i) the physical condition of the real property that secures Note I or Note II; (ii) the accuracy of any information contained in the Loan Documents concerning the creditworthiness of the Debtor or the value of any personal or real property that secures the Note; and (iii) the Lawsuit and any actions taken therein by Assignor or its counsel.

6. Assignor agrees that it will, at the expense of Assignee, execute and deliver to Assignee as required and at any time or from time to time, any and all further agreements, documents and instruments, and take any and all further actions which may be required under applicable law or which Assignee may from time to time reasonably request, in order to effectuate the assignment, assumption and transactions contemplated by this Assignment and each of the other documents executed contemporaneously herewith for purposes of Assignee assuming the Loan Documents. Assignee agrees that it will execute and deliver to Assignor as required and at any time or from time to time, any and all further agreements, documents and instruments, and take any and all further actions which may be required under applicable law or which Assignor may from time to time reasonably request, in order to effectuate the assignment, assumption and transactions contemplated by this Agreement and each of the other documents executed contemporaneously herewith for purposes of Assignee assuming the Loan Documents. In addition, the parties agree to provide reasonable cooperation with one another in the future should any action be required to fully effectuate the agreement contained herein, or Assignee's substitution for Assignor as Plaintiff in the Lawsuit, or Assignee's discharge of the receiver and appointment of Assignee as a mortgagee in possession. The parties intend that as a result of the closing of this transaction, Assignor shall have no further rights to recover under, or to enforce any rights contained in, either the Loan Documents or in any other documents incidental thereto which may not be specifically mentioned in this Assignment and that all such rights shall be assigned to the Assignee. The terms of this Section shall survive closing.

7. 8. Assignee agrees and acknowledges that this Assignment is contingent upon: (1) the Receiver appointed in the Lawsuit, Eric Weber of 33 Realty, being discharged by entry of an Agreed Order in the Lawsuit; and (2) the turn-over by the Receiver to the Assignor of all proceeds of any operating account he may have established in furtherance of his duties as Receiver.

9. Assignor has commenced the Lawsuit through its counsel, Fuchs & Roselli, Ltd. ("Assignor's Foreclosure Counsel"). Assignor shall be responsible for the

costs of the Lawsuit, including the attorneys' fees of Assignor's Foreclosure Counsel, receiver costs and expenses, court costs, title costs, i.e., minutes of foreclosure, and all other expenses related to the Lawsuit through the Closing Date. After closing Assignor and Assignee through counsel shall move to substitute Assignee as Plaintiff in the Lawsuit and terminate the Receiver. Assignor shall further be responsible for all its costs through the date the lawsuit is dismissed including the costs of the Receiver even if the Receiver incurs costs after the date of dismissal that are necessary to wind up or report upon any of its activities. In the event the Lawsuit results in judgment in favor of the Assignor prior to the Closing Date, Assignor agrees to assign all its right, title and interest in and to said judgment in favor of Assignee. The terms of this Section shall survive closing.

10. No broker or other party entitled to a commission is involved in connection with this transaction.

11. **Closing.** The closing on the assignment shall be conducted through a Title Company escrow and conducted simultaneously with the closing a certain executed "Real Estate Sale Contract To Sell Property And Accept A Deed In Lieu Of Debt" (the "Sale Contract") by and between the Village of Glenwood, Illinois, an Illinois home rule municipality, the First National Bank of Manhattan as Trustee under a Trust Agreement dated July 1, 2004 and known as Trust No. 441 ("Trustee"), Lincoln-Way Homes, LLC., an Illinois Limited Liability Company ("Homes"), Lincoln-Way Partners, Inc., an Illinois Corporation, ("Partners") and William N. Bolker and Claudia Bolker ("Bolkers") which is in a form substantially similar to that attached hereto as Exhibit ___. (Trustee, Homes, Partners William N. Bolker and Claudia Bolker shall collectively be referred to as the Sellers. On or prior to the Closing Date, a closing escrow shall be established and agreed to by Glenwood, RBS, Trustee, Homes, Partners, William N. Bolker and Claudia Bolker with the Title Company through which the transfer of the Subject Property as contemplated in the Sale Contract and the Assignment of the Loan Documents as contemplated in this Assignment shall be closed (the "Closing Escrow"). The escrow instructions establishing the Closing Escrow shall be in the form customarily used by the Title Company with such special provisions added thereto as may be required to conform to the provisions of this Assignment and the Sale Contract. The Closing Escrow shall be auxiliary to this Assignment and this Assignment shall not be merged into nor in any manner be superseded by the escrow. The escrow costs and fees shall be shared equally by Glenwood and the Sellers. Closing of this Assignment shall be contingent upon each and every one of the following:

(a) The execution and closing upon the Sale Contract set forth in the form substantially similar to that attached as Exhibit ___ and the Village's receipt of the deeds to all the real estate that is referred to as the Subject Property in the attached Exhibit __. Glenwood's receipt of all the originally executed Loan Documents from RBS at closing and a title policy insuring Glenwood's interest and rights as the assignee of said Loan Documents.

(b) Glenwood's receipt of a title insurance policy insuring its title to the Loan Documents.

(c) Receipt of all deliverables required from Assignor pursuant to this assignment including, but necessarily limited to: (a) all the originally signed Loan Documents, (b) Exhibit A, (c) Exhibit B, (d) Exhibit C, (e) Exhibit D, (f) Exhibit E, (g) _____ (h) _____ (i); (j) loan files, and (j) notices of transfer of Note I and Note II directed to Debtor in a form reasonably acceptable to Assignee.

(d) The receipt of releases from the Assignor of all the assignments of beneficial interests made of the beneficial interest in the land trust that holds legal title to the property for all portions of the following properties:

Parcel 1:

Lots 1 through 12, both inclusive, Lots 14, 15, 17, 18, 20, 22, the south 68.29 feet of lot 23, and lots 24 and 25, in the Villas of Glenwood Subdivision Unit 1, being a subdivision of part of the Northwest ¼ of section 10, Township 35 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, according to the plat thereof recorded on February 23, 2004 as document number 0405427082 in the office of the Cook County Recorder of Deeds

PINs: 32-10-103-001-0000
32-10-103-002-0000
32-10-103-003-0000
32-10-103-004-0000
32-10-103-005-0000
32-10-103-006-0000
32-10-103-007-0000
32-10-103-008-0000
32-10-104-002-0000
32-10-104-003-0000
32-10-104-005-0000
32-10-105-001-0000
32-10-105-002-0000
32-10-105-003-0000
32-10-105-004-0000
32-10-105-006-0000
32-10-105-007-0000
32-10-105-009-0000
32-10-105-010-0000
32-10-105-012-0000

32-10-105-014-0000

Parcel 2:

Lot 26 in the Villas of Glenwood Subdivision Unit 2, being a subdivision of part of the Northwest ¼ of section 10, Township 35 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois according to the plat thereof recorded on April 7, 2006, as document number 0609734102 in the office of the Cook County Recorder of Deeds

PIN: 32-10-105-015-0000

(The legal descriptions referred to above of Parcel 1 and Parcel 2 shall be jointly referred to as the "Subject Property", with individual references to the property described above as Parcel 1 being referred to as "Parcel 1" and individual references to the property described above as Parcel 2 being referred to as "Parcel 2")

In order to allow the necessary deeds to be prepared pursuant to the Sale Contract, to transfer the Subject Property to the Village at closing, Assignor shall provide the Village or the Trustee with releases of all the assignments of beneficial interests of the land trust that holds legal title to the Subject Property in sufficient time prior to closing in order to allow the Trustee to prepare and execute all the deeds necessary to transfer the Subject Proprty to the Village pursuant to the Sale Contract.

Assignee shall pay to Assignor the Purchase Price of One Million Dollars ($1,000,000.00) at closing. The net funds from the Purchase Price that remain after the credits due the Village and the funding of the necessary Title Company escrow, in the amount required by the Title Company, for the payment of real estate taxes shall be delivered to Assignor by wire transfer as follows:

RBS Citizens, N.A., d/b/a Charter One:

_____

Routing No.: _____

Attn.: Loan Operations

Further Credit:_____

At the Closing hereunder, the sale, transfer, assignment and delivery of the Loan Documents will be effected pursuant to: (1) an allonge ("Allonge I") containing an endorsement of Note I in the form attached hereto as **Exhibit ___**; (2) an assignment of Mortgage I, Assignment of Rents I, the Commercial Security Agreement, the Guaranty of Completion and Performance, the Third Loan Modification, _____, _____ , _____ , the Junior Mortgage I, and the Junior Mortgage II in the form of which is attached hereto as **Exhibit __** (the "General Assignment I"); (3) an allonge ("Allonge II") containing an endorsement of Note II in the form attached hereto as **Exhibit ___**; (4) an assignment of Mortgage II, Assignment of

Rents II, the Commercial Guarantees, the Modification, the Fifth Loan Modification, _____, _____ , _____ , the Junior Mortgage I, and the Junior Mortgage II in the form of which is attached hereto as **Exhibit __** (the "General Assignment II"); and (5) the Assignment of such other docuemtns as may be requested or necessary to conclude the transaction contemplated

As as reasonably practicasble after closing, Assignor will cause to be filed with the approporiate Secretary of State, a Uniform Commercial Code Financing Statement Amendment (the "UCC-3 Assignment"), assigning all of Assignor's security interest in the collateral secured by the Commercial Security Agreement and Security Guarantees to Assignee, a copy of which is attached hereto as **Exhibit ____**.

12. Real estate taxes and proration for the Parcel 1 property. Any and all unpaid real estate taxes due and payable prior to closing for the Parcel 1 property shall be paid by the Assignor and shall be made out of proceeds retained by the Title Company out of the Purchase Price due Assignor under this Assignment. Assignor shall furnish an estimate of redemption for each lot or portion of the Parcel 1 property at closing which is dated not more than 3 days prior to closing. If the taxes have already been redeemed Assignor shall provide proof of redemption to the Title Company as soon as possible. Assignor shall cooperate with the Title Company on the payment of all unpaid real estate taxes due and payable prior to closing for the Parcel 1 property including any Title Company overdeposit, escrow or other indemnity requirements that are necessary to accomplish payment of such taxes pursuant to the Title Company's usual procedures.

2013 real estate taxes for the Parcel 1 property that are payable in 2014 but not yet due and owing as of the date of closing shall be prorated between RBS and the Village based upon 100% of the total property taxes due for 2012 taxes (payable in 2013). The Village shall receive a credit at closing from the Purchase Price for the estimated amount of the 2013 taxes not yet due and owing as of the date of closing that are due for the period from January 1, 2013 through the date of closing. Then, upon the determination of the actual 2013 property taxes after the issuance of the second installment 2013 tax bill in summer or fall of 2014, the 2013 property taxes shall be reprorated between Assignor and Glenwood with Glenwood (after receiving the benefit of any property tax exemption obtained after closing) responsible for the amount of the 2013 property taxes, if any, attributable to the period of time after the date of closing and Assignor responsible for the amount of the 2013 property taxes for the period of time prior to and including the date of closing. Upon reproration of the 2013 property taxes, Assignor and Assignee shall pay to the other any amount that may be due.

In the event any taxes for years subsequent to 2013 are due and owing at closing they shall also be initially prorated at closing with Glenwood receiving the necessary credit at closing and, then upon determination of the actual tax due, reprorated in the same manner as the 2013 taxes.

The reproration requirements of this Section shall survive closing.

13. Lease credits. If the Receiver received any security deposit paid by the Tenant of the 481 Glenwoodie Drive property, the Village shall receive a credit from Assignor against the Purchase Price for such amount at closing. Glenwood shall also receive a credit from Assignor against the Purchase Price for the amount of any rent, additional rent or any other payments made by Tenant of 481 Glenwoodie Drive to the Receiver pursuant to its lease of the 481 Glenwoodie Drive property for any period after the date of closing.

14. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

15. Severability. In the event any one or more of the provisions (or any part of any provision) contained in this Assignment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision (or remaining part of the affected provision(s)) of this Assignment, and this Assignment shall be construed to effect the purposes of this Assignment as if such invalid, illegal, or unenforceable provision (or part thereof) had never been contained herein and to that extent, but only to that extent, the provisions of the Assignment are severable.

16. Time is of the Essence. Time is of the essence in the performance of the covenants and agreements contained in this Assignment.

17. Enforceability. If any provisions of this Assignment shall be found to be invalid or unenforceable, whether by operation of law, order of court, or otherwise, such provision shall be ineffective or unenforceable only to the limited extent required by law without effecting, in any manner, the remaining provisions of this Assignment or validity or enforceability thereof.

18. Amendments. This Assignment may be amended or altered only by a writing signed by the party to be bound by the change or alteration.

19. Counterparts. This Assignment may be executed and delivered in counterparts, and signed counterparts may be delivered via facsimile, with all executed counterparts delivered via facsimile to be deemed to have the same force and effect as if bearing original signatures.

20. Any and all payments received by Assignor on and after the Closing Date for the period after the closing date shall belong to Assignee and any such amounts received by Assignor shall be promptly remitted to Assignee within five (5) business days.

21. In the event Debtor makes a payment applied as principal for the outstanding balance related to the Note prior to the Closing Date, the Purchase Price shall decrease in an equal amount.

22. Contemporaneously with delivery of the executed Assignment to Assignee, Assignor shall deliver copies of its loan files, which shall include the Loan Documents, correspondence, reports and material that are in Assignor's possession; provided, however, that loan files shall not be construed as to include any documents that contain Assignor's proprietary information or documents that covered by either the attorney work product doctrine or the attorney-client privilege. Assignor shall also deliver a copy of the minutes of foreclosure related to the Lawsuit and the loan policy obtained when Assignor originally made the Loan.

23. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

24. The recitals set forth at the beginning of this Assignment are hereby incorporated into this Assignment in their entirety.

25. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address set forth below or to such other address as any party may give to the other in writing for such purpose in accordance with this section:

To Assignor:

RBS Citizens, N.A., d/b/a Charter One

71 S. Wacker Drive, 28th Floor
Chicago, IL 60606
Attn: Thomas F. Thompson

With a copy to K. Shaylan Baldwin
Fuchs & Roselli, Ltd.
440 W. Randolph, Suite 500
Chicago, Illinois 60606
Facsimile No. (312) 651-2499

To Assignee: Village of Glenwood
One Asselborn Way

Glenwood, Illinois 60425_____
Attention: Village President Facsimile No.: 708-753-2406

With a copy to Assignee's Counsel:

John F. Donahue
Rosenthal, Murphey, Coblentz & Donahue
30 North LaSalle Street, Suite 1624
Chicago, Illinois 60602
Facsimile No.: 312-541-9191

{Signature Page Follows}

IN WITNESS WHEREOF, Assignor and Assignee have caused this instrument to be executed this _____ day of September, 2013.

ASSIGNOR:

RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution

By:_____

ASSIGNEE:

VILLAGE OF GLENWOOD

By:_____
Name:_____
Its:_____

EXHIBIT A

COPY OF NOTE I

(See Attached)

AF

EXHIBIT B

COPY OF MORTGAGE I

(See Attached)

AFT

EXHIBIT C
COPY OF ASSIGNMENT OF RENTS I

(See Attached)

AF

EXHIBIT D

COPY OF COMMERCIAL SECURITY AGREEMENT

(See Attached)

AF

EXHIBIT E

COPY OF GUARANTY OF COMPLETION AND PERFORMANCE

(See Attached)

AF

EXHIBIT F

COPY OF NOTE II

(See Attached)

EF

EXHIBIT G

COPY OF MORTGAGE II

(See Attached)

AF

EXHIBIT H
COPY OF ASSIGNMENT OF RENTS II

(See Attached)

AF

EXHIBIT I
COPY OF SECURITY GUARANTEES

(See Attached)

AF

ASSIGNMENT OF MORTGAGE

ASSIGNMENT OF MORTGAGE AND OTHER LOAN DOCUMENTS

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY

FOR VALUE RECEIVED, the undersigned, RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution (*"Assignor"*), DOES HEREBY ASSIGN, SET OVER, TRANSFER AND CONVEY, without recourse, to the VILLAGE OF GLENWOOD (*"Assignee"*), whose address is _____ all of Assignor's right, title and interest in, to and under the following instruments:

1. That certain Mortgage dated June 24, 2005 made by First National Bank of Manhattan, as Trustee Under Trust Agreement Dated July 1, 2004, and Known as Trust No. 441 (the *"Trustee"*), in favor of Assignor's predecessor in interest, First National Bank (*"FNB"*), and recorded with the Recorder of Deeds of Cook County, Illinois (the *"Recorder"*) on July 7, 2005 as Document Number 0518833181 encumbering the property set forth in Exhibit "A" attached hereto (hereinafter the *"Property"*).

2. That certain Assignment of Rents dated June 24, 2005 made by Trustee in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder on July 7, 2005 as Document Number 0518833182 encumbering the Property.

[Include specific reference to the Commercial Security Agreement, the Guaranty of Completion and Performance, the Third Loan Modification, _____, _____ , _____ , the Junior Mortgage I, and the Junior Mortgage II]

3. Any and all other documents and instruments securing that certain

Promissory Note dated June 24, 2005 in the original principal amount of Eight Hundred Thousand 00/100 Dollars ($800,000.00) made by Lincoln-Way Homes, an Illinois limited liability company, to the order of Assignor's predecessor in interest, FNB, as well as any and all other documents identified in that certain Assignment of Loan Documents of even date.

This Assignment is made pursuant to a certain Assignment of Loan Documents, dated as of _____, 2013, by and between Assignor and Assignee (the "Agreement"). This Assignment is made without representation or warranty of any kind, except for the representations and warranties set forth in the Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment this _____ day of July, 2013.

ASSIGNOR:

RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution

By _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

BEFORE ME, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that _____ of RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., known to me to be the person whose name is subscribed to the foregoing instrument, and (s)he acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., and in the capacity therein stated.

GIVEN under my hand this _____ day of _____, 2013.

_____
Notary Public

ACCEPTED:

_____

By _____

Printed Name: _____
Its: _____
(Title)

Prepared By:	***Mail To:***
Fuchs & Roselli, Ltd. Attn: K. Shaylan Baldwin, Esq. 440 W. Randolph, Suite 500 Chicago, Illinois 60606	John F. Donahue Rosenthal, Murphey, Coblentz & Donahue 30 North LaSalle Street, Suite 1624 Chicago, Illinois 60602

ASSIGNMENT OF MORTGAGE

ASSIGNMENT OF MORTGAGE AND OTHER LOAN DOCUMENTS

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY

FOR VALUE RECEIVED, the undersigned, RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution (*"Assignor"*), DOES HEREBY ASSIGN, SET OVER, TRANSFER AND CONVEY, without recourse, to the VILLAGE OF GLENWOOD (*"Assignee"*), whose address is _____ all of Assignor's right, title and interest in, to and under the following instruments:

1. That certain Mortgage dated July 15, 2005 made by First National Bank of Manhattan, as Trustee Under Trust Agreement Dated July 1, 2004, and Known as Trust No. 441 (the *"Trustee"*), in favor of Assignor, and recorded with the Recorder of Deeds of Cook County, Illinois (the *"Recorder"*) on August 10, 2005 as Document Number 0522204166 encumbering the property set forth in Exhibit "A" attached hereto (hereinafter the *"Property"*).

2. That certain Assignment of Rents dated July 15, 2005 made by Trustee in favor of Assignor's predecessor in interest, FNB, and recorded with the Recorder on August 10, 2005 as Document Number 0522204167 encumbering the Property.

[Inlcude Commercial Guarantees, the Modification, the Fifth Loan Modification, _____, _____ , _____ , the Junior Mortgage I, and the Junior Mortgage II]

3. Any and all other documents and instruments securing that certain Promissory Note dated July 15, 2005 in the original principal amount of Two Million 00/100 Dollars ($2,000,000.00) made by Lincoln-Way Homes, an Illinois limited liability

company, to the order of Assignor's predecessor in interest, FNB, as well as any and all other documents identified in that certain Assignment of Loan Documents of even date.

This Assignment is made pursuant to a certain Assignment of Loan Documents, dated as of _____, 2013, by and between Assignor and Assignee (the "Agreement"). This Assignment is made without representation or warranty of any kind, except for the representations and warranties set forth in the Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment this _____ day of July, 2013.

ASSIGNOR:

RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution

By _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

BEFORE ME, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that _____of RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., known to me to be the person whose name is subscribed to the foregoing instrument, and (s)he acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., and in the capacity therein stated.

GIVEN under my hand this _____ day of _____, 2013.

_____
Notary Public

ACCEPTED:

_____

By _____

Printed Name: _____
Its: _____
(Title)

Prepared By:	***Mail To:***
Fuchs & Roselli, Ltd. Attn: K. Shaylan Baldwin, Esq. 440 W. Randolph, Suite 500 Chicago, Illinois 60606	John F. Donahue Rosenthal, Murphey, Coblentz & Donahue 30 North LaSalle Street, Suite 1624 Chicago, Illinois 60602

EXHIBIT "A" TO ASSIGNMENT OF MORTGAGE

LEGAL DESCRIPTION

LOT 21, 22 AND LOT 25 IN THE VILLAS OF GLENWOOD SUBDIVISION UNIT 1, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 473, 481, 486 and 490 Glenwoodie, Glenwood, Illinois, 60425..

PIN: 32-10-102-003-0000

EXAMPLE

EXHIBIT "A" TO ASSIGNMENT OF MORTGAGE

LEGAL DESCRIPTION

LOTS 1 THROUGH 12, BOTH INCLUSIVE, LOTS 14, 15, 17, 18, 20, 22, AND THE SOUTH 68.29 FEET OF LOT 23, AND LOTS 24 AND 25, IN THE VILLAS OF GLENWOOD SUBDIVISION UNIT 1, BEING A SUBDIVISION OF PART OF THE NORTHWEST ¼ SECTION 10, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: Lots 1 through 12, 14, 15, 17, 18, 20, 22, the south 68.29 feet of lot 23, and 24 and 25, in the Villas of Glenwood, Glenwood, Illinois, 60411.

PIN:
32-10-103-001-0000
32-10-103-002-0000
32-10-103-003-0000
32-10-103-004-0000
32-10-103-005-0000
32-10-103-006-0000
32-10-103-007-0000
32-10-103-008-0000
32-10-104-002-0000
32-10-104-003-0000
32-10-104-005-0000
32-10-105-001-0000
32-10-105-002-0000
32-10-105-003-0000
32-10-105-004-0000
32-10-105-006-0000
32-10-105-007-0000
32-10-105-009-0000
32-10-105-010-0000
32-10-105-012-0000
32-10-105-014-0000

ALLONGE

Allonge to Note dated June 24, 2005 in the original principal amount of $800,000.00 executed by LINCOLN-WAY HOMES, LLC payable to the order of FIRST NATIONAL BANK, predecessor in interest to RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A. Such Note is hereby transferred pursuant to the following endorsement with the same force and effect as if such endorsement were set forth at the end of such Note:

> Pay to the order of the VILLAGE OF GLENWOOD without recourse and without any warranty or representation, express or implied, except as set forth in that certain Assignment of Loan Documents dated June _____, 2013 between the VILLAGE OF GLENWOOD and RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A.

RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution

By _____

This Allonge shall be attached to the original Note described above and is hereby made a part thereof.

ALLONGE

Allonge to Note dated July 15, 2005 in the original principal amount of $2,000,000.00 executed by LINCOLN-WAY HOMES, LLC payable to the order of FIRST NATIONAL BANK, predecessor in interest to RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A. Such Note is hereby transferred pursuant to the following endorsement with the same force and effect as if such endorsement were set forth at the end of such Note:

> Pay to the order of the VILLAGE OF GLENWOOD without recourse and without any warranty or representation, express or implied, except as set forth in that certain Assignment of Loan Documents dated June _____, 2013 between the VILLAGE OF GLENWOOD and RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A.

RBS CITIZENS, N.A., D/B/A CHARTER ONE, successor by merger to CHARTER ONE BANK, N.A., an Illinois state chartered banking institution

By _____

This Allonge shall be attached to the original Note described above and is hereby made a part thereof.

MAINSTREET ORGANIZATION OF REALTORS®
RESIDENTIAL LEASE
Not to be used for rental property in the City of Chicago.

Date of Lease	Term of Lease		Monthly Rent	Security Deposit
	Beginning	Ending		
May 16, 2013	June 01 2013	May 31 2014	$1500.00	$500.00

TENANT
Name(s) Eddie Fadel

Premises Address 481 Glenwoodie Drive

City, State, Zip Glenwood, IL 60425

LANDLORD
Name(s) Lincoln Way Homes LLC

1316. N Cedar Road

Address 1316 N. Cedar Road

City, State, Zip New Lenox, IL 60431

In consideration of the mutual covenants and agreements herein stated, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord for a private dwelling, the unit designated above (the "Premises"), together with the appurtenances thereto, and the common elements or limited common elements appurtenant thereto, if any, for the above term. Along with the dwelling unit described herein, the premises include the following (check all that apply):

☐ Parking space(s) (Identified as _____ and containing _____ parking spaces).
☑ Garage (Identified as _____ and containing 2 parking spaces and _____ transmitters).
☑ Refrigerator ☑ Oven/Range/Stove ☑ Microwave ☑ Dishwasher ☐ Washer ☐ Dryer
☐ Window Air Conditions(s) (#_____) ☐ Storage locker ☐ Other Description: _____).

If Dual Agency applies, complete Paragraph 20.

1. **RENT:** Tenant shall pay to Landlord, monthly in advance without demand as rent for the Premises the sum stated above at Landlord's address stated above or such other address as Landlord may designate in writing. Time of such payment is of the essence of this agreement. All rent shall be due as of the first day of each month and shall be paid not later than the fifth day of each month.

Any rent not paid by the fifth day of the month shall incur a late payment penalty of 5 % of the monthly rent (if blank then 5%).

2. **SECURITY DEPOSIT:** Tenant herewith has paid to Landlord the security deposit stated above, receipt of which is acknowledged by Landlord, as security for the faithful performance of the terms of this Lease by Tenant, including, but not limited to, payment of rent and to the return of the Premises in undamaged condition. Any unused portion of the security deposit will be returned to Tenant, without interest, within 15 days (if blank then 30 days), or sooner if required by applicable law, from the date that Tenant has vacated the Premises. Tenant acknowledges that Tenant has inspected the Premises and that the Premises are in good repair, except as specified below, and that no representations as to the condition or repair thereof have been made by the Landlord, or Landlord's Designated Agent, prior to or at the execution of this Lease, that are not herein expressed.
DEFECTS (if any) _____

3. UTILITIES AND SERVICES: In addition to the monthly rent specified above, Tenant shall be responsible for payment of the following (check all that apply):

☑ Electricity ☑ Gas ☑ Water/Sewer ☐ Heating Fuel ☑ Refuse Removal ☐ Homeowner Association Dues

If Tenant fails to pay any of the above, Landlord may pay them on Tenant's behalf. In such event Tenant shall promptly reimburse Landlord for all such payment, plus any penalties paid by Landlord, upon demand by Landlord. In the event any of the above utilities are not levied specifically on or in respect of the Premises, the Tenant shall pay to Landlord as additional rent _____% of said utilities charged on the building of which the Premises is a part.

4. USE, SUBLET, ASSIGNMENT: The Premises will be used and occupied as a private, single-family premises by (list individual names): Eddie Fadel, Alex Spencer , Christian Kundle

and no others. Tenant will not permit the Premises to be used for any unlawful purpose or purposes that will injure the reputation of the Premises or of the neighborhood, and will not permit the Premises to remain vacant or unoccupied for more than thirty (30) consecutive days. Tenant will not allow the Premises to be used for any purpose that will increase the rate of insurance thereon, nor for any purpose other than that herein specified. Tenant will neither assign this Lease nor sublet the Premises without the prior written consent of Landlord; such consent will not be unreasonably withheld. Landlord's consent in this instance will not waive Landlord's right to refuse subsequent assignments or sub-lettings nor will Landlord's consent release Tenant from liability under this Lease.

5. POSSESSION: Landlord will tender possession of Premises not later than the beginning date of this Lease. Possession shall be deemed to have been given when Landlord delivers to Tenant the keys for the vacant Premises. If Landlord does not deliver possession of the Premises to Tenant as stipulated herein, Tenant may cancel and terminate this Lease, with written notice to Landlord. In this instance, neither party will be liable to the other and any sums paid by Tenant under this Lease will be refunded. If Tenant accepts late delivery of the Premises, then the rent will be reduced on a pro-rated daily basis for that monthly term from the date of actual possession. The term of this Lease will not be extended by any such late delivery.

6. ALTERATIONS AND IMPROVEMENTS: Tenant will not make any alterations or improvements, including decorating, without the prior written consent of Landlord. Any alterations or improvements that are made will remain and be surrendered upon termination of this Lease. Any such acceptance will not relieve Tenant for any costs incurred by Landlord as a result of any alterations or improvements. Tenant shall be responsible for all costs incurred by Landlord as a result of any unapproved alteration or improvement.

12. COMPLIANCE: Tenant will in every respect comply with applicable local ordinances with the rules and orders of the health officers thereof, with the orders and requirements of the police department, with the requirements of any underwriters' association so as not to increase the rates of insurance upon the building and contents thereof, with the rules and orders of the fire department with respect to any matters coming within their jurisdiction, with the rules and bylaws of any applicable homeowner's association and with any Landlord's rules attached hereto.

7. MAINTENANCE REPAIRS: Tenant will keep the Premises in good and sanitary condition at Tenant's sole expense during the term of this Lease and during any renewal period or extension thereof. Tenant will maintain the fixtures and mechanical systems in good operating order, and will further be responsible for the following (check all that apply):

☐ Snow/ice removal from driveways and sidewalks ☐ Lawn mowing
☐ Landscape maintenance (other than lawn mowing) ☐ Scavenger service
☐ _____ ☐ _____

Landlord will be responsible for any structural or major maintenance and repairs, other than routine maintenance and repairs that are not due to Tenant's misuse, waste or neglect or to that of Tenant's authorized occupants or visitors.

Any appliances contained in the Premises are provided for the Tenant's convenience. Landlord does not warrant the fitness or uninterrupted use or enjoyment of such appliances by Tenant. Any interruption of Tenant's use and enjoyment of such appliances shall not constitute "constructive eviction," nor form the basis for any defense, set-off or counter claim by Tenant.

Tenant agrees to pay for any and all repairs, including approved or unapproved improvements or alterations, that shall be necessary to put the Premises in the same condition as existed at commencement of this Lease, reasonable wear and tear and loss by fire or acts of nature excepted, and the expense of such repairs shall be included within the terms of this Lease. In the event Tenant shall fail to maintain the Premises as provided hereunder, and upon notice by the Landlord fails to correct any deficiencies, such failure shall constitute grounds for termination of this Lease by Landlord.

Any maintenance or repair that is not the obligation of Tenant shall be the responsibility of the Landlord. Landlord shall discharge its maintenance and repair responsibilities in a timely manner. In the event Landlord fails to do so, and upon notice by Tenant fails to correct any deficiencies, such failure shall constitute rounds for termination of this Lease by Tenant.

8. DAMAGE BY FIRE OR CASUALTY: If the Premises is damaged by fire or other casualty not due to Tenant's negligence, Landlord will begin repairs as soon as possible. If the damaged Premises is uninhabitable, the rent will cease until the repairs are made. If the Premises is not restored to habitable condition within _____ days (if blank, then sixty (60) days) this Lease may be terminated at the option of Tenant upon written notice to Landlord. If Landlord decides not to repair or re-build, Landlord may terminate this Lease by giving Tenant immediate written notice and Tenant will surrender the Premises to Landlord. Landlord shall be responsible for all costs of repair of the Premises, provided the damage is not caused by any willful act or negligence on the part of Tenant. If the damage is caused by Tenant's willful act or negligence, Tenant shall be responsible for all costs of repair of the Premises and Tenant shall remain obligated to pay all rent and other charges through the end of this Lease, regardless of the habitability of the Premises.

9. CONDEMNATION: If any part of the Premises is taken by any authority for any public or quasi-public purpose or use or a settlement or a compromise or a settlement in lieu thereof be made that would substantially alter the intended use of the Premises, this Lease will terminate from the date when possession of the Premises is taken. Tenant will have no right to any damages awarded or settlement made in this regard.

10. DEFAULT: If rent or any other sum due Landlord is unpaid; if there is default in compliance with any term of this Lease; if the Premises is abandoned, deserted or vacated by Tenant; or if the Landlord is otherwise entitled under the law, then Landlord will have the right to terminate this Lease in accordance with any applicable statute or ordinance. In any action with respect to this Lease, the Parties are free to pursue any legal remedies at law or in equity and the prevailing Party in litigation shall be entitled to collect reasonable attorney fees and costs from the non-prevailing Party as ordered by a court of competent jurisdiction.

11. HOLDOVER: Tenant will deliver possession of the Premises to Landlord upon expiration or termination of this Lease. If Tenant fails to do so, Tenant will pay an amount equal to three (3) times the monthly rent specified in

this Lease for each month or portion thereof that Tenant remains in possession of the Premises. Tenant will have no rights in the Premises and will be a tenant in sufferance. Tenant will pay to Landlord any damages and costs incurred by Landlord as a result of any holding over. Acceptance of rent after expiration or termination of this Lease will constitute a renewal on a month to month basis.

12. LIABLITY: Landlord will not be liable to Tenant for any damage to Tenant's person or property or agents, employees, guests or invitees other than for Landlord's gross negligence. Tenant will indemnify and hold Landlord harmless from all claims of any nature. Tenant shall be required to maintain renters insurance during the term of this Lease. Tenant shall furnish a copy of said policy to Landlord.

13. RIGHT OF ENTRY: Landlord or Landlord's agents will have the right to enter the Premises at reasonable times with reasonable notice, except in the event of an emergency, in order to inspect, to make ordinary, necessary repairs or alterations, to enforce the provisions of this Lease and to show the Premises to prospective purchasers or tenants. Tenant will allow Landlord to have placed upon the Premises, at all times, notices of "For Sale" and/or "To Rent" and will not interfere with the same.

14. SUBORDINATION: This Lease is subject to and subordinate to the lien of all mortgages now or hereafter placed on any part of Landlord's property that includes the Premises, to any extensions and renewals thereof and to advances now or thereafter made on the security thereof. Tenant will execute such instruments evidencing subordination at Landlord's request. If Tenant fails to comply with such request, Tenant hereby irrevocably empowers Landlord to do so in Tenant's name.

15. NOTICES: Any notice to Tenant addressed to the Premises or the Landlord at the address designated by Landlord will be sufficient, if in writing and delivered to either party in person or by certified mail.

16. SEVERABILITY: If any part if this Lease is construed to be unenforceable, the remaining parts will remain in full force and effect as though any unenforceable part was not written into this Lease.

17. LEAD-BASED PAINT DISCLOSURE: Prior to signing this Lease, Tenant (check one) ☐has ☑has not received the EPA Pamphlet, "Protect Your Family from Lead in Your Home," and (check one) ☐has ☑has not received a Lead-Based Paint Disclosure.

18. RADON DISCLOSURE: Prior to signing this Lease, Tenant (check one) ☐has ☑has not received a Radon Disclosure.

19. RULES AND REGULATIONS: Tenant and other authorized occupants and guests will comply with all occupancy rules and regulations of Landlord, if any, and, with any homeowner association or condominium association rules and regulations as amended from time to time and furnished to Tenant. Failure to comply with the occupancy rules and regulations will be considered a default under the terms of this Lease.

20. CONFIRMATION OF DUAL AGENCY: The Parties confirm that they have previously consented to _____ (Designated Agent) acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to Designated Agent acting as a Dual Agent with regard to the transaction referred to in this Lease.

21. ATTORNEY REVIEW: The Parties agree that their respective attorneys may approve or make modifications to this Lease, other than stated rental price, within five (5) business days after the date of the Lease. If within ten (10) Business Days after the Date of Acceptance, written agreement cannot be reached by the Parties with respect to resolution of proposed modifications, then either Party may terminate this Lease by serving written notice to the

other Party, whereupon this Lease shall be null and void and security deposit shall be refunded to Tenant by Landlord. IF WRITTEN NOTICE IS NOT SERVED WITHIN THE TIME SPECIFIED, THIS PROVISION SHALL BE DEEMED WAIVED BY THE PARTIES, AND THIS LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.

22. OTHER TERMS OR PROVISIONS:

(a) Pets ☑ are ☐ are not permitted under this Lease. If pets are permitted, such permission is limited as follows: type _____ weight _____ number of _____. Further, the following additional conditions apply: _____.

(b) In addition to any other remedies afforded to Landlord under this Lease, Landlord may charge Tenant an amount equal to 5% of the monthly rent for any returned check. Two occurrences of returned checks during the term of this Lease, including any extension of the term thereof, will require all future rental payments by Tenant to be made by cashiers or certified check.

(c) Tenant shall pay ten dollars ($10.00) for each and any lost key replaced by Landlord.

(d) Tenant will not install satellite dishes, antennae or cables for television, radio, sound equipment, computer equipment or Internet access without Landlord's written consent in each case, and shall remove same and restore all walls or other appurtenances prior to vacating Premises.

(e) (Check all that apply) Notice is hereby provided pursuant to Illinois statute that ☐ Landlord ☑ Tenant is an Illinois licensed Real Estate Broker

(f) Landlord is required to re-key all locks prior to possession.

23. ENTIRE AGREEMENT: This document and the documents incorporated herein are the entire agreement of the Parties and no representations of either party are binding unless contained herein. No oral statements will be binding on either party. This Lease may only be modified by mutual agreement of the Parties. The following are hereby incorporated herein and made part of this Lease:

_____.

THIS FOLLOWING OPTIONAL PARAGRAPH APPLIES ONLY IF INITIALED BY ALL PARTIES.

___ ___ ___ ___ **24. AGREEMENT FOR PROPOSED FUTURE PURCHASE BY TENANT:** On or before the Commencement Date of this Lease, the Landlord and Tenant shall enter into a mutually acceptable agreement for the Tenant's proposed future purchase of the Premises. In the event such agreement has not been executed this Lease shall be null and void.

THIS IS A LEGALLY BINDING DOCUMENT. PRIOR TO THE EXECUTION OF THIS LEASE, LANDLORD AND TENANT ARE ENCOURAGED TO CHECK ORDINANCES AND REGULATIONS TO VERIFY THE REQUIREMENTS OF THE APPLICABLE GOVERNMENTAL AUTHORITY IN WHICH THE PREMISES IS LOCATED.

IN WITNESS WHEREOF, the parties have signed and sealed this Lease on the date before written.

DATE May 17 2013	DATE May 17, 2013
	William M Barbara, President
TENANT SIGNATURE	LANDLORD SIGNATURE
IC MANAGING REAL ESTATE BROKER	Lincoln-Way Homes LLC
TENANT SIGNATURE	LANDLORD SIGNATURE

GUARANTEE

For value received, the undersigned hereby guarantees the payment of the rent and the performance of the covenants by the Tenant of the terms of the Lease.

	DATE
GUARANTOR SIGNATURE	
PRINT GUARANTOR'S NAME	GUARANTOR'S PHONE
GUARANTOR'S ADDRESS, CITY, ZIP	

FOR INFORMATION ONLY

Tenant's Cell Phone Number(s)		Landlord's Cell Phone Number(s)	
312-498-4808		815-922-8060	
Tenant's Other Phone Number(s)		Landlord's Other Phone Number(s)	
305-785-5363		815-485-3411	
Tenant's E-Mail Address		Landlord's E-Mail Address	
edfadel@gmail.com			
Tenant's E-Mail Address		Landlord's E-Mail Address	
Tenant's Managing Broker	MLS#	Landlord's Managing Broker	MLS#
Eddie M Fadel			
Tenant's Designed Agent	MLS #	Landlord's Designated Agent	MLS #
Phone	Fax	Phone	Fax
312-498-4808	305-785-5363		
Tenant's Designated Agent's	E-Mail	Landlord's Designated Agent's	E-Mail
Tenant's Attorney		Landlord's Attorney	
Phone	Fax	Phone	Fax
Tenant's Attorney's E-Mail		Landlord's Attorney's E-Mail	

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EQUITABLE SERVITUDES, GRANTS AND EASEMENTS UNIT #1 OF VILLAS OF GLENWOOD TOWNHOMES

Doc#: 0518753072
Eugene "Gene" Moore Fee: $68.00
Cook County Recorder of Deeds
Date: 07/08/2005 10:41 AM Pg: 1 of 23

RECORDER'S STAMP

THIS DECLARATION made and entered into this 6th day of July, 2005, by First National Bank of Manhattan, an Illinois Banking Corporation, as Trustee under Trust Agreement dated July 1, 2004, and known as Trust No. 441, and not individually (hereinafter sometimes referred to a "the Trustee"):

WITNESSETH:

WHEREAS, the Trustee is the owner in fee simple of certain real estate, hereinafter described, in the Village of Glenwood, Cook County, Illinois; and

WHEREAS, the Trustee intends to create on portions thereof from time to time a residential community of townhomes with common open spaces; and

WHEREAS, the Trustee desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and all future owners of any part of said real estate, and to provide for the harmonious, beneficial and proper use and conduct of the real estate; and

WHEREAS, the Trustee desires and intends that the several Owners, mortgagees, occupants, and other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

Prepared By:
Lincoln-Way Partners, Inc.
931 Country Creek Drive
New Lenox, Illinois 60451

After Recording Return To:
Lincoln-Way Partners, Inc.
931 Country Creek Drive
New Lenox, Illinois 60451

NOW, THEREFORE, the Trustee **DECLARES AS FOLLOWS:**

1. **DEFINITIONS**. Certain words and terms used in this Declaration are defined as follows:

(a) ASSOCIATION: Villas of Glenwood Townhome Owners Association, the association of all the property owners acting pursuant to the ByLaws attached hereto as Exhibit A, through its duly elected Board, its successors and assigns.

(b) BOARD: The board of managers of the Association as constituted at any time from time to time. In the event the Association is incorporated the Board shall mean the Board of Directors of the incorporated Association.

(c) BUILDINGS: All structures, attached or unattached, located upon a Unit.

(d) BYLAWS: The ByLaws of the Association, which are attached hereto as Exhibit "A", and are incorporated herein by reference and made a part hereof.

(e) COMMON EXPENSES: The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.

(f) DEVELOPER: Lincoln-Way Partners, Inc., its successors and assigns, or such other persons or entities as the beneficiary of the Trustee may from time to time designate.

(g) FIRST MORTGAGE: An owner of a bona fide first mortgage or first trust deed covering any portion of the Property.

(h) MAINTENANCE FUND: All monies collected or received by the Association pursuant to the provisions of the Declaration and ByLaws.

(i) MAJORITY: More than 50 percent.

(j) OCCUPANT: A person or persons, other than a Unit Owner, in possession of a Unit.

(k) PARCEL: The tract of land described in paragraph 2 hereof.

(l) PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(m) PLAT: The Plat of Subdivision for the Villas of Glenwood Unit #1 Subdivision of Single Family Attached or Detached Townhome Villas.

(n) PROPERTY: All land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, and all easements, rights and appurtenances belonging thereto, and all Common Areas.

(o) RECORD: To record in the Office of the Recorder of Deeds of Cook County, Illinois.

(p) RESERVES: Those sums paid by Unit Owners which are separately maintained by the Board for purposes specified by the Board.

(q) SUBDIVISION: The Villas of Glenwood Subdivision of Single Family Attached or Detached Townhome Villas.

(r) TOWNHOME: A single-family dwelling, constructed on a Unit, which Townhome may be attached to not to exceed one additional Townhome by common party walls.

(s) UNIT: A lot (or portion thereof) within the Subdivision and such improvements as may be located thereon and which is designated for use as a separate single family dwelling unit.

(t) UNIT OWNER: The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit.

2. **LEGAL DESCRIPTION OF PARCEL**. The parcel which shall be subject to the provisions hereof is legally described as follows:

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, AND 25 IN THE VILLAS OF GLENWOOD SUBDIVISION UNIT 1, BEING A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF SECTION 10, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN

COOK COUNTY, ILLINOIS, RECORDED FEBRUARY 23, 2004, AS DOCUMENT NO. 0405427082.

PIN: Part of 32-10-102-003-0000

3. **MAINTENANCE BY ASSOCIATION.**

(a) The Association shall be responsible for the maintenance of the driveways, sidewalks and yards located within a Unit. For purposes of the foregoing, maintenance shall be deemed to include grass cutting and customary lawn maintenance, trimming of trees, bushes and shrubs, and snow removal from driveways and sidewalk areas (both lying within the Unit area and in the public right-of-way). The Association shall be further responsible for providing exterior maintenance upon each Unit as follows: painting, repair, replacement (as necessary) of gutters, downspouts, all exterior building surfaces including siding and shingles. The expense of the foregoing shall be charged to the Maintenance Fund as more fully set forth in the ByLaws. Participation in said maintenance program shall be deemed mandatory and no credit against assessments payable by a Unit Owner shall be given in the event that any Unit Owner causes such maintenance to be performed in any other manner. The Association and/or its duly authorized agents and/or employees shall have, and by virtue hereof are granted, the right of, and an easement for access to the Units for the purpose of performing the foregoing maintenance and such other activities as may be incidental thereto.

(b) Such exterior maintenance, repair and replacement shall not include glass, doors and decks, if any (provided, however, that the style, design and quality of such glass, doors, and decks, if any, shall be subject to such Rules and Regulations as may be promulgated from time to time with regard thereto by the Association, or the Developer prior to the creation of the Association); nor shall such exterior maintenance include the replacement or repair of any portion of a Unit for which replacement or repair is the result of damage caused by a hazard which is normally insured against under a standard form homeowner's hazard insurance policy. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Unit Owner, his family, or guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which his Unit is subject and shall be paid as determined by the Board.

(c) The extent and frequency of the activities of the Association in carrying out the duties of maintenance and management set forth herein may be decided by the Board and the Board may appoint committees to advise the Board on such matters. The Board may also promulgate Rules and Regulations to aid in carrying out said maintenance duties and may amend such Rules and Regulations from time to time.

4. **ENCROACHMENTS AND EASEMENTS.**

(a) If any part of any Unit encroaches upon any part of any other Unit as a result of the construction, repair, reconstruction, settlement or shifting of the Building, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit so encroaching so long as all or any part of the Building containing such Unit so encroaching shall remain standing; provided, however, that after the date this Declaration is recorded, a valid easement for an encroachment shall in no event be created in favor of any owner of a Unit other than the Trustee or the Developer if such encroachment occurred due to the willful conduct of said owner or owners.

(b) All easements and rights described herein are easements appurtenant, running with the Parcel, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee and other person having an interest in said Parcel, or any part or portion thereof.

(c) Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence or obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and right were recited fully and set forth in their entirety in such documents.

5. **PARTY WALLS.**

(a) Each wall which is built as part of the original construction of the townhomes and placed on the dividing line established between the Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this paragraph 5, the general rules of law regarding party walls shall apply thereto.

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the respective Unit Owners who make use of the wall in proportion to their respective use.

(c) Due to the fact that some of the individual townhomes in a building are or will be aesthetically and functionally designed with structures that may encroach and/or overhang adjoining Units, each such adjoining Unit shall be subject to a perpetual easement for any such overhang and/or encroachment.

(d) If a party wall is destroyed or damaged by fire or other casualty, either of the Unit Owners who have used the wall may restore it, and, if the other Unit Owner thereafter makes use of the wall, he shall contribute to the cost of restoration thereof in proportion to such use.

6. **ASSOCIATION.**

(a) The Developer, prior to the first annual meeting of Unit Owners, or the Association, thereafter, may cause the formation of an Illinois not-for-profit corporation for the purpose of facilitating the administration and operation of the Property and to act as the Association.

(b) Whether or not the Association is incorporated,

(i) each Unit Owner shall be a member of such Association, which membership shall terminate upon the sale or other disposition by such member of his Unit, at which time the new Unit Owner shall automatically become a member therein;

(ii) the provisions of Exhibit A of this Declaration shall be adopted as the ByLaws of such Association;

(iii) The name of such Association shall be Villas Of Glenwood Townhome Owners Association, or a similar name.

7. **INSURANCE, REPAIR AND RECONSTRUCTION.**

(a) The Association shall acquire and pay for out of the Maintenance Fund herein provided for, the following:

(i) Such insurance as the Association is required to obtain pursuant hereto and such other insurance as the Association deems advisable in the operation, and for the protection, of the Common Areas. Any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of this Declaration.

(ii) Comprehensive public liability and property damage insurance in such limits as the Association shall deem desirable, provided that such limits shall not be less than $1,000,000.00 per occurrence, for personal injury and/or property damage - insuring the Association, the members of the Board, the managing agent, if any, and their respective agents and employees, and the Unit Owners from any liability in connection with the Property.

(iii) Such other forms of insurance as the Association shall elect to effect including such Worker's Compensation insurance as may be necessary to comply with applicable laws.

(b) Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisal which the Association deems advisable in connection with any insurance, shall be Common Expenses.

(c) The Association shall secure insurance policies that will provide for the following:

(i) with respect to the insurance provided for in (a) (I) of this paragraph, for coverage of cross liability claims of one insured against another; and

(ii) a waiver of any rights to subrogation by the insuring company against any named insured.

(d) The Association may, but shall not be required to, secure policies providing:

(i) with respect to the insurance provided for in (a) (i) of this paragraph, that the policy cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Unit Owners.

(e) Upon the cancellation of any policy of insurance which the Association is required to obtain hereunder, the Association shall notify each party insured thereunder of such cancellation.

(f) In the event of the damage or destruction of any of the Common Areas, the insurance proceeds, if sufficient to reconstruct the Common Areas, shall be applied to restore the Common Area suffering such damage or destruction to substantially the same condition in which it existed prior to such damage or destruction.

(g) If, in the event of the damage or destruction of the Common Areas, the insurance proceeds are insufficient to restore the Common Areas as set forth in the preceding subparagraph, then such deficiency shall be paid by funds secured by special assessment levied against the Unit Owners.

(h) Nothing contained herein shall in any manner be construed as imposing an obligation upon the Trustee, the Developer or the Association to secure homeowner's hazard insurance coverage (and customary other coverage incidental thereto) upon the Unit owned by any Unit Owner the securing of the same being the sole obligation to the respective Unit Owners.

8. **SEPARATE REAL ESTATE TAXES**. It is understood that the real estate taxes are to be separately taxed to each Unit Owner for his Unit. In the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole (or upon some portion of the Property representing less than the whole of the same but consisting of an area consisting of greater than one Unit), then the Association, or the Developer prior to the creation of such Association, shall collect from each Unit Owner his proportionate share thereof to assure timely payment thereof.

9. **USE OF OCCUPANCY OF UNITS AND COMMON AREAS**. The Units shall be occupied and used as follows:

(a) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be utilized as a residence for a single family or such other uses permitted by this Declaration and for no other purposes. No building or structure of a temporary character, trailer, basement, tent, shack, barn, or other outbuilding shall be used on any Unit at any time as a residence either temporarily or permanently.

(b) No industry, business, trade, occupation or profession of any kind, commercial, religious, education, or otherwise, designed for profit, altruism, exploration, or otherwise shall be conducted, maintained, or permitted on any part of the Property. No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Association. The right is reserved by the Trustee and the Developer or their agent or agents, to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units. The Trustee and the Developer shall have the right to use any unsold Unit or Units as a model apartment or for sales or display purposes, and to relocate the same from time to time, and to maintain on the Property, until the sale of the last Unit, all models, sales offices and advertising signs or banners, if any, and lighting in connection therewith.

(c) Except to the extent responsibility for the same is delegated to the Association pursuant to the Declaration, each Unit Owner shall be obligated to maintain and keep his own Unit in good, clean order and repair. The use and the covering of the interior surfaces of windows, whether by draperies, shades or other materials visible on the exterior of the Building, shall be subject to the rules and regulations of the Association.

(d) No Unit Owner shall permit anything to be done or kept in his Unit which would be in violation of any law.

(e) Unit Owners shall not cause or permit anything to be hung or displayed on the outside of

windows or placed on the outside walls of any Building and no sign, awning, canopy, shutter, radio or television antenna (except as installed on the date this Declaration is recorded or except as there after installed by the Developer or the Association) shall be affixed to or placed upon the exterior walls or roof or any part thereof or on the Common Areas, without the prior written consent of the Association. No air conditioning unit of whatever type other than those installed as of the date this Declaration is recorded or those thereafter installed by the Developer or the Association may be installed without the prior written permission of the Association.

(f) No animals, livestock, fowl, or poultry of any kind shall be raised, bred or kept in any Unit except that household pets may be kept in Units, subject to rules and regulations adopted by the Association, provided that permitted household pets are not kept, bred, or maintained for any commercial purpose; and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days written notice from the Association.

(g) No noxious or offensive activity shall be carried on in any Unit, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(h) Except as constructed or altered by or with the permission of the Developer or the Association, nothing shall be done in any Unit which would impair the structural integrity, safety, or soundness of any Building or which would structurally change the Building.

(i) No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Property. The Units shall be kept free and clear of rubbish, debris and other unsightly materials.

(j) No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys boats, trailers, recreational vehicles, campers and the like, or other vehicles be permitted on any part of the Property without prior consent of, and subject to any regulations of the Association, pursuant to rules and regulations of the Association.

(k) If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Areas or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association.

(l) No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgement of the Association, an unreasonable disturbance to others.

(m) Each Unit Owner shall maintain the temperature in his Unit, whether or not said Unit may be occupied, at a minimum temperature of fifty (50) degrees Fahrenheit.

(n) No exterior additions or alterations to any townhome shall be commenced, erected, or maintained (except such as are installed or approved by the Developer in connection with the initial construction of the Buildings), until the plans and specifications showing the nature, kind, shape, height, materials, location, and approximate cost of same shall have been submitted to the Association (or Developer prior to the creation of the Association) and approved in writing as to harmony of external design and location in relation to surrounding Buildings by the Association or such committee as the Association may appoint with regard thereto. Any such committee, if so appointed, shall be known as the Villas of Glenwood Townhomes Architectural Committee.

(o) This Paragraph 9 shall not be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone call, or conferring with business or professional associates, clients or customers, in his Unit.

10. **VIOLATION OF DECLARATION**. The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the ByLaws contained, shall, in addition to

any other rights provided for in this Declaration or the ByLaws, give the Association the right: (a) to enter upon the Unit, or any portion of the Property upon which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and neither the Association nor the officers, employees or agents thereof shall thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy, by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

Provided, however, that, except in cases of emergency where damage to persons or property is threatened, the Association shall not take any such action unless it has (a) first given the Unit Owner alleged to have violated any restriction, condition or regulation adopted by the Association or to be in breach of any covenant or provision herein or in the ByLaws contained, a hearing on such allegations pursuant to rules and regulations adopted by the Association, (b) The Association shall have determined such allegations to be true, and (c) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps as shall be necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority as granted in this Paragraph 10, including but not limited to court costs, reasonable attorneys' fees as determined by a court of competent jurisdiction, and cost of labor and materials shall be paid by the Unit Owner in violation, and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property. Any such lien shall be junior and subordinate to the lien of a First Mortgagee with respect to such Unit.

Furthermore, if after hearing and finding as aforesaid and failure of the Unit Owner to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the rights of the said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and thereupon and action in equity may be filed by the Association against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of the violation of a rule or breach of covenant or provision as aforesaid and ordering that all the right, title and interest of the Unit Owner in the Property shall be sold at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption which may be established, and except that the court shall direct that any existing first mortgage be retired out of the proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

Any Unit Owner in default hereunder or under the provisions of the ByLaws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed Common Expense with respect to his Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the ByLaws, this Declaration or the rules and regulations of the Association as to which the Unit Owner is in default. Until such fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property. Any such lien shall be junior and subordinate to the lien of a First Mortgagee with respect to such Unit.

11. **ENTRY BY ASSOCIATION**. The Association or its officers, agents or employees may enter any Unit when necessary in connection with any painting, maintenance, repair or reconstruction for which the Association is responsible, or which the Association has the right or duty to do. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and except in the event of emergency shall be done upon reasonable notice to the Unit Owner. Any damage caused thereby shall be repaired by the Association as a Common Expense.

12. **GRANTEES**. Each grantee of the Trustee of the Developer, each purchaser under Articles of Agreement for Deed and each tenant under a lease accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the ByLaws, the rules and regulations of the Association, and the jurisdiction, rights and powers created or reserved by this Declaration, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

13. **FAILURE TO ENFORCE**. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

14. **NOTICES**. Whenever any notice is required to be given under the provisions of the Declaration, or in the ByLaws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice, provided such waiver or the time of giving same is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

15. **AMENDMENTS**. Except as hereinafter otherwise provided, the provisions of paragraphs 1, 2, 4, and 5 and this paragraph 15 of this Declaration may be amended, changed or modified by an instrument in writing setting forth such amendment, change or modification, signed and acknowledged by all members of the Board and all of the Unit Owners. Except as herein otherwise provided, other provisions of this Declaration may be amended, changed or modified, upon approval by at least 60% of the Unit Owners, by an instrument in writing setting forth such amendment, change or modification, signed and acknowledged by an authorized officer of the Association certifying that at least 60% of the Unit Owners have approved such amendment, change or modification. Any amendment, change, or modification shall be effective without the prior written consent of the Trustee or Developer. The ByLaws may be amended in accordance with the provisions of Article XI thereof.

16. **VIOLATIONS OF CERTAIN RULES**. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of (a) the Rule Against Perpetuities or some other analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or

common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George W. Bush, the President of the United States of America, and Richard Cheney, the Vice-President of the United States of America.

17. **SEVERABILITY**. The invalidity of any restrictions hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration and all of the terms hereof are hereby declared to be severable.

18. **CONSTRUCTION**. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first-class townhome development.

19. **CHANGES OR MODIFICATIONS BY THE DEVELOPER**. Until the first annual meeting of the Unit Owners is called, the Developer, or its successors or assigns, shall have the right to change or modify this instrument, which change or modification shall be effective upon the recording thereof; provided that such right shall only be exercised (i) to bring the Declaration into compliance with applicable laws and Ordinances, or (ii) to correct clerical or typographical errors in the Declaration, or (iii) for the purpose of compliance with requirements of the Veterans Administration, the Department of Housing and Urban Development, and/or FNMA or FHLMC. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney-in-fact for such Unit Owner. Each deed, mortgage, trust deed, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and consent to the reservation of, the power to the Developer as aforesaid.

20. **VILLAGE**. In the event the Villas of Glenwood Townhome Homeowners Association ("Association") fails to properly maintain the common areas, the Village of Glenwood (the "Village") shall have the right, but not the obligation, to maintain the common areas at the expense of the Association. In order to exercise its rights under this paragraph, the Village shall serve written notice upon the Association's registered agent or president setting forth the deficiencies existing in the maintenance of the common areas. In the event any noted deficiencies are not corrected within two weeks from the date of the Village's notice, then, the Village shall have the right, but not the obligation, to correct the deficiencies noted. The Village shall be reimbursed by the Association for all expenses incurred by the Village for the correction of the noted deficiencies. The Village shall have a license to enter the common areas for the exercise of its rights under this paragraph. Any actions taken by the Village pursuant to this paragraph shall not preclude the Village form pursing any other legal or equitable remedy or penalty pertaining to the correction of any deficiency or otherwise for the Association's failure to properly maintain the common areas. Any other remedy or penalty imposed as a result of the Village's pursuit of any other such legal or equitable remedy shall be in addition to the Association's obligation to reimburse the Village for work performed by the Village pursuant to this paragraph.

21. **TRUSTEES**. In the event title to any Unit should be conveyed to a land title holding trust, under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust, and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holding trustee personally for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated or sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien upon the premises notwithstanding any transfer of beneficial interest or the title of such real estate.

22. **EXECUTION BY THE TRUSTEE**. It is expressly understood and agreed, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said trustee not in its own right, but solely in the exercise of the power conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the First National Bank of Manhattan or any of the beneficiaries under said Trust Agreement, on account of this instrument or on account of any representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

IN WITNESS WHEREOF, the First National Bank of Manhattan as Trustee as aforesaid and not individually has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents on the day and year first above written.

FIRST NATIONAL BANK OF MANHATTAN, As Trustee as aforesaid, and not individually,

By: John E Kramer
President

ATTEST:

Kathleen Benn
Its: Cashier

FIRST NATIONAL BANK OF MANHATTAN CORPORATE SEAL ILLINOIS

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Christine Putman, a Notary Public in and for said County and State, do hereby certify that John E Kramer and Kathleen Benn, President and Cashier respectively, of First National Bank of Manhattan, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Cashier, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Cashier did also then and there acknowledge that s he, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 6 day of July, 2005.

"OFFICIAL SEAL"
CHRISTINE PUTMAN
Notary Public, State of Illinois
My Commission Expires 02/28/08

Notary Public

EXHIBIT A
BYLAWS OF
VILLAS OF GLENWOOD

ARTICLE I
GENERAL PROVISIONS

The Association is responsible for the overall administration of the Property through its duly elected Board. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Act, as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration.

ARTICLE II
MEMBERS

SECTION 1. CLASSES OF MEMBERS, MEMBERSHIP, AND TERMINATION THEREOF. The Association shall have one class of members. The designation of such class and the qualifications of the members of such class shall be as follows:

Each Unit Owner shall be a member of the Association, which membership shall terminate upon the sale or other disposition of such member's Unit, at which time the new Unit Owner shall automatically become a member of the Association. Such termination shall not relieve or release any such former Unit Owner from any liability or obligation incurred under or in any way connected with the Association, during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies which the Board or others may have against such former Unit Owner arising from, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be issued by the Association.

SECTION 2. VOTES AND VOTING RIGHTS.

(a) Until the date of the first annual meeting of the members, as provided in Article III, Section 1 hereof, no member of the Association shall have the right to elect the Board of Managers. All such members of the Board of Managers shall be appointed and shall hold office as provided in Article IV, Section 2 of these ByLaws.

(b) Commencing with the date of the said first annual meeting of the members, the total number of votes of all members shall be equal to the total number of Units. Each member shall be entitled to one vote.

(c) If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If only one of such persons constituting such Unit Owner is present, he shall be entitled to cast the votes allocated to such Unit. If more than one of such persons constituting such Unit Owner are present, the votes allocated to such Unit may be cast only in accordance with the agreement of a majority in interest of such persons shall be deemed to exist if any of such persons cast the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any such persons constituting such Unit Owner.

(d) Any specified percentage of the members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these ByLaws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners as provided in the Declaration.

SECTION 3. TRANSFER OF MEMBERSHIP. Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1 hereof.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. The first annual meeting of the members shall be held on such date as is fixed by the Developer, which date shall in no event be later than on hundred twenty (120) days following the date when 75% of the Units have been conveyed by the Trustee, provided, however, that (i) the words "75% of the Units" as heretofore used in this sentence shall be deemed to mean 75% of all of the Units which the Developer contemplates constructing on the Property. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other businesses as may come before the meeting shall be held on such date as is selected by the Board which date is within thirty (30) days before or after the anniversary of the first annual meeting of the members. If the election of Members of the Board shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by the Board, the President, or not less than 10% of the members. All matters to be considered at special meetings of the members called by not less than 10% of the members shall first be submitted in writing to the Board not less than ten (10) days prior to the date of the special meeting of the members called to consider such matters.

SECTION 3. PLACE AND TIME OF MEETING. All meetings of the members shall take place at 7:00 P.M., in some section of the Property designated by the person or persons calling the meeting, or at such other reasonable place or time designated by the board or the person or persons calling the meeting.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the purpose, place, day and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary, or the officer or persons calling the, except that the notice of the first annual meeting of the members shall be given at least twenty-one (21) days prior thereto. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

SECTION 5. QUORUM. The members present at a meeting in person or by proxy, holding 25% of the votes which may be cast at any meeting, shall constitute a quorum at such meeting of members, the meeting shall be adjourned and may only be called again in accordance with the provisions of these ByLaws.

SECTION 6. PROXIES. At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution. Every proxy must bear the date of its execution.

SECTION 7. MANNER OF ACTING. Except as set forth below and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be upon the affirmative vote of more than 50% of the members represented at such meeting. The following matter shall require the affirmative vote of 66 2/3% or more of all the members at a meeting duly called for that purpose: the purchase and sale of land or Units on behalf of the Unit Owners.

ARTICLE IV

BOARD

SECTION 1. IN GENERAL. The affairs of the Association shall be managed by its Board of Managers, which shall act as the Board of Managers of the Villas of Glenwood Townhomes Owners Association as provided in the Declaration.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of members of the Board shall be five. Until the date of the first annual meeting of the members as hereinabove provided, the members of the Board shall be the directors named in the Articles of Incorporation of the Association, if the Association is incorporated; otherwise, the members of the Board shall be appointed by the Developer. Such members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the members of the Board shall each be elected at large solely by, from, and among, the members. Each member of the Board shall serve for a term of one year and until his successor shall have been elected and qualified. The Board elected at such first annual meeting shall be the initial Board of Managers, as provided in the Act. Each member of the Board shall hold office without compensation. Only a member of the Association may be a member of the Board. In the event that a member of the Association is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a member of the Board. Notwithstanding the above, only one person from each Unit may be a member of the Board. A member of the Board may succeed himself in office.

SECTION 3. ELECTION. At each annual meeting of the Unit Owners, the Unit Owners shall elect the entire Board for the forthcoming year. In all elections for the members of the Board, the five candidates receiving the highest number of votes shall be deemed elected. Each candidate for election to the Board (or such candidate's representative) shall have the right to be present at the counting of the ballots at such election. Members of the Board shall serve without compensation for a term of one year, and until their successors are elected.

SECTION 4. REGULAR MEETINGS. A regular annual meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of members. The Board shall, by regulations which the Board may, from time to time, adopt, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four times per year.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board may be called by or at the request of the President or any two members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meetings of the Board called by them.

SECTION 6. NOTICE. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours prior to the date of such special meeting. Written notice of regular meetings of the Board shall be mailed prior to the date of such meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his address as it appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at, or the purpose of any regular or special meeting of the Board, shall be specified in the notice.

SECTION 7. QUORUM. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are

present at the commencement of said meeting, the meeting shall be adjourned and may only be called again in accordance with the provisions of these ByLaws. In the event of a resale of a Unit the purchaser of a Unit from a seller other than the Developer pursuant to an installment contract for purchase shall during such time or times as he or she resides in the Unit be counted toward a quorum for purposes of election of members of the Board at any meeting of the Unit Owners called for purposes of electing members of the Board, shall have the right to vote for the election of members of the Board and to be elected to and serve on the Board unless the seller expressly elected to and serve on the board unless the seller expressly retains in writing any or all such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contract shall be made available to the Association or its agents. For purposes of this SECTION 7, "installment contract" shall have the same meaning as set forth in Section 1(e) of "an Act relating to installment contracts to sell dwelling structures," approved Aug.11, 1967, as amended, as set forth in the Illinois Compiled Statutes.

SECTION 8. MANNER OF ACTING. The act of majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except where otherwise provided by law or in this instrument.

SECTION 9. VACANCIES. Any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next meeting of the members; provided that if a petition is filed with the Board signed by members holding 20% of the votes of the Association requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of office of his predecessor, the term of the member so elected by the Board shall terminate 30 days after the filing of the petition and a meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. Members of the Board, including those appointed by the Developer, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective upon receipt of said resignation. If, as a result of the death, removal or resignation of a member of the Board, no members may be called to fill all vacancies for the unexpired terms of the members of the Board.

SECTION 10. REMOVAL. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of 66 2/3% of all members of the Association at a special meeting called for such purpose.

SECTION 11. ADOPTION OF RULES AND REGULATIONS. All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, which rules and regulations conform to the Declaration and these ByLaws. No rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States of America or Section 4 of Article I of the Constitution of the State of Illinois. Such rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto the rule or regulation at a special meeting of the members called for such purpose, and held before the effective date of the rule or regulation, by a vote of 75% of all the members of the Association.

SECTION 12. OPEN MEETINGS. All meetings of the Board, whether regular or special, shall be open to the members of the Association, except for meetings:

(a) to discuss litigation when an action against or on behalf of the Association has been filed and pending in a court or administrative tribunal, or when the Board finds such action is probable or imminent;

(b) to consider information regarding appointment, employment or dismissal of an employee; or

(c) to discuss violations of rules and regulations of the Association or a Member's unpaid share of Common Expenses. Any vote on the above matters shall be taken at a meeting or portion thereof open to any member. Any member may record these proceedings at meetings required to be open by the Act or these ByLaws by tape, film, or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

ARTICLE V
OFFICERS

SECTION 1. OFFICERS. The officers of the Association shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board), a Treasurer and a Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board, from among the members of the Association, provided the President must also be a member of the Board. If the election shall be held as soon thereafter as conveniently may be possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. An officer may succeed himself in office. Officers shall serve without compensation.

SECTION 3. REMOVAL. Any officer elected by the Board may be removed by a majority vote of the members of the Board.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

SECTION 5. PRESIDENT. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments which the Board has authorized to be executed and any amendment to the Declaration, and, in general, shall perform all duties incident to the offices of President and such other duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 6. VICE-PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents, in order of their election) shall perform the duties of the President. Any Vice-President shall perform such other duties as from time to time may be assigned by the President or by the Board.

SECTION 7. TREASURER. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of the ByLaws; and in general perform all the duties as from time to time may be assigned to him by the President or by the Board.

SECTION 8. SECRETARY. The Secretary shall keep the minutes of the meetings of the members and

of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these ByLaws or as required by law; receive all notices on behalf of the Association and, together with the President, execute on behalf of the Association amendments to documents as required or permitted by the Declaration, these ByLaws or the Act; be custodian of the records and, if incorporated, of the seal of the Association, if any, and, if the Association is incorporated, see that the seal of the Association, if any, is affixed to all documents, the execution of which on behalf of the Association under its seal, if any, is duly authorized in accordance with the provisions of these ByLaws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

ARTICLE VI
POWERS AND DUTIES OF THE ASSOCIATION AND BOARD

SECTION 1. GENERAL DUTIES, POWERS, ETC. OF THE BOARD. The board shall exercise for the Association all powers, duties and authority vested in the Association by the Declaration and these ByLaws, including but not limited to the following:

(a) Operation, care, upkeep, maintenance, replacement, and improvement of the Common Areas and such portions of the Units as is more fully set forth in Paragraph 3 of the Declaration.

(b) Preparation, adoption and distribution of the annual budget for the Property.

(c) Levying of assessments.

(d) Collection of assessments from Unit Owners.

(e) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Areas.

(f) Obtaining adequate and appropriate kinds of insurance.

(g) Adoption and amendment of rules and regulations covering the details with Units conveyed to or purchased by it.

(h) Owning, conveying, encumbering, leasing, and otherwise dealing with Units conveyed to or purchased by it.

(i) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.

(j) To borrow money at such rates of interest as it may determine; to issue its notes, bonds and other obligations to evidence such borrowing; and to secure any of its obligations by making a mortgage or giving a security interest in all or any of its property or income, provided if such mortgage or security interest encumbers all or substantially all of the assets of the Association, the approval of the members shall first be obtained pursuant to Article III, Section 7, of these ByLaws.

(k) To pay real estate property taxes, special taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the Association (other than assessments on Units not owned by the Association).

(l) To impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, ByLaws, and rules and regulations of the Association.

(m) To assign its rights to future income, including the right to receive Common Expense assessments.

(n) To record the dedication of a portion of the Common Areas to a public body for use, as, or in connection with, a street or utility where authorized by the members.

In the performance for their duties, the officers and members of the Board shall exercise, whether appointed by the Developer or elected by the member, the care required of a fiduciary of the members.

SECTION 2. SPECIFIC POWERS AND DUTIES.

(a) Anything herein contained to the contrary notwithstanding, the Association shall have the power:

(i) to engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Association deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days or less prior written notice;

(ii) to engage the services of any person (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance and management of the Property, or in connection with any management of the Property, or in connection with any duty, responsibility or right of the Association and to remove, at any time, any such personnel;

(iii) to establish or maintain one or more bank accounts for the deposit of any funds paid to, or received by, the Association.

(b) The Association shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent or other personnel above provided for, the following:

(i) such insurance as the Association is required or permitted to obtain as provided in the Declaration;

(ii) landscaping, gardening, snow removal, cleaning, tuck pointing, maintenance, decorating, repair and replacement of the Common Areas and such portions of the Units as is more fully set forth in Paragraph 3 of the Declaration and such equipment for the Common Areas as the Association shall determine is necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Areas;

(iii) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein;

(iv) any amount necessary to discharge any mechanics' lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Association constitute a lien against the Property or against the Common Areas, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property;

(v) maintenance and repair of any Unit or any other portion of the Property which a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Association, to protect any other portion of the Property, and the Owner of said Unit has failed or refused to perform said maintenance or repair is delivered by the Association to said Unit Owner; provided that the Association shall levy a special assessment against such Unit for the cost of said maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property;

(vi) maintenance and repair (including payment of real estate taxes and common expenses) with respect to any Unit owned by the Association.

(c) all expenses, charges and costs of the maintenance, repair or replacement of the Common Areas and such portions of the Units as is more fully set forth in Paragraph 3 of the Declaration, and any other expenses, charges or costs which the Association may incur or expend pursuant hereto, shall be approved by the

Association, and a written memorandum thereof prepared and signed by the Treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the Common Areas, (other than for purposes of repairing, replacing and restoring portions of the Common Areas) and such portions of the Units as is more fully set forth in Paragraph 3 of the Declaration requiring an expenditure in excess of One Thousand Dollars ($1,000.00) without the prior approval of 66 2/3% of the Unit Owners.

(d) Each year on or before November 1st, the Board shall estimate the annual budget of Common Expenses (the "Annual Budget") including: The total amount required for the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, all anticipated assessments and income and each Unit Owner's proposed Common Expense assessment. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days prior to the adoption thereof which proposed Annual Budget shall indicate which portions thereof are intended for capital expenditures or repairs or payment of real estate taxes. The Association shall give Unit Owners notice as provided in Section 4, Article III of the ByLaws of the meeting of the Board at which the board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted. Said Annual Budget shall be assessed to the Unit Owners in equal shares. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such Owner in equal quarterly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuring year, and the 1st day of April, July and October of said year. The Association shall have no authority to forebear the payment of assessments by any Unit Owner except as otherwise expressly herein set forth.

If an Annual Budget adopted by the Board requires assessments against the Unit Owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written petition by Unit Owners with 20% of the votes of the Association filed within 14 days of the Board action, shall call a Special Meeting of the Unit Owners within 30 days of the date of filing of the petition to consider the Annual Budget. Unless a majority of the votes of the Unit Owners are cast at the meeting to reject the Annual Budget, it shall be deemed to be ratified, whether or not a quorum is present. If a majority of the votes of the Unit Owners are cast at the meeting to reject the Annual Budget, but a quorum is not present, a second Special Meeting of the Unit Owners will be called to consider the Annual Budget. If a quorum is not present at such second meeting, the Annual Budget shall be deemed to be ratified. If a majority of votes of the Unit Owners are cast to reject the Annual Budget at a Special Meeting of the Unit Owners, a meeting of the Board shall be held within 30 days of the date of such Special Meeting to prepare a revised Annual Budget to send to the Unit Owners together with a notice of the meeting of the Board at which adoption of such Annual Budget will be considered.

In determining whether assessments exceed 115% of similar assessments in the preceding year, any authorized provisions for reasonable reserves for repair or replacement of the Common Areas, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

On or before the 1st day of April of each calendar year commencing in 2006, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited in equal amounts to all Unit Owners toward the next quarterly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added equally with respect to each Unit Owner to the installments due in the succeeding two quarters after rendering of the accounting.

The Association may build up and maintain a reasonable Reserve for operations, contingencies and replacement. To establish such Reserve, the Developer shall collect from each Unit Owner upon conveyance by the Trustee of a Unit to such Unit Owner, an amount equal to one-sixth of the Annual Budget as initially established by the Developer and allocable to such Unit, and shall remit such amount to the Association. Extraordinary expenditures not originally included in the Annual Budget which may become necessary during the year shall be charged first against such Reserve. In addition, the Association shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency upon such conditions as the Association deems appropriate. If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, or any non-recurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Association may at any time levy a further assessment, which shall be assessed to the Unit Owners in equal shares, and which may be payable in one lump sum or such installments as the Association may determine. The Board shall serve notice of such further assessment on all Unit Owners (in the manner provided in the ByLaws) by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective and shall be payable at such time or times as determined by the Association, provided, however, that in the event such further assessment with respect to any Unit exceeds the greater of five times such Unit's most recent Common Expense assessment calculated on a monthly basis or $400.00, such further assessment for all Units Owners at a meeting of Unit Owners duly called for such purpose. All Unit Owners shall be obligated to pay the further assessment.

The failure or delay of the Association to prepare or serve the annual or adjusted budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owner's obligation to pay the maintenance and other costs and necessary Reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the quarterly assessment charges at the then existing quarterly rate established for the previous period until the quarterly assessment payment which is due more then ten (10) days after such new annual or adjusted budget shall have been mailed.

(e) The Association shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in equal shares.

(f) Each Unit shall be exempt from all assessments, charges and liens arising by virtue of this instrument until such permit issued therefore. Each Unit, shall further be exempted from all assessments, charges and liens until the same is sold and conveyed by the Trustee or the Developer. Upon the conveyance by the Trustee or the Developer, to a Unit Owner other than the Developer of a Unit which was theretofore entitled to the above exemption, such exemption shall be terminated and such unit shall thereafter be subject to the full amount of assessments arising pursuant to this instrument, prorated from the date of such conveyance. All Units used as models by the Developer or the Trustee (or their respective agents) shall further be exempt from assessments arising by virtue of this instrument.

(g) If a Unit Owner is in default in the quarterly payment of the aforesaid charges or assessments for thirty (30) days, the Association may assess a service charge of up to 4% of the balance of the aforesaid charges and assessments for each month, or part thereof, that said balance, or any part thereof, remains unpaid. In addition to any remedies or liens provided by law, if a Unit Owner is in default in the quarterly payment of the aforesaid charges or assessments for sixty (60) days, all other quarterly payments of charges and assessments due for the calendar year in which such default occurs shall accelerate and become immediately due

and payable. The Association may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection thereof or to foreclose the lien therefore, as provided by law; and there shall be added to the amount due, the costs of said suit, together with legal interest and reasonable attorneys fees to be fixed by the Court. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Unit. Each such assessment, together with interest, costs, and attorney's fees shall also be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them, or required by applicable law.

(h) Upon ten (10) days notice to the Association, and the payment of a reasonable fee fixed by the Association not to exceed Fifteen Dollars ($15.00), any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

(i) Any mortgage or trust deed owned or held by a First Mortgagee and recorded prior to the recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the quarterly assessment when due shall be superior to the lien of such unpaid Common Expenses which become due and are unpaid subsequent to the date of recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed or deed (or assignment) in lieu of foreclosure shall not be liable for, and shall take the Unit free from, claims for unpaid Common Expenses or special assessments levied by the Association which accrue prior to the date of possession as aforesaid.

(j) The Association may, pursuant to the provisions of Section 11, Article IV of these ByLaws, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the Common Areas and the Units, not inconsistent with the terms of the Declaration, as it sees fit, and Unit Owners shall conform to, and abide by, such rules and regulations. Written notice of such rules and regulations shall be delivered to all Unit Owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of the Declaration.

(k) The provisions of the Declaration, these ByLaws, and the rules and regulations that relate to the use of the individual Unit or to the Common Areas shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease executed or renewed after the date of recording of this instrument.

(l) Nothing hereinabove contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them.

(m) Except as provided in sub-paragraph (f) of this Article with respect to legal action for collection of unpaid maintenance expenses, and for the enforcement of liens with respect thereto, or with respect to enforcement of liens or other litigation for collection of unpaid Common expenses, the Association shall not commence litigation, either in its own name or on behalf of the Unit Owners, without the affirmative approval of 66 2/3% of the Unit Owners obtained at an annual meeting of the Unit Owners or a special meeting of Unit Owners called for such purposes. In the event that any legal action is commenced against the Developer by the Association, either in its own right or in some other capacity as a representative of the Unit Owner(s), and the Developer prevails in such legal action, the Developer shall be entitled to reimbursement from the Association of the Developer's reasonable costs and attorneys' fees which Developer may incur in connection with legal consultations by Seller with regard to such legal action by the Association and/or in defending itself with regard to such legal action.

ARTICLE VII
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these ByLaws, to enter into any contract or execute and

deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Association. In the absence of such determination by the Association, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

SECTION 3. DEPOSITS. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

SECTION 4. GIFTS. The Board may accept on behalf of the Association any contributions, gifts, bequest or devise for the general purposes or for any special purposes of the Association.

ARTICLE VIII
BOOKS AND RECORDS

SECTION 1. MAINTAINING BOOKS AND RECORDS. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board and committees having any of the authority of the Board.

SECTION 2. AVAILABILITY FOR EXAMINATION. The manager of the Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys:

(a) Copies of the recorded Declaration and ByLaws and any amendments, Articles of Incorporation of the Association if incorporated, annual reports, if incorporated, and any rules and regulations adopted by the Association or the Board shall be available. Prior to the first annual meeting of members of the Association, the Developer shall maintain and make available the records set forth in this subsection (a) for examination and copying;

(b) Detailed accurate records in chronological order of the receipts and expenditures affecting the Common Areas and such portions of the Units as is more fully set forth in Paragraphs 3 of the Declaration, specifying and itemizing the maintenance and repair expenses of the Common Areas and such portions of the Units as is more fully set forth in Paragraph 3 of the Declaration, and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Association shall be maintained;

(c) The minutes of all meetings of the Association and the Board shall be maintained. The Association shall maintain these minutes for a period of not less than 7 years;

(d) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 25 of the General Not-For-Profit Corporation Act, approved July 19, 1943, as amended, shall be maintained; and

(e) A record giving the names and addresses of the members entitled to vote. A reasonable fee may be charged by the Association or its Board for the cost of copying.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

ARTICLE X
WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or ByLaws of the Association, or the Declaration, a waiver thereof (subject to all the provisions of such instruments) in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI
AMENDMENTS TO BYLAWS

These ByLaws, except paragraphs (d), (f) and (i) of Section 2 of Article VI, Article XIII and this Article XI may be altered, amended or repealed and new ByLaws may be adopted upon the affirmative vote of 66 2/3% of all of the members at a regular meeting or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment or repeal, which is signed and acknowledged by an authorized member of the Board and which contains an affidavit by authorized member of the Board and which contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained. Article XIII, this Article XI and paragraphs (d), (f) and (I) of Section 2 of Article VI may be amended as set forth in the first sentence of paragraph 15 of the Declaration.

ARTICLE XII
INDEMNIFICATION

The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a member of the Board or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests or the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, or itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board or an officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

To the extent that a member of the Board or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of the Article shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the member of the Board or officer of the Association is proper in the circumstances because he has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of members of the board who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the members of the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the members of the Board or the officer of the Association to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

The sums necessary to discharge the obligations of the Association under this Article shall be common expenses.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Board or an officer of the Association.

ARTICLE XIII
CONSTRUCTION

(a) Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. Said Declaration and these ByLaws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these ByLaws and the aforesaid Declaration, the provisions of the Declaration shall control.

(b) All words and terms used herein which are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

(c) In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.