

**RESOLUTION
R2007-26**

Whereas, on December 15, 2004, the DeKalb County Board passed Resolution #R2005-07 which approved the recommendations of the Operating Board of the DeKalb County Rehabilitation and Nursing Center (DCRNC) that the DeKalb Board form a public/private partnership with Pineview LLC to finance, construct and operate a 75-unit supportive living facility on the existing campus of the DCRNC, and directed its Chairman to perfect and execute, pursuant to favorable legal review and approval of the DCRNC Operating Board, any and all documents necessary to implement this project, and

Whereas, Resolution #R2005-07 further provided that the DeKalb County Board would “invest property declared surplus by the Public Building Commission, and transferred to the County Board,” and that upon an equity investment, the DeKalb County Board would become an equal partner with Pineview LLC and that the Operating Board would oversee the operations of the facility, and

Whereas, since Resolution #R2005-07 was passed, the structure of this project has changed in that the DeKalb County Board will not contribute or invest the property, but will instead lease the property to the DeKalb County Supportive Living Facility Not-For-Profit (the “Corporation”) for 99 years for \$1 per year for the financing, development, operation and management by the “Corporation” (or its affiliate) in accordance with the requirements of the Illinois Public Aid Code, and with certain eligibility standards and service delivery standards, and

Whereas, by law the DeKalb County Board may lease county land for \$1 per year only if the County Board determines that the lease will serve public health purposes, and

Whereas, by law the DeKalb County Board may lease county land for any term not exceeding 99 years only when, in the opinion of the County Board, the land is no longer necessary, appropriate, required for the use of, profitable to, or for the best interests of the County, and

Whereas, the DeKalb County Executive Committee has reviewed both the lease (a copy of which is attached to this resolution and hereby incorporated by reference) and the purpose and recommended approval, and

Whereas, on March 21, 2007, the organizational meeting of the Incorporators of the DeKalb County Supportive Living Facility (the “Corporation”) was held, at which time the Incorporators adopted Amendments to the Articles of Incorporation; approved Bylaws for the regulation of the affairs of the Corporation; and elected members of the Board of Directors; which actions, under the Articles of Incorporation, as amended, and the Bylaws as adopted, require the approval of the County Board of DeKalb County. The Executive Committee of the DeKalb County Board has reviewed these documents (copies of which are attached to this resolution and hereby

incorporated by reference) and recommended approval.

NOW, THEREFORE, BE IT RESOLVED, that the DeKalb County Board does concur in the recommendations of the DeKalb County Executive Committee and determines that the lease of the county land in question for \$1 per year will serve public health purposes; that the county land to be leased for 99 years in this project, in the opinion of the County Board, is no longer necessary, appropriate, required for the use of, profitable to, or for the best interests of the County. Further, the County Board approves the actions of the DeKalb County Supportive Living Facility Not-for Profit (the "Corporation") taken on March 21, 2007, in adopting Amendments to the Articles of Incorporation; approving Bylaws for the regulation of the affairs of the Corporation and electing Veronica Casella, George Daugherty, Eileen Dubin, Nate Kloster, Ruth Ann Tobias, and Richard Ubl as Directors of the Corporation. Further, the County Board directs its Chairman to perfect, and execute, pursuant to favorable legal review, any and all documents necessary to implement this project. The actions/documents necessary to implement this project include, in addition to those already authorized by Resolution R2005-07, but may not be limited to the lease of the subject property by DeKalb County for 99 years for \$1 per year to the DeKalb County Supportive Living Facility in accordance with the requirements of the Illinois Public Aid Code, and with certain eligibility standards and service delivery standards.

PASSED AT SYCAMORE, ILLINOIS THIS 18th DAY OF APRIL, 2007 A.D.

ATTEST:

COUNTY BOARD CHAIRMAN:

Sharon B. Holmes
County Clerk

Ruth Anne Tobias
County Board Chairman

ARTICLES OF AMENDMENT

General Not For Profit Corporation Act

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62756
217-782-1832
www.cyberdriveillinois.com

Remit payment in the form of a
check or money order payable
to Secretary of State.

File # _____ Filing Fee: \$25 Approved: _____

-----Submit in duplicate -----Type or Print clearly in black ink-----Do not write above this line-----

1. Corporate Name (See Note 1.): DeKalb County Supportive Living Facility Not-for-Profit

2. Manner of Adoption of Amendment:

The following amendment of Articles of Incorporation was adopted on March, 2007 in the manner indicated below (check one only):
Month, Day & Year

- By affirmative vote of a majority of the directors in office, at a meeting of the board of directors, in accordance with Section 110.15. (See Note 2.)
- By written consent, signed by all the directors in office, in compliance with Sections 110.15 and 108.45. (See Note 3.)
- By members at a meeting of members entitled to vote by the affirmative vote of the members having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the Articles of Incorporation or the bylaws, in accordance with Section 110.20. (See Note 4.)
- By written consent signed by members entitled to vote having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the Articles of Incorporation, or the bylaws, in compliance with Sections 107.10 and 110.20. (See Note 5.)

3. Text of Amendment:

(a.) When an amendment effects a name change, insert the new corporate name below. Use 3(b.) below for all other amendments. *Article 1: The name of the corporation is:

New Name

(b.) All amendments other than name change.

If the amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety. If there is not sufficient space to add the full text of the amendment, add one or more sheets of this size.

See pages attached

**COMPLETE ITEM 4 ON REVERSE OR, IF APPLICABLE, ITEM 5.
ALL SIGNATURES MUST BE IN BLACK INK.**

4. The undersigned corporation has caused these Articles to be signed by a duly authorized officer, who affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK.**)

Dated March, 2007
Month & Day Year

DeKalb County Supportive Living Facility Not-for-Profit
Exact Name of Corporation

Any Authorized Officer's Signature

Name and Title (type or print)

5. If there are no duly authorized officers, the persons designated under Section 101.10(b)(2) must sign below and print name and title.
 The undersigned affirms, under penalties of perjury, that the facts stated herein are true.

Dated _____, _____
Month & Day Year

Signature

Name and Title (print)

NOTES

1. State the true and exact corporate name as it appears on the records of the Secretary of State **BEFORE** any amendment herein is reported.
2. Directors may adopt amendments without member approval only when the corporation has no members, or no members entitled to vote pursuant to §110.15
3. Director approval may be:
 1. by vote at a director's meeting (either annual or special) or
 2. by consent, in writing, without a meeting.
4. All amendments not adopted under Sec. 110.15 require that:
 1. the board of directors adopt a resolution setting forth the proposed amendment, and
 2. the members approve the amendment.

Member approval may be:

1. by vote at a members meeting (either annual or special) or
2. by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least two-thirds of the outstanding members entitled to vote on the amendment (but if class voting applies, also at least a two-thirds vote within each class is required).

The Articles of Incorporation may supersede the two-thirds vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding votes of such members entitled to vote and not less than a majority within each when class voting applies. (Sec. 110.20)

5. When member approval is by written consent, all members must be given notice of the proposed amendment at least five days before the consent is signed. If the amendment is adopted, members who have not signed the consent must be promptly notified of the passage of the amendment. (Sec. 107.10 & 110.20)

DeKALB COUNTY SUPPORTIVE LIVING FACILITY NOT-FOR-PROFIT
File No. 65326078

Insert to Form 110.30
ARTICLES OF AMENDMENT UNDER
GENERAL NOT-FOR-PROFIT CORPORATION ACT

Article 5 is amended to delete Section 3 in its entirety and replace that Section 3 provision with the following new Section 3:

3. Upon dissolution of the Corporation and after payment of all debts and satisfaction of all liabilities and obligations of the Corporation (or making adequate provision therefore), and after the return, transfer or conveyance thereof because of the dissolution of the Corporation, any remaining assets of the Corporation shall be disposed of exclusively for the charitable purposes of the Corporation by distributing such assets to the General Fund of DeKalb County, a political subdivision of the State of Illinois, if then in existence, and, if not in existence, then to its successor or successors, provided that such successors be governmental units or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law). If no such successor is then in existence, any remaining assets shall be distributed to such organization or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law). All distributions upon dissolution shall be in accordance with a plan of distribution duly adopted in the manner provided by law; provided, however, that no distribution shall be made (i) which would violate the statutes of Illinois then in effect, or (ii) except in furtherance of the charitable purposes of the Corporation. The foregoing shall constitute the plan of distribution upon dissolution of the Corporation.

The following Section 4 is added to Article 5:

4. These Articles of Incorporation may be amended in the manner now or hereafter prescribed by the Nonprofit Corporation Law of Illinois, but only upon (i) the affirmative vote of a majority of the entire number of directors then fixed by the Bylaws; and (ii) the approval of the County Board of DeKalb County.

BYLAWS OF THE
DEKALB COUNTY SUPPORTIVE LIVING FACILITY
NOT-FOR-PROFIT

Article I
Name and Offices

Section 1.1 Name. The name of the corporation shall be DeKalb County Supportive Living Facility Not-For-Profit (“Corporation”).

Section 1.2 Principal Office. The principal office of the Corporation in the State of Illinois shall be located in the City of _____, Illinois. The Corporation may have such other offices, either within or without the State of Illinois as the board of directors of the Corporation (“Board of Directors”) may determine, or as the affairs of the Corporation may require from time to time.

Section 1.3 Registered Office. The registered office of the Corporation required to be maintained in the State of Illinois need not be identical with the principal office in the State of Illinois, and the address of the registered office may be changed from time to time by the Board of Directors. Copies of all notices sent to the registered agent on behalf of the Corporation shall be sent to 200 N. Main Street, Sycamore, Illinois 60178, Attention: Ronald Matekaitis.

Article II
Purposes

Section 2.1 Not for Profit. The Corporation is organized under and shall operate as an Illinois Not For Profit Corporation, and shall have such powers as are now or as may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois (“Act”).

Section 2.2 Purposes. The Corporation is organized to construct, operate and manage a supportive living facility, as described and defined under Title 89 of the Illinois Administrative Code, Chapter I, Sections 146.200 and 146.205, as amended. The Project will include 76 residential units for residents who are 65 years of age and over. The Project shall be available to persons of low and moderate income. The Project’s number of market rate residents shall be limited to 16 of the 76 residential units.

Section 2.3 Limitations. The following rules shall conclusively bind the Corporation and all persons acting for or on behalf of it:

Section 2.3.1 The Corporation is organized exclusively for charitable, educational, and scientific purposes, including but not limited to, providing supportive housing for the elderly, particularly those of low income and moderate income, and lessening the burdens of government.

Section 2.3.2 No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code or the corresponding section of any future federal tax code.

Section 2.3.3 Upon dissolution of the Corporation and after payment of all debts and satisfaction of all liabilities and obligations of the Corporation (or making adequate provision therefore), and after the return, transfer or conveyance thereof because of the dissolution of the Corporation, any remaining assets of the Corporation shall be disposed of exclusively for the charitable purposes of the Corporation by distributing such assets to the General Fund of DeKalb County, a political subdivision of the State of Illinois, if then in existence, and, if not in existence, then to its successor or successors, provided that such successors be governmental units or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law). If no such successor is then in existence, any remaining assets shall be distributed to such organization or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law). All distributions upon dissolution shall be in accordance with a plan of distribution duly adopted in the manner provided by law; provided, however, that no distribution shall be made (i) which would violate the statutes of Illinois then in effect, or (ii) except in furtherance of the charitable purposes of the Corporation. The foregoing shall constitute the plan of distribution upon dissolution of the Corporation.

Section 2.3.4 The Articles of Incorporation may be amended in the manner now or hereafter prescribed by the Nonprofit Corporation Law of Illinois, but only upon (i) the affirmative vote of a majority of the entire number of directors then fixed by these Bylaws; and (ii) the approval of the County Board of DeKalb County.

Article III Members

The Corporation shall have no members.

Article IV Board of Directors

Section 4.1 General Powers. The affairs of the Corporation shall be managed by or under the direction of its Board of Directors.

Section 4.2 Duties and Powers. The Board of Directors shall be responsible for the control and management of the affairs, property, and interests of the Corporation and may exercise all powers of the Corporation, except as limited by the Act and by the Articles of Incorporation and these Bylaws of the Corporation.

Section 4.3 Number and Initial Board of Directors The initial number of the Board of Directors shall be three. The initial Board of Directors shall be those named in the Articles of Incorporation and shall serve until further action of the Board of Directors. This number may be increased or decreased by the amendment of these Bylaws but shall in no case be less than three.

Section 4.4 Board of Directors. Each director shall be a citizen of the United States of America, and shall be approved by the County Board of DeKalb County. The directors shall serve for a period of one year or until the next annual meeting. At each annual meeting, the successor directors shall be elected to hold office for a term of one year.

Section 4.5 Nomination and Election of Directors. At least 30 days prior to the annual meeting of the Board of Directors, the Nominating Committee appointed by the Board of Directors shall decide upon a slate of directors, and shall present such slate to the Board of Directors prior to or at said annual meeting. The directors shall be selected by a vote of a majority of the entire Board of Directors at the annual meeting of the Board. The name of each new director so chosen shall be submitted for approval to the County Board of DeKalb County.

Section 4.6 Vacancies. In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of a majority thereof with approval of the County Board of DeKalb County, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of a successor, or until such director shall be removed, prior thereto, by an affirmative vote of the majority of the entire Board of Directors.

Similarly, and in the event of the number of directors being increased as provided in these Bylaws, the additional directors so provided for shall be elected by a majority of the entire Board of Directors then in office with approval of the County Board of DeKalb County, and shall hold office until the next Annual Meeting of the Board of Directors.

Section 4.7 Compensation. Directors as such shall not receive any stated salaries for their services, but nothing herein contained shall be construed to preclude any Director from being reimbursed for actual expenses reasonably incurred in rendering services to the Corporation in the administration of its affairs.

Section 4.8 Resignation. Any Director may resign from the Board of Directors of the Corporation; such resignation shall be in writing and shall be effective immediately or upon its acceptance by the Board of Directors of the Corporation and notice to the County Board of DeKalb County, or as such resignation shall provide.

Section 4.9 Removal. Any member of the Board of Directors may be removed by the County Board of DeKalb County whenever in the County Board of DeKalb County's judgment the best interest of the Corporation shall be served thereby.

Section 4.10 Annual Meetings. An annual meeting of the Board of Directors shall be held in _____ of each year unless rescheduled by the Board of Directors. The Board of Directors from time to time, may provide by resolution for the holding of other meetings of the Board of Directors, and may fix the time and place thereof.

Section 4.11 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by any one of the directors, at such time and place as may be specified in the respective notice or waivers of notice thereof.

Section 4.12 Notice and Waiver. Notice of any special meetings shall be given at least five days prior thereto by written notice delivered personally, by mail or by facsimile to each director at such director's address on file with the Secretary of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid. Any director may waive notice of any meeting, either before, at, or after such meeting, by signing a waiver of notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting, or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 4.13 Quorum and Adjournments. At all meetings of the Board of Directors, the presence of a majority of the entire Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by the Act, by the Articles of Incorporation or these Bylaws of the Corporation. A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

Section 4.14 Board of Director Action. At all meetings of the Board of Directors, each director present shall have one vote. Except as otherwise provided by the

Act, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board of Directors with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board of Directors. Any action taken by the Board of Directors may be taken without a meeting if agreed to in writing by all board members before the action is taken and if a record of such action is filed in the minute book.

Section 4.15 Telephone Meetings. Directors may participate in meetings of the Board of Directors through use of a telephone if such can be arranged so that all directors can hear all other directors. The use of a telephone for participation shall constitute presence in person.

Section 4.16 Liability. No director shall be liable for any debt, obligation or liability of the Corporation to the extent permitted under the Act.

Article V Officers

Section 5.1 Number, Qualification, Election and Term. The officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time deem advisable. Any officer may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person. The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board of Directors. Each officer shall hold office until the annual meeting of the Board of Director next succeeding such officer's election, and until a successor shall have been elected and qualified, or until death, resignation or removal.

Section 5.2 President. The President shall be the chief executive officer of the Corporation and may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, deeds of trust, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or representative of the Corporation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.3 Vice President. In the absence of the President or in event of the inability or refusal of the President to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 5.4 Treasurer. The Treasurer shall have the responsibility for overseeing fiscal operations and that funds are properly deposited. The Treasurer shall be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks and other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chair or the Board of Directors. If required by the Board of Directors, the Treasurer and assistants shall give a bond for the faithful discharge of the duties in such sum and with such surety or sureties as the Board of Directors may determine.

Section 5.5 Secretary. The Secretary shall have supervision of and delegate and oversee the keeping of the minutes of the meetings of the Board of Directors in one or more books provided for that purposes; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Chair or by the Board of Directors.

Section 5.6 Resignation and Removal. Any officer may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation or to a member of the Board of Directors. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed, either with or without cause, and a successor elected by a majority vote of the Board at any time.

Section 5.7 Vacancies. A vacancy in any office may, at any time, be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

Section 5.8 Duties of Officers. Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically decided by the Board of Directors. The President shall be the chief executive officer of the Corporation.

Section 5.9 Compensation. The officers of the Corporation shall be entitled to such reasonable compensation as the Board of Directors shall from time to time determine.

Section 5.10 Delegation of Duties. In the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board of Directors may delegate that officer's powers or duties to any other officer or to any other director.

Section 5.11 Liability. No officer shall be liable for any debt, obligation or liability of the Corporation to the extent permitted under the Act.

Article VI Committees

Section 6.1 Committees. The Board of Directors may, by resolution, designate an executive Committee and one or more other committees. Such committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated, and to the extent provided in the resolution or resolutions creating such committee or committees. Meetings of committees may be held without notice at such time and at such place as shall from time to time be determined by the committees. The committees of the Corporation shall keep regular minutes of their proceedings, and report these minutes to the Board of Directors when required.

Article VII Books, Record and Reports

Section 7.1 Annual Report. The President of the Corporation shall cause to be prepared annual or other reports required by the Act, other governing law and shall provide copies to the Board of Directors.

Section 7.2 Permanent Records. The Corporation shall keep current and correct records of the accounts, minutes of the meetings and proceedings of the Corporation. Such records shall be kept at the registered office or the principal place of business of the Corporation. Any such records shall be in written form or in a form capable of being converted into written form.

Section 7.3 Contracts. The Board of Directors may authorize any representative or agent of the Corporation, 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 Corporation, and such authority may be general or confined to specific instances.

Section 7.4 Checks and Drafts. All checks, drafts or orders for the payment of money and any notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.5 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks and other depositories as the Board of Directors may select.

Section 7.6 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any

special purpose of the Corporation. The Board of Directors may reject any contribution, gift, bequest or devise for any reason.

Section 7.7 Prohibited Loans. The Corporation shall not make any loan to any officer, director, or employee of the Corporation.

Article VIII Fiscal Year

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall be the period from _____ 1 to _____ 31 of the same year, selected by the Board of Directors as the tax year of the Corporation for federal income tax purposes.

Article XIX Seal

Section 9.1 Seal. The Board of Directors may adopt, use and modify a corporate seal. Failure to affix the seal to corporate documents shall not affect the validity of such documents.

Article X Amendments

Section 10.1 Amendments. The Board of Directors of the Corporation shall have the power to make, alter, amend and repeal the Bylaws of the Corporation and to adopt new Bylaws, which power may be exercised by a vote of a majority of the members of the full Board of Directors but which shall only become effective when approved by the County Board of DeKalb County.

Article XI Indemnification

Section 11.1 Indemnification. Any officer, director or employee of the Corporation shall be indemnified and held harmless to the full extent allowed by the Act.

Section 11.2 Insurance. The Corporation may but is not required to obtain insurance providing for indemnification of directors, officers and employees.

ARTICLE XII Parliamentary Rules/Interpretation

Section 12.1 Procedure. The proceedings of all meetings of the Board of Directors, the Executive Committee and all committees and other such divisions shall be governed by and conducted according to the then most recent edition of Robert's Rules of Order Newly Revised in all cases to which they are applicable and in which they are not

inconsistent with these Bylaws, the Articles of Incorporation, the Act and any special rule or order which the Corporation may adopt.

Section 12.2 Interpretation. Where, in these Bylaws, titles or phrases descriptive of persons, officers or otherwise refer to the masculine, they shall be construed as referring both to the feminine and masculine.

The foregoing Bylaws are certified as the Bylaws of the Dekalb County Supportive Living Facility Not-For-Profit adopted by the Board of Directors as of _____, 2007.

_____, Secretary

GROUND LEASE

THIS GROUND LEASE (“Lease”) is made and entered into as of the ____ day of _____, 2007, by and between DEKALB COUNTY, ILLINOIS, a non-home rule county of the State of Illinois whose address is _____, (“Landlord”) and DEKALB COUNTY SUPPORTIVE LIVING FACILITY NOT-FOR-PROFIT, an Illinois not-for-profit corporation whose address is _____ (“Tenant”).

WITNESSETH

1. Leased Premises.

(a) Leased Premises. For and in consideration of the rents, covenants and agreements set forth herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, subject to the covenants and conditions hereinafter expressed, that certain parcel of land which is described in Exhibit A, attached hereto and made a part hereof, located in the City and County of DeKalb County, Illinois, together with the right to non-exclusive use of all easements appurtenant to the land described in Exhibit A on adjacent properties subject to the terms, restrictions and conditions of such easements (collectively the “Leased Premises”), subject however, to any and all existing encumbrances, conditions, covenants, zoning, easements, restrictions and rights-of-way, and other matters of record, if any, and to such matters as may be disclosed by inspection or survey.

(b) Project. Tenant shall cause to have the Project constructed on the Leased Premises. The Project is defined herein to mean a supportive living facility certified under and in compliance with Title 89 of the Illinois Administrative Code, Chapter I, Part 146, Subpart B, as amended (“Illinois Supportive Living Facility Rules”), by the authority granted under the Illinois Public Aid Code to the Illinois Department of Healthcare and Family Services, pursuant to 305 Illinois Compiled Statutes 5/5-5.01a, and in accordance with the terms of this Lease and the Plans (as hereinafter defined).

(c) Project Description. The Project is generally described or depicted in Exhibit B, attached hereto and made a part hereof.

(d) As-Is Condition. Tenant acknowledges and agrees that Tenant is taking the Leased Premises as-is, with all defects, faults, and conditions, known or unknown, as may exist. Tenant assumes full responsibility for investigating the condition of the Leased Premises and releases Landlord from all liability in connection therein. Landlord shall not be required to make any improvements to or repairs of any kind or character in or to the Leased Premises or the Project.

2. Term and Use.

(a) Term. The term (the “Term”) of this Lease shall be for a period of 99 years, beginning on _____ (the “Lease Commencement Date”) and ending _____, unless the Lease shall sooner terminate as herein provided.

Upon the expiration or early termination of the Lease, the Project shall become the property of Landlord.

(b) Use. The Leased Premises shall be used solely for the construction, operation, management and maintenance of the Project, and for no other use or purpose without the prior written consent of Landlord, in Landlord's sole discretion and judgment.

(c) Service Delivery Standards. For and in further consideration of Landlord leasing the Leased Premises to Tenant, Tenant shall cause the Project (upon Substantial Completion (as defined herein) of construction) and Leased Premises to be operated, managed and used in accordance with the service delivery standards (collectively the "Service Delivery Standards") set forth in Exhibit C, attached hereto and made a part hereof.

(d) Waste. Tenant shall not permit any waste, misuse or neglect of the Project or Leased Premises, its apparatus or appurtenances, and shall pay for all damages caused by such waste, misuse or neglect. Tenant shall not cause or allow the Project or Leased Premises to be damaged or destroyed or to deteriorate from any act or omission of Tenant. Tenant shall not permit any objectionable or offensive noise or odors to be emitted from the Project or Leased Premises.

(e) Compliance with Law. Tenant shall at all times during the Term, at no cost and expense to Landlord, cause the Project and Leased Premises to be in compliance in all respects with all laws, statutes, rules, codes, orders, ordinances, regulations and requirements that are applicable to the Project and Leased Premises and Tenant's use thereof.

3. Rent.

(a) Base Rent. Tenant shall pay as base rent (the "Base Rent") for the Leased Premises during the Term of the Lease the annual sum equal to \$1.00, which sum shall be due and payable upon execution and delivery of this Lease.

(b) Additional Rent. All other payments required to be made by Tenant to Landlord pursuant to any provision of this Lease shall be additional rent ("Additional Rent"), and the failure of Tenant to make any payment of Additional Rent when and as due under this Lease shall be a Default under this Lease.

4. Construction of the Project.

(a) Construction. Tenant shall cause to be constructed, at no cost and expense to Landlord, the Project on the Leased Premises within _____ months of the Lease Commencement Date. In the event that construction of the Project is not commenced prior to _____ or if construction of the Project is not Substantially Completed by _____ subject to Unavoidable Delays (as herein defined), then Landlord shall provide Tenant and the Additional Interested Parties with written notice that the Project must be completed within ___ months of receipt of such notice. If the Project is not Substantially Completed within such ___ month period, Landlord shall have the option to terminate the Lease upon ___ months prior written notice to Tenant and the Additional Interested Parties.

(b) For purposes of this Lease, “Substantially Completed” or “Substantial Completion” shall mean that the initial construction of the Project is sufficiently complete such that either (i) the Project is available for use or occupancy by Tenant and its employees, patrons, customers, invitees, or any authorized tenants as evidenced by the issuance by the applicable governing authority of a temporary certificate or certificates of occupancy, or (ii) the Project is open for business operations, in either case irrespective of whether any minor or so-called “punch list items” remain unfinished or subject to correction.

(c) For purposes of this Lease, “Unavoidable Delay” shall mean that time period excluded from the computation of any time period herein provided for any action to be taken by Landlord or Tenant for delays due to strikes, lock-outs, acts of God, inability to obtain materials or commercially reasonable substitutes for such materials, governmental restrictions, failure of governmental authorities to timely or reasonably issue permits, inspect, approve or provide other necessary authorizations where not due to the fault of Landlord or Tenant, as the case may be, enemy action, civil commotion, fire, unavoidable casualty or similar causes, provided such similar causes are beyond the reasonable control of Landlord or Tenant, as the case may be, and with respect to Tenant shall also include any delay arising out of Landlord’s failure to take any action required by the terms of this Lease to be taken by Landlord within the time period or periods specified hereunder for such action. In no event shall an inability to pay money or a lack of financial resources to perform any of Tenant’s obligations under this Lease be considered a basis for an Unavoidable Delay.

(d) Plans. Tenant shall submit to Landlord detailed plans and specification (“Plans”) for the Project for Landlord’s prior written approval, which shall not be reasonably withheld. Tenant shall cause the construction of the Project to be undertaken in accordance with the Plans approved in writing by Landlord and Tenant shall provide Landlord and the Additional Interested Parties with notice of the commencement date of construction. Landlord’s approval of the Plans shall not constitute Landlord’s assumption of any liability for the Project’s compliance or conformity with applicable building codes, the requirements of the Lease or for the Plan’s accuracy. If Landlord does not approve the Plans within 60 days of receipt of the Plans, the Plans shall be deemed approved unless Tenant has received written notice from Landlord of Landlord’s disapproval of the Plans. If Landlord disapproves, such written notice shall state the cause of such disapproval. Tenant shall cause the Plans to be adjusted in accordance with the stated causes for disapproval and Tenant shall resubmit the Plans to Landlord for Landlord’s approval.

(e) Building Standards. The Project and any Improvements (as hereinafter defined) shall be constructed in accordance with the Building Standards set forth in Exhibit D, attached hereto and made a part hereof (collectively the “Building Standards”).

(f) Tenant’s Work. Tenant shall cause any and all construction, Improvements, maintenance, repair, replacement or other obligations required under the Lease to be fully paid for at no cost or expense to Landlord and to be done in a good and workmanlike and lien free manner, and shall comply with all insurance requirements set forth in Section 9 hereof. Tenant shall indemnify and hold the Landlord harmless from and against any and all liability, costs, damages, expenses (including reasonable attorney’s fees) and liens resulting from all work conducted by Tenant with respect to the Leased Premises. Improvements herein shall

mean any alterations, additions, improvements and/or changes to the Project and the Leased Premises.

5. Maintenance, Repairs and Alterations.

(a) Maintenance and Repair. During the Term of the Lease, Tenant at no cost or expense to Landlord shall cause the Project and the Leased Premises to be maintained in good order and condition, regularly servicing and promptly making all repairs and replacements thereto.

(b) Alterations. During the Term of the Lease, Tenant shall not make alterations, additions, improvements and/or changes (collectively the "Improvements") to the Project and the Leased Premises that would affect the character of the facility or exceed \$100,000 in cost without the prior written consent of Landlord, which shall not be unreasonably withheld.

(c) Signage. Tenant shall, at Tenant's sole cost and expense, erect, maintain, and operate exterior signage at the Leased Premises only with Landlord's prior written consent, which shall not be unreasonably withheld.

(d) Security. Security for the Project and Leased Premises shall be consistent with security at similar supportive living facilities and in accordance with the Illinois Supportive Living Facility Rules.

6. Utilities. Landlord is under no obligation to furnish the Leased Premises with water, gas, sewer, electricity, telephone, cable, heat, refuse removal or any other utility services and supplies that may be necessary or desirable in connection with Tenant's use and occupancy of the Leased Premises. Tenant shall cause the furnishing of utility services and supplies to the Project, and shall cause payment, at no cost or expense to Landlord, for such services and supplies directly, prior to delinquency and shall defend, indemnify and hold Landlord harmless from any such costs or expenses. To the extent required by any utility provider, Landlord shall reasonably cooperate with Tenant to secure any utility services deemed necessary by Tenant, provided however, Landlord shall not be subjected to any liability for the payment of any costs or expenses, and Tenant covenants to indemnify and hold Landlord harmless therefrom. Nothing herein shall be construed as a representation by Landlord that utility services will be available for connection to the Leased Premises and Tenant shall be responsible for determining same.

7. Taxes, Assessments and Other Charges. Tenant shall cause to be paid at no cost or expense to Landlord any and all taxes, impositions, and assessments, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of every kind and nature whatsoever which have been or which shall during the Lease Term be levied, assessed or otherwise imposed upon the Leased Premises, and the Project, or any other Improvements authorized by this Lease which may be erected or constructed thereon. Tenant shall cause payment of such taxes, impositions and assessments before they become delinquent. Tenant shall have the right, provided it does so with due diligence and dispatch, to contest by appropriate legal proceedings, without cost or expense to Landlord, the amount or validity of any imposition, tax, or assessment, but Tenant shall not be relieved of its obligation to cause the payment of such

imposition, tax or assessment as required hereby to prevent sale of the Leased Premises, or any part thereof.

8. Evidence of Payment. Within 10 business days of request by Landlord, Tenant shall deliver to Landlord receipts evidencing payment of utilities, taxes, assessments, charges, fees or other expenses to be paid under this Lease as specified in the request by Landlord.

9. Insurance.

(a) Casualty Insurance. At all times after Substantial Completion of the Project during the Term of the Lease, Tenant, at no cost and expense to Landlord, shall cause to be provided and kept in force fire and extended coverage insurance (and earthquake and terrorism coverage, if required), for the Leased Premises and Project for fire and other hazards normally covered by standard fire and extended coverage policies for not less than 100% of their replacement value.

(b) General Liability Insurance. At all times during the Term of the Lease, Tenant, at no cost and expense to Landlord, shall cause to be provided and kept in force commercial general liability insurance against claims for personal injury, bodily injury, death or property damage arising out of Tenant's use or occupancy of the Project and Leased Premises with limits of not less than \$_____ per occurrence for bodily injury (including death) and \$_____ in the aggregate or combined single limit of \$_____ and \$_____ for property damage with amounts adjusted upwardly by ____ % each ____ years of the Lease.

(c) Worker's Compensation Insurance. At all times during the Term of the Lease, Tenant, at no cost and expense to Landlord, shall cause to be provided and kept in force the Worker's Compensation coverage required by the laws of the State of Illinois.

(d) Waiver of Subrogation. Each policy of insurance shall contain waivers of any right of subrogation against Landlord. Whenever (a) any loss, cost, damage or expense resulting from any casualty is incurred by either of the parties to this Lease or anyone claiming by, through or under it in connection with the Leased Premises, and (b) such party is then either covered in whole or in part by insurance with respect to such loss, cost, damage or expense, or required under this Lease to be so insured, then the party so insured (or so required) hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered, had insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof. Notwithstanding the foregoing, the foregoing release and waiver of claims shall not be operative, in any case in which the effect of such release or waiver is to invalidate insurance coverage or the right of the insured to recover thereunder or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within ten (10) days following notice from the party procuring such insurance, to pay such increased cost, thereby keeping such release or waiver in full force and effect), nor shall it be construed as waiving any rights for claims of indemnification or reimbursement against third parties or for deductibles or self-insured retention

amounts where the damage or loss is caused by the willful misconduct or negligence of Landlord or Tenant.

(e) Additional Insured; Certificates. The insurance policies shall name Landlord as an additional insured and shall provide that they may not be canceled on less than 30 days' prior written notice to Landlord and the Additional Interested Parties. Tenant shall deliver certificates evidencing all such policies of insurance which shall be delivered to Landlord annually during the Term of the Lease. Such policies shall be issued by companies licensed in Illinois and reasonably acceptable to Landlord.

(f) All insurance requirements shall be subject to review and reasonable redetermination from time to time based on circumstances and changes in the insurance industry, customs and availability of insurance for tenants of similar projects and premium costs as mutually determined by Landlord and Tenant.

(g) Tenant shall not be required to carry the insurance set forth in Section 9 herein if Subtenant is required under the Sublease to carry such insurance requirements.

10. Indemnification of the Landlord. Tenant shall indemnify and save Landlord harmless against any loss, liability or expense, including reasonable attorney's fees, resulting from all claims by or on behalf of any person, firm or corporation arising from the use, conduct, operation or management of, or from any work or thing done on, the Project or Leased Premises during the Lease Term, and against and from all claims arising during the Lease Term from (a) any condition of the Project or Leased Premises, (b) any breach or default on the part of Tenant in the performance of any of its obligations under this Lease, (c) any act of negligence of Tenant or of any of its agents, contractors, servants, employees or licensees, and (d) any act of negligence of any assignee or sublessee of Tenant, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Tenant except for those claims arising from the negligence or willful misconduct of Landlord on the Leased Premises. Tenant shall indemnify and hold Landlord harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought thereon, and upon notice from Landlord, Tenant shall defend Landlord in any such action or proceeding.

11. Sole Responsibility of Tenant. Tenant has leased the Leased Premises after a full and complete examination thereof, as well as the title thereto and knowledge of its present uses and non-uses. Tenant accepts the Leased Premises in the condition and state in which it now exists without any representation or warranty, express or implied, in fact or by law, by Landlord and without recourse to Landlord, as to title, the nature, condition, environmental matters or usability thereof or the use or uses to which the Leased Premises or any part thereof may be put. Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Project or Leased Premises, throughout the Term hereof, and Tenant hereby assumes the full and sole responsibility for the condition, construction, operations, use repair, replacement, maintenance and management of the Project and Leased Premises including but not limited to the burdens running with the Leased Premises.

12. Governmental Authorizations. Tenant shall cause to be obtained any and all zoning, special use and variance permits, certificates of occupancy and need, certifications,

licenses, approvals or other authorizations and all permits, approvals and authorizations for construction, including building, design and review, sign and any other related permits, approvals or authorizations under applicable City and County of DeKalb, Illinois ordinances (collectively the “Governmental Authorizations”) with respect to the Leased Premises and the Project which may at any time be required by any governmental agency having jurisdiction thereof. Landlord shall, at no cost or expense to Landlord, join in any application or request for such Governmental Authorizations if required under applicable law, and Tenant shall hold harmless and indemnify Landlord against the same. Tenant will cause to be paid all expenses, including reasonable attorney’s fees, incurred by Landlord pursuant to this Section.

13. Landlord Not Liable. Landlord shall not be responsible or liable for any damage or injury to any property, fixtures, improvements or to any person or persons at any time on the Leased Premises or the Project from steam, gas, electricity, water, rain or snow, whether the same may leak into, issue or flow from any part of the Leased Premises or Project; nor shall Landlord be in any way responsible or liable in the case of any accident or injury including death to Tenant or any of Tenant’s employees, agents, sublessees, or to any person or person in or about the Leased Premises or the Project and Tenant shall not hold Landlord in any way responsible or liable therefor except for those claims arising from the gross negligence or willful misconduct of Landlord on the Leased Premises.

14. Default.

(a) Events of Default. If any one or more of the following events occur and is continuing, it is hereby defined as and declared to be and to constitute an Event of Default or “Default” by Tenant under this Lease:

(1) Default in the due and punctual payment of Base Rent or Additional Rent during the Term and such Default continues for 30 days after the Landlord has given to Tenant and the Additional Interested Parties written notice; or

(2) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on Tenant’s part to be observed or performed, and such Default continues for 60 days after the Landlord has given to Tenant and the Additional Interested Parties written notice, provided, however, the 60-day cure period shall be extended if Tenant or the Additional Interested Parties are diligently pursuing the cure of such Default but cannot cure within the 60-day period and notwithstanding the foregoing, such extended cure period shall not extend beyond 120 days; or

(3) Failure to use the Project as permitted in this Lease or default in the compliance with the Service Delivery Standards, and such Default continues for 60 days after Landlord has given to Tenant and the Additional Interested Parties written notice, provided, however, the 60-day cure period shall be extended if Tenant or the Additional Interested Parties are diligently pursuing the cure of such Default but cannot cure within the 60-day period and notwithstanding the foregoing, such extended cure period shall not extend beyond 120 days; or

(4) Tenant (i) admits in writing its inability to pay its debts as they become due; or (ii) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or file a pleading asking for such relief; or (iii) makes an assignment for the benefit of its creditors; or (iv) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or shall fail to have vacated or set aside the appointment of any trustee, receiver or liquidator which was made without the Tenant's consent or acquiescence; or (v) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) is subject to any proceeding or suffer the entry of a final and non-appealable court order, under any federal or state law appointing a receiver, trustee or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not the subject of Tenant's consent, is not dismissed, vacated, denied, set aside or stayed within 60 days after the day of entry or commencement; (vii) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or (viii) files or has filed against it (and same is not dismissed within 60 days) any application or petition seeking to dissolve Tenant or to merge or consolidate Tenant into any other entity, unless in each such case Landlord has consented in writing to such petition or application.

(5) Tenant vacates or abandons the Leased Premises or the Project ceases operations or closes, and the same remains uncared for, unoccupied or unopened for a period of 60 days, except in the case of an Unavoidable Delay or previously scheduled Improvements, authorized under the Lease.

(6) Any of the Additional Interested Parties have the right hereunder to cure any Default by Tenant under this Lease among them within the cure periods specified herein as they shall agree and Landlord agrees to accept such performance as if it was cured by Tenant but no such right shall give any of the Additional Interested Parties the right to pursue any action against Landlord.

(b) Remedies on Default. If any Event of Default specified in Section 14(a) hereof has occurred, then Landlord may, at Landlord's election, and shall, then or at any time thereafter, take any one or more of the following actions:

(1) cause the Base Rent for the remainder of the Term of the Lease to become due and payable; or

(2) give Tenant and the Additional Interested Parties written notice of termination of this Lease to be effective on a date which is 60 days from receipt of such notice, and on such effective date, Tenant's rights to possession of the Leased Premises shall cease and this Lease shall thereupon be terminated, and Landlord may re-enter and take possession of the Leased Premises; or

(3) enforce the provisions of this Lease and may enforce and protect the rights of Landlord hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, including the recovery of all monies due or to become due for the balance of the Term from Tenant under any of the provisions of this Lease; or

(4) without terminating this Lease, re-enter the Leased Premises or take possession thereof pursuant to legal proceedings or pursuant to any notice provided for by law, and having elected to re-enter or take possession of the Leased Premises without terminating this Lease, Landlord shall relet the Leased Premises, or parts thereof, for such term or terms and at such rental and upon such other provisions and conditions as Landlord may deem advisable, with the right to make alterations and repairs to the Leased Premises, and no such re-entry or taking of possession of the Leased Premises by Landlord shall be construed as an election on the Landlord's part to terminate this Lease, and no such re-entry or taking of possession by Landlord shall relieve Tenant of its obligation to pay Base Rent and Additional Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession, and Tenant shall continue to pay Base Rent and Additional Rent specified in this Lease until the end of the Lease Term, whether or not the Leased Premises have been relet, less the net proceeds, if any, of any reletting of the Leased Premises after deducting all of Landlord's reasonable expenses in or in connection with such reletting, including without limitation all repossession costs, brokerage commissions, legal expenses, expenses of employees, alteration costs and expenses of preparation for reletting.

Having elected to re-enter or take possession of the Leased Premises without terminating this Lease, Landlord may, by notice to Tenant and the Additional Interested Parties given at any time thereafter while the Tenant is in Default in the payment of Base Rent and Additional Rent or in the performance of any other obligation under this Lease, elect to terminate this Lease on a date to be specified in such notice. If in accordance with any of the foregoing provisions of this Section Landlord has the right to elect to re-enter and take possession of the Leased Premises, Landlord may enter and expel Tenant and those claiming through or under Tenant and remove the property and effects of both or either (forcibly if necessary) without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or for preceding breach of covenant. Landlord may take whatever action at law or in equity which may appear necessary or desirable to collect rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Tenant under this Lease.

(c) Survival of Obligations. Tenant covenants and agrees with Landlord that Tenant's obligations under this Lease shall survive the cancellation and termination of this Lease, for any cause but only to the extent of the Term of the Lease, and notwithstanding such termination that Tenant shall continue to pay Base Rent and Additional Rent (if not already accelerated by Landlord) and to perform all other obligations specified in this Lease, all at the time or times provided in this Lease.

(d) Landlord's Performance of the Tenant's Obligations. If Tenant fails to make any payment or to keep or perform any of its obligations as provided in this Lease, then Landlord may (but shall not be obligated so to do) and without waiving or releasing Tenant from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid by Landlord and all necessary incidental costs and expenses incurred by Landlord in performing such obligations shall be deemed Additional Rent and shall be paid by Tenant to Landlord on demand, and if not so paid by Tenant, Landlord shall have the same rights and remedies provided for in Section 14(b) hereof.

(e) Rights and Remedies Cumulative. The rights and remedies reserved by Landlord and Tenant hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. Landlord and Tenant shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Tenant hereby agrees that in no event shall Landlord have any liability for monetary damages (whether compensatory, consequential, punitive or otherwise) to Tenant for breach by Landlord of any provision stated in this Lease, which remedy is hereby expressly waived and released by Tenant and disclaimed by Landlord, but shall look solely to Landlord's Leased Premises to the extent permitted by law for satisfaction of any liability of Landlord.

(f) Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by Tenant of any covenant, agreement or undertaking by Tenant, Landlord may nevertheless accept from Tenant any payment or payments hereunder without in any way waiving Landlord's right to exercise any of its rights and remedies as provided herein with respect to any such Default or Defaults of Tenant which were in existence at the time when such payment or payments were accepted by Landlord.

15. Assignment and Subletting. Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber the Leased Premises or any interest therein and shall not assign or sublet the Lease or any part thereof, or any right or privilege appurtenant thereto without the prior written consent of Landlord in Landlord's sole discretion and judgment, nor shall Tenant dissolve, merge or consolidate with any other entity or suffer, allow or tolerate the transfer of any constituency interest of Tenant to another entity, each of which shall cause an immediate surrender and forfeiture of this Lease by Tenant, unless Landlord has consented in advance to same in writing, in Landlord's sole discretion and judgment. Upon execution of this Lease by Landlord, Landlord hereby approves the sublease of this Lease to DeKalb SLF, LP d/b/a Heritage Woods of DeKalb ("Subtenant") under the Sublease Agreement with Tenant of even date herewith ("Sublease"). Section 15 herein shall not apply to resident contracts of the Project under the Supportive Living Facility Rules, as amended, any mortgage authorized by Section 31 hereof and the transfer of any equity interests (whether direct or indirect) in Tenant.

16. Sale of Leased Premises. Landlord shall have the right to sell the Leased Premises at any time during the Lease Term, subject only to the rights of Tenant and Subtenant

hereunder; and such sale shall operate to release Landlord from liability hereunder after the date of such conveyance.

17. Damage or Destruction. Tenant shall cause the repair and replacement of the Project and the Leased Premises upon the occurrence of any damage or destruction whatsoever within a time period not to exceed 9 months from the date of such damage or destruction subject to Unavoidable Delays, unless Landlord has given Tenant prior written consent to an extended period of time as specified in the consent.

18. Condemnation. If all of the Leased Premises are taken by condemnation, the Lease shall terminate on the date when the Leased Premises shall be so taken, and all rent shall be apportioned as of that date. If part of the Leased Premises is taken by condemnation and the Leased Premises are thereby rendered not reasonably suitable for the continuation of the Project, taking into consideration the nature, size and scope of such Project immediately prior to the taking, then Landlord or Tenant may elect to terminate this Lease by giving written notice to the other within 120 days of the taking. In the event of such termination, all obligations and rentals shall be apportioned as of the date of taking. Tenant's share of any condemnation award shall be no less than the total condemnation award less the value of Landlord's remainder interest in the Leased Premises, considered as if unimproved and as if the Lease had not terminated. To the extent that Tenant is entitled to any condemnation award, it shall be paid to the most senior leasehold mortgagee, if any. If part of the Leased Premises is taken by condemnation and the Leased Premises is not thereby rendered unsuitable for the continuation of the Project, or the Lease is not terminated pursuant to this paragraph, and if allowed by the leasehold mortgagee, any condemnation award shall be made available to Tenant for restoration of the Project and Tenant shall be entitled to restore the Project.

19. Memorandum of Lease. On the Lease Commencement Date, Landlord and Tenant shall execute, acknowledge and record with the Recorder of Deeds of the County of DeKalb, Illinois, a short form Memorandum of Lease reasonably acceptable to both parties.

20. Estoppel Certificates. At any time and from time to time, either party shall, upon 30 days' prior written request by the other party, deliver to the requesting party (or to such other party as the requesting party directs) a statement in writing regarding the status of the Lease including as of the date of such statement whether: (i) the provisions and conditions of the Lease have been complied with; (ii) there are no Defaults by Landlord or Tenant under the terms of the Lease; and (iii) the Lease is still in full force and effect (or if modified, in effect as modified and setting forth the modifications and the dates thereof). If a party is unable to make affirmative statements regarding the status of the Lease, the certificate shall specifically state the reasons for same.

21. Subordination. This Lease shall, at the option of Landlord, be subject and subordinate to any mortgages or deeds of trust hereafter affecting the Leased Premises or hereafter placed on the Leased Premises. Landlord may exercise the aforesaid option to subordinate this Lease by notifying Tenant thereof at any time in writing and Tenant agrees to execute such instruments as may be required to document such subordination.

22. Notices. All notices, demands and requests which may or are required to be given by either party to the other and the Additional Interested Parties shall be in writing and shall be deemed given two days after sent by the United States Certified Mail, postage prepaid, or one day after sent by private courier, receipt requested as follows:

(a) To Tenant:

With a copy to:

(b) To the Landlord:

County Administration

With a copy to:

Robert Matekaitis, DeKalb County State's Attorney
 200 N. Main Street
 Sycamore, Illinois 60178

(c) To the Additional Interested Parties:

DeKalb SLF LP
 d/b/a Heritage Woods of DeKalb
 535 E. North Street, Suite E
 Bradley, IL 60915
 Attn: Blair Minton

Heritage Woods of DeKalb, LLC
 535 E. North Street, Suite E
 Bradley, IL 60915 Attn: Blair Minton

Pine View Supportive Living Facility, LLC
 535 E. North Street, Suite E
 Bradley, IL 60915
 Attn: Blair Minton

NEF Assignment Corporation

As herein defined the Additional Interested Parties are: DeKalb SLF LP, Heritage Woods of DeKalb, LLC, Pine View Supportive Living Facility, LLC, and NEF Assignment Corporation.

23. Brokerage. Each party hereby represents and warrants to the other that there is no broker, agent or other person engaged by such party with respect to this transaction and each party agrees, to the extent permitted by law, to indemnify and hold the other party harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with the indemnifying party with regard to this transaction.

24. Environmental Matters.

(a) Tenant shall cause compliance with, and payment of all costs incurred in complying with any Environmental Law (as hereinafter defined) then in effect, including the performance of and payment for any cleanup, remediation, removal, construction, alteration, demolition, renovation or installation that is required in connection with Hazardous Materials (as hereinafter defined) installed, used, stored, handled or located on the Project or Leased Premises or disposed of from the Project or Leased Premises in order to comply with any Environmental Law (as hereinafter defined). Tenant shall defend, indemnify and hold harmless Landlord and Landlord's officers, agents and employees, or any other person, from and against any and all claims, loss, expense or damage, including reasonable attorney's fees, by or on behalf of any persons or property in or upon the Project or Leased Premises arising from any violation by Tenant of any Environmental Law.

(b) Tenant shall not engage in any dumping, discharge, disposal, spillage or leakage, or contamination of any type, (whether legal or illegal, accidental or intentional) of any Hazardous Materials (as hereinafter defined) at, on, in or about the Project or Leased Premises except for customary uses in compliance with all Environmental Laws. Tenant shall be responsible for all costs incurred in the performance of and payment for any cleanup, remediation, removal, construction, alteration, demolition, renovation or installation, and for any damages to Landlord occasioned by the violation of this Section. Tenant hereby releases and discharges Landlord from any liability arising by reason of the failure of the Project to comply with Environmental Laws at any time during the Term of the Lease not caused by Landlord.

(c) "Hazardous Materials" shall mean any chemical, substance, material or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, infectiousness or other harmful or potentially harmful properties or effects, including petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls ("PCBs") and all of those chemicals, substances, materials or combinations thereof that are listed, defined or regulated in any manner by any Environmental Law (as hereinafter defined).

(d) “Environmental Law” shall mean any federal, state or local environmental, health and/or safety-related law, and any related decision of the courts, ordinance, rule, regulation, code, order, directive, guideline, permit or permit condition.

25. Surrender of Leased Premises. Upon the expiration or early termination of this Lease, Tenant shall peaceably and immediately surrender the Leased Premises to Landlord, together with the Project, in broom-clean condition and in good condition and repair.

26. Holding Over. Tenant covenants that it will vacate the Leased Premises immediately upon the termination or expiration of the Lease. If Tenant retains possession of the Leased Premises or any part thereof after the termination or expiration of the Term, such holding over by Tenant will not create a tenancy from year-to-year, month-to-month, or for any other period of time and Tenant shall be deemed to be unlawfully detaining the Leased Premises and shall be responsible to Landlord for the payment of liquidated damages in the amount of \$_____ per day.

27. Landlord's Right to Inspect. Landlord may, upon reasonable advance notice, or at any time in the case of an emergency, enter the Leased Premises for the purposes of inspecting, or carrying out Tenant’s obligations pursuant to Section 14(d) of the Lease, or renting the same upon the termination of the Lease Term or selling or refinancing the Leased Premises. This Section shall not impose a duty on Landlord to inspect, clean, repair, alter or improve the Project or Leased Premises.

28. Representations.

(a) Tenant’s Representations. Tenant hereby represents, warrants and covenants to Landlord as follows:

(1) Tenant is a not-for-profit corporation validly existing, and in good standing under the laws of the State of Illinois.

(2) This Lease has been duly and validly executed and delivered by Tenant and constitutes the valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except to the extent that such enforceability: (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors’ rights generally, and (ii) is subject to general principles of equity.

(3) No consent, approval or authorization of, or exemption by, or filing with, any governmental or regulatory authority is required in connection with the execution, delivery and performance by Tenant of this Lease, or the taking by Tenant of any other action contemplated hereby.

(b) Landlord’s Representations. Landlord hereby represents, warrants and covenants to Tenant as follows:

(1) Landlord is a non-home rule county validly existing, and in good standing under the laws of the State of Illinois.

(2) This Lease has been duly and validly executed and delivered by Landlord and constitutes the valid and binding obligation of Landlord, enforceable against Landlord in accordance with its terms, except to the extent that such enforceability: (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity.

(3) By execution and performance of this Lease, Landlord does not intend to, nor shall it be deemed to have waived or relinquished any immunity or defense on behalf of Landlord, its officers, directors, employees, agents, servants, successors or assigns.

29. No Joint Venture. With respect to the matters set forth in this Lease, Landlord and Tenant are not and shall not be deemed to be, for any purpose, partners or joint venturers with each other.

30. Counterparts. This Lease may be executed in separate counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute but one and the same instrument.

31. Mortgage of Leasehold Interest. Tenant shall have the right, without Landlord's consent, to mortgage its leasehold interest under the Lease and the Project for any purpose related to the financing or refinancing of the Project, for any amounts and upon any terms, including term of loan, interest rates, payment terms, prepayment privileges or other restrictions as may be desired by Tenant. Each leasehold mortgagee shall provide Landlord with notice of its leasehold mortgage of Tenant's interest and provide the address for notice pursuant to Section 32 hereof.

32. Rights of Leasehold Mortgagees.

(a) Notices to Leasehold Mortgagees. So long as any leasehold mortgage remains a lien on Tenant's leasehold interest hereunder, Landlord will endeavor to give a duplicate copy of any notice to Tenant of any Default or notice of termination pursuant to Section 14 to each leasehold mortgagee who shall have given notice of its leasehold mortgage to Landlord pursuant to Section 31 concurrently with the giving of any notice to Tenant of any Default or notice of termination pursuant to Section 14. Failure to do so concurrently with the giving of a notice to Tenant shall not constitute a failure to give notice to Tenant. However, no such notice to Tenant shall be effective as against such leasehold mortgagee unless and until a copy of such notice is given to each such leasehold mortgagee in the manner provided pursuant to Section 22 with respect to notices to Landlord and Tenant, except that the address for such notice to such leasehold mortgagee shall be the address provided to Landlord pursuant to Section 31.

(b) Rights to Perform Tenant's Obligations and Cure Tenant's Defaults. Each leasehold mortgagee will be afforded the right, but shall not be obligated, to perform any term, covenant or condition of this Lease to be performed by Tenant, and in addition, will have the right, but not the obligation, during a period of time equal to but commencing immediately

following the expiration of the cure period given Tenant pursuant to Section 14, if any, for remedying the Default or causing the same to be remedied pursuant to Section 14. Landlord shall accept such performance on the part of such leasehold mortgagee as though the same had been done or performed by Tenant. Notwithstanding the foregoing, if any such Default is incapable of being cured by such leasehold mortgagee by the payment of money, such leasehold mortgagee's rights shall be governed by Section 32(c) and Section 32(d).

(c) Temporary Waiver of Landlord's Right to Terminate Lease. Landlord shall not exercise its right pursuant to Section 14 to terminate this Lease by reason of any Default not cured by Tenant that is incapable of being cured by the payment of money and that by its nature may be cured by a leasehold mortgagee only after obtaining possession of the Leased Premises and the Project, or any portion thereof, or by foreclosing its leasehold mortgage, in any such case, provided:

- (1) the leasehold mortgagee notifies Landlord of its intent to obtain possession or to foreclose its leasehold mortgage, as the case may be, within the time period, if any, afforded under Section 32(b) to such leasehold mortgagee to cure any such Default, and
- (2) thereafter the leasehold mortgagee:
 - (i) proceeds promptly and continues with due diligence to prosecute its remedies under its leasehold mortgage and to obtain the possession needed to cure such Default or to foreclose its leasehold mortgage and to cure such Default,
 - (ii) pays to Landlord any rent and all other amounts and charges required to be paid by Tenant under this Lease that have accrued to the date of the notice given by the leasehold mortgagee to Landlord pursuant to this Section 32(c) but remain unpaid, and
 - (iii) pays when due all rent and all other amounts and charges thereafter becoming due and payable by Tenant under this Lease until such time as it no longer is the owner of Tenant's leasehold estate. In such event, Landlord shall not be deemed to have failed to use reasonable efforts to, nor shall Landlord be obligated to attempt, to mitigate its damages as a result of any such Default during the period of time such leasehold mortgagee is complying with the foregoing provisions of this Section 32(c).

(d) Rights Upon Termination of Lease by Landlord.

(1) Notice of Termination; New Lease. In the event Landlord elects to terminate this Lease prior to the stated Term by reason of any Default not cured by Tenant that is incapable of being cured by the payment of money and that is incapable of being or is not cured by any leasehold mortgagee pursuant to the provisions of Section 32(c), Landlord agrees to give prompt notice of such election to any leasehold mortgagee (such notice being herein called a "Landlord's Termination Notice") specifying the

nature of the Event of Default. In addition, at the request of any leasehold mortgagee made within the time period provided in clause (i) of Section 32(d)(2) below and subject to the provisions of this Section 32(d)(1), Landlord shall enter into a new lease of the Leased Premises (“New Lease”) with such leasehold mortgagee or, at the request of such leasehold mortgagee, with any purchaser at a foreclosure sale or assignee or transferee pursuant to an assignment or other transfer in lieu of foreclosure. Any such leasehold mortgagee, purchaser, assignee or transferee with whom Landlord enters into a New Lease is referred to herein as a “New Lessee.” Any such New Lease shall commence as of the Termination Date of this Lease as specified in Landlord’s Termination Notice, shall expire as of the Original Term (as in effect without regard to the termination of the Lease as to Tenant), and shall require the New Lessee to pay rent equal to the Base Rent and all other types of rent and other amounts and charges required to be paid by Tenant under this Lease and to perform all of the conditions, covenants, agreements, terms, provisions and limitations contained in this Lease and shall otherwise be in the same form as this Lease.

(2) New Lease Request. Notwithstanding the foregoing provisions of this Section 32(d), Landlord shall not be obligated to enter into a New Lease unless and until all of the following events have occurred (i) the leasehold mortgagee makes a written request (“New Lease Request”) to Landlord for the New Lease within thirty (30) days after Landlord gives such leasehold mortgagee Landlord’s Termination Notice, (ii) such New Lease Request is followed by a payment (made to Landlord within ten (10) days after being billed by Landlord) of all amounts due to Landlord under this Lease at the time of the New Lease Request, (iii) the New Lessee at the time of the New Lease Request cures the Event of Default upon which such termination was based or, if such Event of Default cannot be cured by the payment of money, the New Lessee has reasonable and adequate capital, capital surplus or other financial resources to perform Tenant’s obligations hereunder (as reasonably determined by Landlord) and agrees with Landlord at the time of the New Lease Request to proceed promptly and with due diligence to cure such Event of Default and, if possession of the Project is necessary to cure such Event of Default, to proceed upon the execution of the New Lease promptly and with due diligence to obtain the possession needed to cure such Event of Default or, if such Event of Default by its nature cannot be cured by the New Lessee with or without possession of the Project, the New Lessee agrees in writing to cooperate in good faith in any legal or other action taken by Landlord to compel Tenant or others to cure such Event of Default, (iv) the New Lessee pays or causes to be paid to Landlord at the time of execution and delivery of the New Lease any and all sums that would be due under this Lease at the time of the execution and delivery of the New Lease and pays or causes to be paid to Landlord all expenses, including reasonable attorneys’ fees, court costs and disbursements incurred by Landlord in connection with termination of this Lease as to Tenant and in connection with the execution and delivery of the New Lease, (v) Landlord has approved the management agent for the Project under the New Lease, and (vi) Landlord is authorized to enter into the New Lease pursuant to applicable law. In no event, however, shall any leasehold mortgagee be under any obligation or liability whatsoever with respect to any New Lease unless such leasehold mortgagee shall be the New Lessee thereunder and then for only so long as it remains the New Lessee thereunder. In connection with the execution of a New Lease by Landlord, Landlord will

confirm it has waived any Events of Default on the part of the prior Tenant that are not capable of being cured by the New Lessee or the leasehold mortgagee.

(3) Priority of New Lease. Any New Lease made pursuant to this Section 32(d) shall be prior in right to any fee mortgage or other lien, charge or encumbrance on Landlord's Leased Premises created by Landlord after the date of this Lease, and shall be accompanied by an assignment by Landlord of all of Landlord's right, title and interest, if any, in and to all of the then existing tenant leases (which Landlord agrees it will not terminate or have modified or amended between the Termination Date and the execution and delivery of the New Lease) and all of the rents, issues and profits therefrom. Notwithstanding any other provision contained in this Lease, Landlord shall not be obligated to deliver physical possession of the Leased Premises or the Project or the then existing tenant leases to the New Lessee and a failure by the New Lessee to obtain possession of the same or any portion thereof, shall not subject Landlord to any damages, nor shall there be an abatement of rent by reason thereof. However, upon the request of the New Lessee (at such New Lessee's sole cost and expense) Landlord will join and cooperate with such New Lessee in any suit brought to secure such possession.

(e) For purposes of this Section 32, any subleasehold mortgagee of Subtenant's subleasehold interest in the Leased Premises shall have all rights provided to leasehold mortgagees hereunder. The rights of subleasehold mortgagees under this Section 32 shall be subordinate to the rights of all leasehold mortgagees.

33. Miscellaneous Provisions.

(a) The captions in this Lease are for convenience and reference only and in no way define, limit, describe or enhance the scope or intent of this Lease nor in any way affect this Lease.

(b) This Lease, together with all exhibits attached hereto, represents the entire undertaking and agreement of the parties hereto and supersedes any and all prior agreements, arrangements, undertakings and understandings of the parties hereto.

(c) This Lease is an Illinois contract and shall be construed and enforced in accordance with the laws of the State of Illinois.

(d) If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease contract a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable to the extent same can be accomplished without distorting the intent of the parties.

(e) The parties hereto agree that the covenants and agreements herein contained shall bind and inure to the benefit of the Landlord, its successors and assigns, and the Tenant, its successors and assigns.

(f) Any amendments or modifications to the Lease must be in writing signed by the parties.

(g) Time is of the essence in the performance of Tenant's obligations hereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

DEKALB COUNTY, ILLINOIS

By: _____
Its: _____

DEKALB COUNTY SUPPORTIVE LIVING
FACILITY NOT-FOR-PROFIT

By: _____
Its: _____

Exhibit A
Leased Premises

Lot 1 of Windsong Acres, being a planned development and resubdivision of part of Lot 1 of DeKalb County Health Facilities Subdivision of part of the Southwest Quarter of Section 10, Township 40 North, Range 4 East of the Third Principal Meridian, according to the plat thereof recorded September 8, 2006 in Plat Cabinet 9, at Slide No. 198-A as Document No. 2006016822, and Affidavit of Correction recorded February 15, 2007 as Document No. 2007002758, in DeKalb County, Illinois, in the City of DeKalb, DeKalb County, Illinois.

PIN # 08-10-300035

Exhibit B
Project Description

Exhibit C
Service Delivery Standards

The Project shall, at all times during the Term of the Lease, comply with the following Service Delivery Standards:

1. The Project shall consist of 76 residential units, subject to any changes due to casualty or condemnation as authorized under the Lease.
2. Tenant shall obtain the prior written approval of the selection of the management agent for the Project from Landlord, which shall not be unreasonably withheld and shall be approved or disapproved within 60 days of receipt of a written request for such approval.
3. Residents of the Project shall be limited to persons age 65 and older and who meet the resident participation requirements in Section 146.220 of the Illinois Supportive Living Facility Rules, as amended, and other members of the household of persons meeting such resident participation requirements.
4. Market rate residents of the Project are limited to 16 of the 76 residential units or 20% of the total units. Market rate is defined herein as _____.
5. At least 78.5% of the residential units shall be available to persons with incomes that do not exceed 60% of the area median gross income adjusted for family size as such term is defined for Low Income Housing Tax Credits under 26 U.S.C. Section 46, as amended.
6. The Project shall be certified at all times by the Illinois Department of Healthcare and Family Services (“Department”) as a supportive living facility under Section 146.215 of the Illinois Supportive Living Facility Rules, as amended, and shall comply with all applicable provisions thereto.
7. At least 25% of the residential units shall be available to residents eligible for Medicaid benefits as defined under and shall comply with Section 146.225 of the Illinois Supportive Living Facility Rules, as amended.
8. The Project shall provide to residents all services required under Section 146.230 of the Illinois Supportive Living Facility Rules, as amended.
9. The Project shall comply with all staffing requirements of Section 146.235 of the Illinois Supportive Living Facility Rules, as amended.
10. All resident contracts shall comply with Section 146.240 of the Illinois Supportive Living Facility Rules, as amended.
11. The Project shall make all assessment and service plans and quarterly evaluations in accordance with Section 146.245 of the Illinois Supportive Living Facility Rules, as amended.

12. Residents of the Project shall be afforded all rights guaranteed under the Constitution of the United States, the State of Illinois, federal, state and local statutes and Section 146.250 of the Illinois Supportive Living Facility Rules, as amended.
13. Any involuntary discharge of residents of the Project shall be in compliance with Section 146.255 of the Illinois Supportive Living Facility Rules, as amended.
14. Grievance proceedings shall be established for the residents of the Project as set forth in Section 146.260 of the Illinois Supportive Living Facility Rules, as amended.
15. Records and reports of the Project shall meet the requirements of Section 146.265 of the Illinois Supportive Living Facility Rules, as amended.
16. The Project shall adopt a quality assurance plan in conformance with Section 146.270, as amended, and an emergency contingency plan in conformance with Section 146.295 of the Illinois Supportive Living Facility Rules, as amended.
17. No waiver shall be requested for the Project from any of the provisions of the Illinois Supportive Living Facility Rules without the prior written consent of Landlord.
18. Tenant shall cause cooperation with the Department as required in Sections 146.275 and 146.280 of the Illinois Supportive Living Facility Rules, as amended.
19. Certification of the Project shall not be surrendered under Section 146.285 of the Illinois Supportive Living Facility Rules, as amended, without the prior written consent of Landlord.
20. The Project shall comply with federal and state fair housing laws, as amended, and shall not discriminate upon any basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.
21. Landlord shall be provided with any reports required under the Illinois Supportive Living Facility Rules, upon request by Landlord.
22. Landlord shall be provided copies of any notice from the Department regarding any deficiencies under the Illinois Supportive Living Facility Rules.
23. The Project shall not be used for any purpose other than for a supportive living facility as defined under the Illinois Supportive Living Facility Rules, as amended.

Exhibit D
Building Standards

The Project shall, at all times during the Term of the Lease, comply with the following Building Standards:

1. The Project shall consist of 76 residential units, subject to any changes due to casualty or condemnation as authorized under the Lease.
2. The structural requirements for building construction of the Project shall be in conformance with all applicable provisions of Section 146.210 of the Illinois Supportive Living Facility Rules, as amended.
3. No part of the Project shall be demolished or any real or personal property removed from the Project unless replaced with items of similar value or utility without the prior written consent of Landlord.
4. The Project and any Improvements shall be constructed in accordance with all applicable laws and regulations, including specifically and without limiting the generality of the foregoing all applicable laws and regulations regarding purchasing and procurement of goods and services for public works projects, including specifically all bidding, bonding, prompt pay and prevailing wage requirements.

RESOLUTION

R2007-27

Amended

Whereas, the DeKalb County Board has been approached by the Prairie Band of the Potawatomi Nation with the possibility of negotiating an agreement for future services to facilitate the operation of a gaming facility on tribal owned lands within DeKalb County, and

Whereas, the DeKalb County Executive Committee has reviewed a proposed “Agreement of Purpose” (a copy of which is attached to this resolution and hereby incorporated by reference) that would, if adopted by both the County and the Tribe, provide a framework for such negotiations.

NOW, THEREFORE, BE IT RESOLVED that the DeKalb County Board does determine that it would be in the best interests of the citizens of DeKalb County for the board to enter into the attached “Agreement of Purpose” and utilize that agreement to guide future negotiations with the Prairie Band of the Potawatomi Nation, **and to hold a public meeting within forty-five days (45) of this meeting. It also** directs the Chairman to execute the agreement and the Clerk to provide a certified copy to the Tribal leadership.

PASSED THIS 18TH DAY OF APRIL 2007 AT SYCAMORE, ILLINOIS:

ATTEST:

SIGNED:

Sharon L. Holmes
County Clerk

Ruth Anne Tobias
County Board Chairman

RESOLUTION
R2007-27

Whereas, the DeKalb County Board has been approached by the Prairie Band of the Potawatomi Nation with the possibility of negotiating an agreement for future services to facilitate the operation of a gaming facility on tribal owned lands within DeKalb County, and

Whereas, the DeKalb County Executive Committee has reviewed a proposed “Agreement of Purpose” (a copy of which is attached to this resolution and hereby incorporated by reference) that would, if adopted by both the County and the Tribe, provide a framework for such negotiations.

NOW, THEREFORE, BE IT RESOLVED that the DeKalb County Board does determine that it would be in the best interests of the citizens of DeKalb County for the board to enter into the attached “Agreement of Purpose” and utilize that agreement to guide future negotiations with the Prairie Band of the Potawatomi Nation and does direct the Chairman to execute the agreement and the Clerk to provide a certified copy to the Tribal leadership.

PASSED THIS 18TH DAY OF APRIL 2007 AT SYCAMORE, ILLINOIS:

A TEST:

SIGNED:

Sharon B. Holmes
County Clerk

Ruth Anne Tobias
County Board Chairman

M E M O R A N D U M

To: DeKalb County Board

From: Dennis J. Whittlesey
H. Scott Althouse

Re: Analysis of March 13, 2007, Memorandum from Tribal Legal Team.

Date: April 2, 2007

We have been asked to review and analyze a memorandum provided by legal counsel for the Prairie Band Potawatomi Nation on March 13, 2007 (the "tribal memo"), which purports to establish beyond dispute that the Shab-eh-nay parcel is a "reservation" as a matter of federal law.

Conclusion

The tribal memo adds nothing new to our analysis or discussion; rather, its conclusion is based on a series of assumptions which we do not feel are supported by the cited authorities. The question of whether the Shab-eh-nay parcel has reservation status remains open in our analysis, and we continue to advise the County that the only definitive resolution of that issue will come from an administrative or judicial determination.

Discussion

The tribal memo is broken into four distinct discussion topics that are addressed in order below.

Tribal Contention # 1. *The land was owned by the Tribe pursuant to treaty-recognized title prior to execution of the Treaty of Prairie du Chien.*

Our Response. The tribal memo cites the 1825 Treaty with the Sioux for the proposition that certain lands in northern Illinois were secured by the United States for three tribes, including the Ottawa and Potawatomie, which gave the tribes treaty-recognized title. This statement is accurate, but that set aside of land for three tribes without designating specific lands for each of the tribes means that the three tribes were given unpartitioned treaty title to the lands. In plain language this means that each tribe had treaty title in common with the other two.

Treaty title, however, does not by itself equal reservation status. Although that assertion is not made in the opening discussion section of the tribal memo, the following section of the tribal memo goes to the next level by stating that reservation status is the equivalent of treaty title but without citation to any authority for this conclusion.

Tribal Contention #2. *The Treaty of Prairie du Chien established a permanent reservation for Shab-eh-nay and his band.*

Our Response. The beginning point for this conclusion is the tribal memo is a discussion of the language whereby the Treaty of Prairie du Chien "reserved" the Shab-eh-nay Reserve from a larger cession area. The tribal memo then concludes: "By 'reserving' those two sections from the larger cession to Shab-eh-nay and his Band, the United States recognized and affirmed the treaty-recognized title of those lands, *thus creating a permanent reservation for the Tribe in the usual way.*" (emphasis added). Again, the tribal memo contains no citation to authority for the leap from "treaty-recognized title" to reservation status.

The first response to this statement comes from other treaties that clearly and indisputably established Indian reservations. Those treaties made clear that Indian reservations were being set aside for the tribes, and customarily included provisions for such things as federal trust supervision over the tribes and their lands, the presence and supervision of Indian Superintendents and/or Agents, funds for buildings, food, supplies for planting crops, and other elements to assist tribes in establishing new permanent homelands for their members. The Treaty of Prairie du Chien stated only that tracts of lands were "reserved" for certain Indians, without any further language defining the nature of the land being reserved, or providing amenities necessary for tribal occupancy.

Adding to the failure to connect the treaty language to the claim of reservation establishment, the tribal memo cites four (4) treaties as having created permanent reservations for the signatory tribes using the same language as is found in the Treaty of Prairie du Chien:

Many reservation[s] created by this language are the present day reservations of these tribes. See Treaty with the Makah, 12 Stat. 939 (1855); Treaty with the Sauk and Foxes, etc., 12 Stat. 1171 (1861); Treaty with the Nez Perces, 14 Stat. 647 (1863); Treaty with the Crows, 15 Stat. 649 (1868).

Tribal memo at 3 (emphasis added). The attribution of this principle to these treaties is misdirected and wrong. Indeed, the cited treaties appear to contradict the proposition advanced for – in direct contrast to the Treaty of Prairie du Chien – each of the cited treaties contains specific language demonstrating the establishment and occupancy of reservations for the respective tribes.

- a. Treaty with the Makah, 12 Stat. 939 (1855).

The Treaty with the Makah provides at Article 2 for a "reservation" to be set aside and marked out for the exclusive use of that tribe, and excludes residency of white men

without permission of the Makah Tribe and the superintendent or agent. Article 3 states a timetable for the tribe to relocate to the reservation. Article 5 provides for financial payments over a period of time for the use and benefit of the Indians. Article 6 concerns agricultural activity and provides funds for this purpose. Article 10 prohibits alcohol on the reservation. Finally, Article 11 establishes a general Indian agency near the reservation, an agricultural and industrial school for the children, a smithy and carpenter's shop with tools and a blacksmith, a carpenter and farmer to work with the Indians, as well as providing for a physician to provide medical care to the Indians.

b. Treaty with the Sauk and Foxes, etc., 12 Stat. 1171 (1861).

The Treaty with the Sauk and Foxes provides at Article 2 for the survey and set aside of a reservation for that tribe. Article 5 funds the erection of a schoolhouse and dwelling house for the teacher, and an annual payment for school purposes. Article 6 provides for the set aside of 640 acres for the agency dwelling, agency office, council house, school house, teacher's dwelling, blacksmith's dwelling and shops, and such farming land as may be necessary for the use of the school, agency, and employees.

c. Treaty with the Nez Perces, 14 Stat. 647 (1863).

The Treaty with the Nez Perces provides at Article 2 for the set aside and survey of a reservation and establishment of a superintendent and agent. Article 3 calls for the survey into lots for Indian residency within the reservation, and the assignment of permanent allotments to those Indians. Article 4 provides for annuities to fund the fencing and cultivation of land, purchase of equipment and livestock, erection of a saw and flouring mill, clothing for children attending school, establishment of schools with furnishings, and the construction of two churches. Section 5 further provides for the erection of the schools, boarding houses and out-buildings, erection of a hospital, erection of a blacksmith's shop and purchase of tools, and many items necessary for the permanent reservation residency of the Nez Perce Tribe.

d. Treaty with the Crows, 15 Stat. 649 (1868).

The Treaty with the Crows provides at Article 2 the specific boundaries of a reservation for the Crow Tribe, with further provision for federal agents to assist that tribe in its affairs. Article 3 provides for construction of a warehouse to store goods belonging to the Indians, an agency building for the residence of the agent, a residence for a physician, five other buildings for a carpenter, farmer, blacksmith, miller and engineer, a school house and a steam circular saw mill with a grist mill and shingle machine attached. Article 6 deals with agricultural development and allotting of lands to individual Indians for that purpose. Article 7 provides for schools, teachers, and housing for them. Article 9 provides clothing for the Indians. Article 10 provides for a physician, teachers, carpenter, miller, engineer, farmer, and blacksmiths.

These four treaties do serve a purpose for the current discussion between the County the Tribe, in that they furnish good illustrations of how treaties clearly and unequivocally established permanent reservations for tribes. None of the "reservation elements" found in those treaties accompany the set aside for Shab-eh-nay's Band in the Treaty of Prairie du Chien.

Finally, we note that the final discussion of this section in the tribal memo suggests that our concerns are the product of the "small size" of the Shab-eh-nay Reserve. This contention has never been raised by the County Team and is not relevant.

Tribal Contention # 3. *The Treaty of Chicago did not alter the land status.*

Our Response. This premise is correct. However, for reasons we have previously discussed, the discussion in the tribal memo is incorrect in that it continues to assert that the site is in reservation status as well as that the land also was in trust status for the Shab-eh-nay Band. There is no treaty language or extrinsic evidence that the land had ever been taken into trust for Shab-eh-nay's Band.

Tribal Contention #4. *Reservation status was confirmed by the Indian Claims Commission.*

Our Response. We have the two decisions cited: the Indian Claims Commission decision of 1962 and the Court of Claims decision of 1968. The memo does not provide a page citation for the principle being argued and we are unable to find such a ruling in either decision. Accordingly, the Tribe should be asked to furnish the specific citation so that it can be evaluated.

* * * * *

We hope this assists the County Board in assessing the Tribe's position. The tribal memo we reviewed offers nothing new to the discussion. There still is no persuasive authority supporting the Prairie Band Potawatomi Nation's position that the Shab-eh-nay parcel has reservation status.

**RESOLUTION REAPPOINTING COUNTY ENGINEER
R2007-28**

WHEREAS, a vacancy will exist in the position of County Engineer in DeKalb County caused by the expiration of the six-year term of the incumbent, William G. Lorence, P.E. on June 23, 2007; and

WHEREAS, the DeKalb County Board by resolution dated February 21, 2007, requested the consent of the Department of Transportation to the reappointment of William G. Lorence, P.E.; and

WHEREAS, the Department of Transportation, has under the date of March 7, 2007, given its consent to the reappointment of William G. Lorence, P.E:

NOW, THEREFORE, BE IT RESOLVED, by the DeKalb County Board that William G. Lorence, P.E. be, and is hereby appointed County Engineer for DeKalb County for a term of six years effective June 23, 2007; and

BE IT FURTHER RESOLVED, by the DeKalb County Board that the salary of the County Engineer be determined annually by the DeKalb County Board based on recommendations of the Executive Committee; and

BE IT FURTHER RESOLVED, that the clerk is hereby directed to transmit two (2) certified copies of this resolution to the Department of Transportation, through its regional engineer's office at Ottawa, Illinois.

PASSED AT SYCAMORE, ILLINOIS THIS 18TH DAY OF APRIL, 2007 A.D.

Chairperson, DeKalb County Board

State of Illinois)
) SS
County of DeKalb)

I, Sharon L. Holmes, County Clerk in and for said County, the State aforesaid, and keeper of the records and files thereof, as provided by statute, do hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the DeKalb County Board at its regular meeting held at Sycamore, Illinois on April 18, 2007.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County at my office in Sycamore, Illinois in said County this 18thst day of April, A.D. 2007.

DeKalb County Clerk

RESOLUTION
R2007-29

WHEREAS, bids have been invited for improvements on various roads in DeKalb County; and

WHEREAS, Aurora Blacktop Inc. of Montgomery, Illinois; Peter Baker & Sons of Lake Bluff, Illinois; and Curran Contracting of DeKalb, Illinois have submitted the low bids meeting specifications; and

NOW, THEREFORE, BE IT RESOLVED, by the DeKalb County Board that it does approve the awards as set forth herein below:

AURORA BLACKTOP, INC:

- (a) in the amount of one hundred thirteen thousand nine hundred forty-four dollars and zero cents (\$113,944.00) for the hot mix resurfacing of Shabbona Grove Road in Clinton Road District, under Section 07-02000-00-GM; and
- (b) in the amount of ninety one thousand three hundred sixty-one dollars and zero cents (\$91,361.00) for the hot mix resurfacing of Fawn Drive and North Street in Somonauk Road District under Section 07-15000-00-GM; and

CURRAN CONTRACTING:

- (a) in the amount of one hundred sixty two thousand three hundred sixty dollars and ten cents (\$162,360.10) for the hot mix resurfacing of various roads Sycamore Road District, under Section 07-18000-00-GM; and

PETER BAKER & SONS INC:

- (a) in the amount of twenty five thousand six hundred sixty-two dollars and zero cents (\$25,662.00) for the hot mix resurfacing of Gurler Road in Cortland Road District, under Section 07-03000-01-GM; and
- (b) in the amount of seventy two thousand one hundred twenty-three dollars and fifty cents (\$72,123.50) for the hot mix resurfacing of Pearl Street in Franklin Road District, under Section 07-05000-01-GM; and

- (c) in the amount of fifty one thousand seven hundred ninety-four dollars and zero cents (\$51,794.00) for the hot mix resurfacing of Pine and Ridge Roads in Genoa Road District, under Section 07-06000-01-GM; and
- (d) in the amount of fifty three thousand four hundred twelve dollars and zero cents (\$53,412.00) for the hot mix resurfacing of Rebecca Road in Kingston Road District, under Section 07-07000-00-GM.

PASSED AT SYCAMORE, ILLINOIS THIS 18th DAY OF APRIL, 2007 A.D.

Chairperson, DeKalb County Board

ATTEST:

County Clerk

RESOLUTION
#R2007-30

WHEREAS, DeKalb County is desirous for the widening of County Highway 5 (Glidden Road) lying between north of Illinois State Route 64 to Base Line Road known as Section 05-00088-CF-LA, and

WHEREAS, it is necessary to that widening that additional right-of-way be purchased from existing land owners, and

WHEREAS, the land owner known as A. Anderson has chosen not to accept the compensation as offered as described as follows:

For Parcel 20: A. Anderson, 11.075 acres, of which 6.863 acres have been previously dedicated.

Part of the Northeast Quarter of the Southwest Quarter of Section 16, part of the Northwest Quarter of the Southeast Quarter of Section 16, part of the Southwest Quarter of the Northeast Quarter of Section 16, part of the North Half of the Northeast Quarter of Section 16 and part of the South Half of the Southeast Quarter of Section 9, All in Township 41 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, described as follows:

Commencing at the Northeast corner of the Southwest Quarter of Section 16; thence South 89 degrees 48 minutes 37 seconds East on the North line of the Southeast Quarter of said Section 16, a distance of 50.76 feet to the Point of Beginning, said point being 50.00 feet perpendicularly distant Easterly from the centerline of Glidden Road (C.H.5); thence South 1 degree 05 minutes 00 seconds East parallel with said centerline of Glidden Road, a distance of 1,303.78 feet to the South line of the North Half of the Southeast Quarter of said Section 16; thence North 89 degrees 11 minutes 15 seconds West on the South line of said North Half, a distance of 49.92 feet to the West line of the Southeast Quarter of said Section 16; thence South 89 degrees 00 minutes 45 seconds West on the South line of the Northeast Quarter of the Southwest Quarter of said Section 16, a distance of 50.11 feet to a point 50.00 feet perpendicularly distant Westerly from the centerline of Glidden Road; thence North 1 degree 05 minutes 00 seconds West parallel with said centerline of Glidden Road, a distance of 1,303.72 feet to the North line of the Southwest Quarter of said Section 16; thence North 1 degree 05 minutes 00 seconds West parallel with said centerline of Glidden Road, a distance of 1,174.08 feet; thence Northwesterly parallel with said centerline of Glidden Road on a curve whose radius is 59,649.93 feet and whose center is to the East, the chord of said curve bears North 0 degrees 36 minutes 10 seconds West, a chord distance of 1,000.80 feet; thence North 0 degrees 07 minutes 20 seconds West parallel with said centerline of Glidden Road, a distance of 456.85 feet to the South line of the premises conveyed by Robert G.