

**EXHIBIT B**

**SECOND AMENDMENT TO ANNEXATION AGREEMENT  
FOUR OAKS ANNEXATION AGREEMENT**

This Second Amendment to Annexation Agreement (the "Second Amendment") is made as 15<sup>th</sup> day of July 1999, by and between the Village of Volo, an Illinois municipal corporation (the "VILLAGE") and HARRIS BANK PALATINE, N.A., not personally, but solely as Trustee under a Trust Agreement dated January 2, 1996, and known as Trust No.6641, HARRIS BANK PALATINE N.A., not personally, but solely as Trustee under a Trust Agreement dated September 26, 1996, and known as Trust No.6734, HARRIS BANK PALATINE, N.A., not personally, but solely as Trustee under a Trust Agreement dated December 1, 1997, and known as Trust No. 6843 and Four Oaks L.L.C., Daniel Trust, Wade Trust, Shannon Trust, W.S. Trust and Light Trust (hereinafter collectively referred to as the "OWNERS").

**RECITALS**

- A. The VILLAGE and the OWNERS entered into an Annexation Agreement dated October 22, 1998 and recorded on October 28, 1998 as Document No.4230122 in the Office of the Recorder of Deeds, Lake County, Illinois (the "Agreement") for the property legally described on Exhibit A attached hereto and made a part hereof.
- B. The OWNERS and the VILLAGE desire to amend the Agreement with this Second Amendment to Annexation Agreement subject to the terms and conditions hereinafter set forth; and
- C. A public hearing as required by law was held by the Corporate Authorities of the VILLAGE and after the close of said hearing, the Corporate Authorities, by a vote of at least two-thirds of the Corporate Authorities then holding office, by duly adopted ordinance of the VILLAGE, authorized the execution of this Second Amendment to Annexation Agreement pursuant to and in accordance with the provisions of Section 11-15.1-1 et seq. of the Illinois Municipal Code, as amended (65 ILCS 5/11-15.1-1 et seq.).

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners and Village agree that the Agreement is hereby amended as follows:

1. The foregoing recitals are incorporated into this Second Amendment to Annexation Agreement as though they were fully set forth herein.
2. The VILLAGE and OWNER hereby agree to amend the Agreement as set forth herein.

3. Section IV, Paragraph B, is hereby amended to provided as follows:

" At the same meeting of the VILLAGE Board at which this Second Amendment is approved, the VILLAGE shall enact such ordinances, adopt such resolutions and take all such other actions as are necessary to :

2. grant approval of the Preliminary Plat of Subdivision prepared by Gewalt Hamilton and Associates with revisions dated through 5/27/99 (the "Second Alternate Preliminary Plat"), which is attached to the Second Amendment as Exhibit "A-1-A" and incorporated herein; and,

3. approve the Preliminary Engineering for the SUBJECT PROPERTY prepared by Gewalt Hamilton and Associates with revisions dated through 5/27/99, Sheets 1 through 3, (the "Second Alternate Preliminary Engineering"), which is attached to the Second Amendment as Exhibit "B-1-A" and incorporated herein; and,

5. approve the Second Alternate Conceptual Land Plan, prepared by Allen L. Kracower & Associates, Inc. dated June 1, 1999 (the "Second Alternate Conceptual Land Plan"), a copy of which is attached to the Second Amendment as Exhibit "D-1-A" and incorporated herein. The Second Alternate Conceptual Land Plan may be modified without further approval in order to reflect engineering considerations and final building layout.

6. approve and enact the Second Alternate Conditional Use Permit (the "Second Alternate Conditional Use Permit"), which is attached to the Second Amendment as Exhibit "C-1-A" and incorporated herein, which Second Alternate Conditional Use Permit contemplates and depicts the development of the SUBJECT PROPERTY as follows:

a. that portion of the SUBJECT PROPERTY depicted on the Second Alternate Preliminary Plat as Lots 4, 5 and 6 and Outlots C, D and E for development with three-hundred-eighty-four (384) apartment units (or a lesser number at the option of OWNERS), in substantial accordance with the Second Alternate Conceptual Land Plan and the Annexation Agreement as amended , and subject to the terms of paragraph 4, below; and,

b. that portion of the SUBJECT PROPERTY depicted on the Second Alternate Preliminary Plat as Lots 1, 2 and 3 and Outlots A and B for development with one-hundred-five (105) attached single family dwelling units (or a lesser number at

the option of OWNERS), in substantial accordance with the Second Alternate Conceptual Land Plan and the Annexation Agreement as amended; and,

c. the portion of the SUBJECT PROPERTY depicted on the Alternate Land Use Plan as "Commercial" for development as commercial subject to the further approval of a Planned Unit Development by the VILLAGE (which shall be granted in compliance with the terms and conditions of the Annexation Agreement as amended."

4. Section IX, Paragraph A of the Agreement is amended to provide as follows:

"Upon the OWNERS submittal of the master building plans and specifications, the VILLAGE, VILLAGE staff and consultants shall review the master building plans and specifications solely for conformance with the terms of this Annexation Agreement, as amended and the applicable codes and VILLAGE Ordinances as set forth in Section X hereof, as limited and/or modified by the terms of this Annexation Agreement, as amended, and to determine that the exterior appearance of the apartment buildings are similar in quality, character and architectural appearance to one of the apartment buildings depicted on Exhibit E-1-A, which is attached to the Second Amendment and incorporated herein. Substantial conformance with the terms of this Annexation Agreement, as amended, the applicable codes and VILLAGE ordinances and the exterior appearance provided for in the preceding sentence shall collectively be referred to as the "Final Approval Criteria."

5. The apartment dwelling units shall be managed by a competent and experienced professional property management service reasonably acceptable to the VILLAGE. The VILLAGE shall confirm the acceptability of said property management service in writing or provide with specificity, in writing, the reasons for disapproval of said property management service, all in compliance with the time frames set forth in Section IX of the Agreement.

6. The Preliminary Plat and Preliminary Engineering (or Final Plat and Final Engineering) shall be reviewed by the Fox Lake Fire Protection District and said Preliminary Plat and Preliminary Engineering (or Final Plat and Final Engineering) shall be

revised to comply with all valid and enforceable ordinances and regulations of the Fox Lake Fire Protection District.

7. For all purposes under the Agreement, where reference is made to the "Alternate Land Use Plan", "Alternate Preliminary Plat", "Preliminary Plat", "Preliminary Engineering" or "Alternate Preliminary Engineering", the Agreement shall be construed as referring also to the "Second Alternate Concept Land Plan", "Second Amended Preliminary Plat" and the "Second Amended Preliminary Engineering", respectively.

8. For all purposes under the Agreement, where reference is made to the "Alternate Conditional Use Permit", the Agreement shall be construed as referring also to the "Second Alternate Conditional Use Permit."

9. The Bulk Standards/PUD Criteria Alternative Zoning, shall be amended to by substituting the "Amended Exhibit I" for the Exhibit I to the Agreement. All references to the "Exhibit I" in the Agreement, shall mean the "Amended Exhibit I" which is attached to the Second Amendment and incorporated herein.

10. To the extent of any conflict between the terms of this Second Amendment to and the terms of the Agreement, the terms of this Second Amendment shall govern.

11. Other than the terms of the Agreement expressly and explicitly modified, amended or superseded herein, the Agreement and all of its terms shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Second Amendment to Annexation Agreement is executed as of the date first above written.

**VILLAGE OF VOLO**

BY: Bunell Russell  
PRESIDENT

ATTEST:

LaVerne Drake  
VILLAGE CLERK

(SEAL)

Date of Signature: July 15, 1999.

State of Illinois )  
                          )ss.  
County of Lake )

I, Judith T. Rutishauser a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Barrell Russell and Paul Wayne Drake President and Village Clerk of the Village of Volo, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Village Clerk respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Village of Volo, for the uses and purposes therein set forth; and the said Village Clerk did also then and there acknowledge that he/she, as custodian of the corporate seal of said Village did affix the said corporate seal of said Village to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Village for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15<sup>th</sup> day of July 1999.

Judith T. Rutishauser  
Notary Public

My Commission Expires: 4-31-03



OWNERS:

FOUR OAKS L.L.C.

BY: Richard D. Thomas  
MANAGER

BY: Michael Schwartz  
MANAGER

ATTEST:  
Richard D. Thomas  
MEMBER

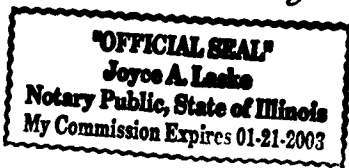
Date of Signature: July 16, 1999.

State of Illinois )  
                          )ss.  
County of Lake )

I, Joyce A. Laske a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard D. Thomas and Michael Schwartz, both Managers of Four Oaks L.L.C., personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Managers respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth; and the said Member did also then and there acknowledge that he/she, as custodian of the company seal of said Company did affix the said company seal of said Company to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Company for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 16<sup>th</sup> day of July, 1999.

Joyce A. Laske  
Notary Public



My Commission Expires: 01-21-2003

**OWNERS:**

**HARRIS BANK PALATINE, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST NO.6641.**

BY: \_\_\_\_\_

*[Handwritten Signature]*  
**PRESIDENT**  
Penelope M. Johns, Asst. Vice President & LTO

SEE EXCULPATORY RIDER ATTACHED  
HERETO AND MADE A PART HEREOF

ATTEST:

*[Handwritten Signature]*  
**SECRETARY**

(SEAL)

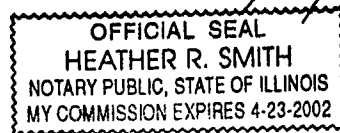
Date of Signature: July 16, 1999.

State of Illinois )  
*Cook* ) ss.  
County of ~~lake~~ )

I, the undersigned a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Penelope M. Johns, Asst. Vice President & LTO and Asst. Vice President and T.O. Secretary of Harris Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst. Vice President and T.O. Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said T.O. Secretary did also then and there acknowledge that he/she, as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 16<sup>th</sup> day of July, 1999

*[Handwritten Signature]*  
Notary Public



My Commission Expires: \_\_\_\_\_

**OWNERS:**

**HARRIS BANK PALATINE, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST NO. 6734.**

**SEE EXCULPATORY RIDER ATTACHED HERETO AND MADE A PART HEREOF**

BY: *[Signature]*  
**PRESIDENT** Penelope M. Johns, Asst. Vice President & LTO

**ATTEST:**

*[Signature]*  
**SECRETARY**

(SEAL)

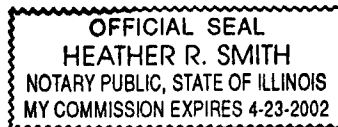
Date of Signature: *July 16*, 1999.

State of Illinois )  
*Cook* ) ss.  
County of *Lake* )

I, *the undersigned* a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Penelope M. Johns, Asst. Vice President & LTO and *Asst.* Vice President and *T.O.* Secretary of Harris Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such *Asst.* Vice President and *T.O.* Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said *T.O.* Secretary did also then and there acknowledge that he/she, as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this *16<sup>th</sup>* day of *July*, 1999

*[Signature]*  
Notary Public



My Commission Expires: \_\_\_\_\_



**OWNERS:**

**HARRIS BANK PALATINE, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST NO. 6843.**

BY: *[Signature]*  
**PRESIDENT**  
Penelope M. Johns, Asst. Vice President & LTO

**SEE EXCULPATORY RIDER ATTACHED  
HERETO AND MADE A PART HEREOF**

ATTEST:  
*[Signature]*  
**SECRETARY**

(SEAL)

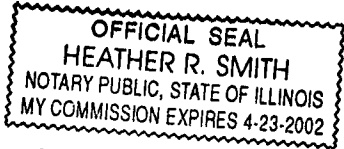
Date of Signature: *July 16.*, 1999.

State of Illinois )  
*Cook* ss.  
County of *Lake* )

I, *the undersigned* a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Penelope M. Johns, Asst. Vice President & LTO and *Asst. Vice President* and *T.O. Secretary* of Harris Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such *Asst. Vice President* and *T.O. Secretary* respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said *T.O. Secretary* did also then and there acknowledge that he/she, as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this *16<sup>th</sup>* day of *July*, 1999

*[Signature]*  
Notary Public



My Commission Expires: \_\_\_\_\_

*15*

## EXCULPATORY RIDER

This instrument is executed by the Harris Bank Palatine, N.A. as Trustee under the provisions of a Trust Agreement dated 9/26/96 12/1/97 1/2/98 and known as Trust no 6734 6843 & 6844 not personally, but solely as Trustee aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. This instrument is executed and delivered by the Trust solely in the exercise of the powers expressly conferred upon the Trustee under the Trust and upon the written direction of the beneficiaries and/or holders of the power of direction of said Trust and Harris Bank Palatine, N.A. warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the trustee while in form purporting to be the said representations, warranties, covenants, undertakings and agreements of said Trustee are each and every one of them not made with the intention of binding Harris Bank Palatine, N.A. in its individual capacity, but are made and intended solely for the purpose of binding only that portion of the Trust property specifically described herein. No personal liability or personal responsibility is assumed by or nor shall at any time be asserted or enforceable against the Harris Bank of Palatine, N.A. on account of any representations, Warranties, (including but not limited to any representations and/or warranties in regards to potential and/or existant Hazardous Waste) covenants, undertakings and agreements contained in the instrument, (including but not limited to any indebtedness accruing plus interest hereunder) either express or implied or arising in any way out of the transaction in connection with which this instrument is executed, all such personal liability or responsibility, if any, being expressly waived and released, and any liability (including any and all liability for any violation under the Federal and/or State Environmental or Hazardous Waste laws) hereunder being specifically limited to the Trust assets, if any, securing this instrument. Any provision of this instrument referring to a right of any person to be indemnified or held harmless, or reimbursed by the Trustee for any costs, claims, losses, fines, penalties, damages, costs of any nature including attorney's fees and expenses, arising in any way out of the execution of this instrument or in connection thereto are expressly waived and released by all parties to and parties claiming, under this instrument. Any person claiming or any provision of this instrument referring to a right to be held harmless, indemnified or reimbursed for any and all costs, losses and expenses of any nature, in connection with the execution of this instrument, shall be construed as only a right of redemption out of the assets of the Trust. Notwithstanding anything in this instrument contained, in the event of any conflict between the body of this exoneration and the body of this instrument, the provisions of this paragraph shall control. Trustee being fully exempted, nothing herein contained shall limit the right of any party to enforce the personal liability of any other party to this instrument.

OWNERS:

WADE TRUST

BY: David Johnson  
TRUSTEE

Date of Signature: July 21, 1999.

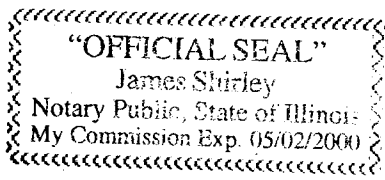
State of Illinois )  
                          )ss.  
County of Lake )

I, James Shirley a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID JOHNSON Trustee of the Wade Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Trustee, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Trust, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of JULY 1999.

James Shirley  
Notary Public

My Commission Expires: 05/02/2000



OWNERS:

SHANNON TRUST

BY: David Johnson  
TRUSTEE

Date of Signature: July 21, 1999.

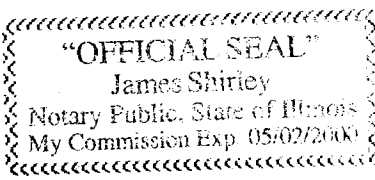
State of Illinois )  
                          )ss.  
County of Lake )

I, James Shirley a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID JOHNSON Trustee of the Shannon Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Trustee, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Trust, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of JULY 1999.

James Shirley  
Notary Public

My Commission Expires: 05/02/2000



OWNERS:

W.S. TRUST

BY: *David Johnson*  
TRUSTEE

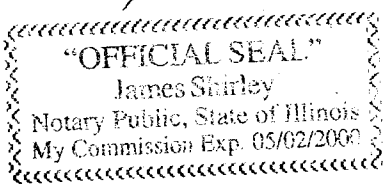
Date of Signature: *July 21*, 1999.

State of Illinois )  
                                  )ss.  
County of Lake )

I, *James Shirley* a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that *DAVID JOHNSON* Trustee of the W.S. Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Trustee, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Trust, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this *21st* day of *JULY* 1999.

*James Shirley*  
Notary Public



My Commission Expires: *05/02/2000*

OWNERS:

LIGHT TRUST

BY: David Johnson  
TRUSTEE

Date of Signature: July 21, 1999.

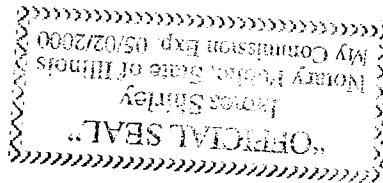
State of Illinois )  
                          )ss.  
County of Lake )

I, James Shirley a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID JOHNSON Trustee of the Light Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Trustee, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Trust, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21 day of July 1999.

James Shirley  
Notary Public

My Commission Expires: 05/02/2000



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