

# **VILLAGE OF ANTIOCH**

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## **ORDINANCE NO. 11-01-01**

### **AN ORDINANCE AMENDING §13-1-3 OF THE MUNICIPAL CODE OF ANTIOCH SETTING SPECIAL TAP-ON FEES FOR THE CLUBLANDS SUBDIVISION**

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**ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES**

**OF THE**

**VILLAGE OF ANTIOCH, ILLINOIS**

**ON**

**January 3, 2011**

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**Published in pamphlet form by authority of the Village Board  
of the Village of Antioch, Lake County, Illinois,  
this 5<sup>th</sup> day of January, 2011.**

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**Trustee**

**ORDINANCE NO. 11-01-01**

**AN ORDINANCE AMENDING §13-1-3 OF THE MUNICIPAL CODE  
OF ANTIOCH SETTING SPECIAL TAP-ON FEES  
FOR THE CLUBLANDS SUBDIVISION**

**WHEREAS,** the Village has long required payments for the privilege of connecting to the water and sewer lines, which payments are colloquially known as “tap fees” or “tap-on fees”, and

**WHEREAS,** consistent with statutory provisions regulating the same and local ordinances, the funds so generated have been used for the construction, extension, maintenance and improvements to the Village’s water and sewer system, and

**WHEREAS,** construction and continued maintenance of the water and sewer system is a critical issue that is central to the safeguarding of public health, and that construction and maintenance in turn depends on the continued receipt of adequate funds for pipes, pumps, equipment, vehicles and personnel needed for the monitoring, rehabilitation and repairs of the lines and other facilities, and

**WHEREAS,** during the development of the Clublands Subdivision by Neumann Homes, Inc. (“Neumann Homes”) in the early 2000’s, there were certain disputes between the Neumann Homes and the Village which resulted in the Village expending significant funds to install and maintain certain components of the water system providing potable water to that subdivision, and

**WHEREAS,** Neumann Homes also expended significant funds in the said installations, and

**WHEREAS,** the Clublands Subdivision is comprised of the geographical territory legally described on Exhibit A hereto, and

**WHEREAS,** the subsequent bankruptcy of Neumann Homes resulted in the creation of certain legal impediments to the Village’s being able to obtain full and fair reimbursement from Neumann Homes for the expenses it incurred as referenced hereinabove, and it also generated the existence of a claim by Neumann Homes’ bankrupt estate for reimbursement for the funds Neumann Homes expended, and

**WHEREAS,** the Clublands Subdivision was owned by Neumann Homes subject to a mortgage placed upon the land by the Cole Taylor Bank, and during the pendency of the Neumann Homes bankruptcy, a series of negotiations were conducted between the Village, Neumann Homes and Cole Taylor Bank, among others, which ultimately resulted in the entry by United States Bankruptcy Judge Eugene B. Wedoff of an Order in the bankruptcy proceedings known as a “Relief from Stay Order”, and other orders related to the development and disposition of the Clublands Subdivision, and

**WHEREAS**, these orders collectively allowed the Village to pursue claims against the surety bonds issued by the Fidelity & Deposit Company of Maryland ("F&D") regarding certain Public Improvements in the Clublands Subdivision; allowed the Village and F&D to complete Public Improvements in the Clublands Subdivision; allowed the Village to draw upon funds remaining in SSA-2; and provided for the conveyance of Neumann Homes' interest in the Clublands Subdivision to Cole Taylor Bank, and

**WHEREAS**, a true copy of the Relief from Stay Order entered on July 23, 2008 is attached hereto as Exhibit B, and it is incorporated herein by reference, and

**WHEREAS**, paragraph 1(f) of the Relief from Stay Order provides for the tap fees in the Clublands Subdivision to be increased to \$4,000.00 per lot, and

**WHEREAS**, Neumann Homes, Cole Taylor Bank, F&D and the Village agreed to the entry of the Relief from Stay Order and the increase of the tap fees to \$4,000.00 per lot, and

**WHEREAS**, this increase in tap fees will expedite the recovery and reimbursement of the costs and expenses for construction of the Public Improvements, including the water treatment plant and related water systems, and will further provide for the continued maintenance of the systems for the benefit of the owners and residents of properties within the Clublands Subdivision, and

**WHEREAS**, under the unique situation described hereinabove, and within the specific grant of permission of the bankruptcy court, coupled with the agreement of the bankrupt debtor as the property owner (Neumann Homes), the lending mortgagee holding a security interest in the land (Cole Taylor Bank), the surety (F&D) and the Village, there is a good and sufficient justification for applying a larger fee for the privilege of tapping into the Village's water supply system in Clublands Subdivision, despite the general applicability of tap fees on a uniform basis throughout the Village in all other geographical areas thereof, and

**NOW THEREFORE, BE IT ORDAINED** by the Village of Antioch, Lake County, Illinois, as follows:

**SECTION ONE:** The foregoing recitals are incorporated herein and made a substantive part of this Ordinance, and comprise the specific findings of the corporate authorities on the matters therein set forth.

**SECTION TWO:** Section 13-1-3 of the Antioch Municipal Code is hereby amended by the addition of the following subsection B.1.3, which shall hereafter read as follows:

**3. CLUBLANDS SUBDIVISION SPECIAL RATES.** Pursuant to the provisions of an Order of the United States Bankruptcy Court, Northern District of Illinois, Eastern Division in the case of In Re: Neumann Homes, Inc., causes number 07-21412 through 07-20417 and 07-21468 through 07-21470 by Judge Eugene B. Wedoff on July 23, 2008, and pursuant to the agreements memorialized therein, a special tap fee in the amount of \$4,000.00 per residence is hereby imposed on all residential properties located within the Clublands Subdivision for the privilege of tapping into the Village's existing water system, which special tap fee is imposed in lieu of any and all other water tap fees imposed by the Village pursuant to law. This special tap fee shall apply to all building permits for houses constructed on lots in the Clublands Subdivision applied for or issued at any time after the adoption of this amendatory ordinance on January 3, 2011. Nothing in this paragraph shall affect any other fees, taxes, permits, licenses or other charges or requirements imposed by law upon the lots in the Clublands Subvision.

**SECTION THREE:** This Ordinance shall be in full force and effect from and after its passage, approval and publication as required by law.

**PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS, ON THIS 3<sup>RD</sup> DAY OF JANUARY, 2011.**

AYES: 4: Poulos, Sakas, Wolczyk and Jozwiak.

NAYS: 0.

ABSTAIN: 1: Crosby.

ABSENT: 1: Pierce.

  
LAWRENCE M. HANSON, MAYOR

Attest:

  
CANDI L. ROWE, VILLAGE CLERK



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF LAKE )

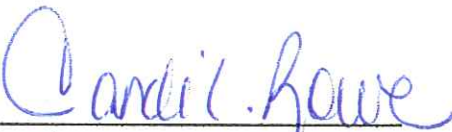
## CERTIFICATE

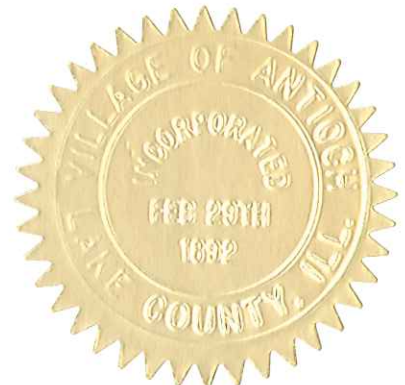
I, Candi L. Rowe, certify that I am the duly appointed Municipal Clerk of the Village of Antioch, Lake County, Illinois.

I certify that on January 3, 2011, the Corporate Authorities of such municipality passed and approved **Ordinance No. 11-01-01**, entitled "**AN ORDINANCE AMENDING §13-1-3 OF THE MUNICIPAL CODE OF ANTIOCH SETTING SPECIAL TAP-ON FEES FOR THE CLUBLANDS SUBDIVISION**" which provided by its terms that it should be published in pamphlet form.

The pamphlet form of **Ordinance No. 11-01-01**, including the Ordinance and cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on January 5, 2011, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Municipal Clerk.

DATED at Antioch, Illinois, this 5<sup>th</sup> day of January, 2011.

  
Candi L. Rowe, Village Clerk



IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:	)	Case Nos. 07-20412 through 07-20417, and
	)	07-21468 through 07-21470
	)	(Jointly Administered)
NEUMANN HOMES, INC.,	)	
<u>et al.</u> , <sup>1</sup>	)	Chapter 11
	)	
Debtors.	)	Hon. Eugene R. Wedoff

**STIPULATION AND AGREED ORDER REGARDING VILLAGE OF ANTIOCH'S  
MOTION FOR RELIEF FROM STAY (DOCKET NO. 123) AND THE VILLAGE OF  
ANTIOCH'S SUPPLEMENTAL MOTION FOR RELIEF FROM STAY (DOCKET NO. 610)**

Upon the Village of Antioch's Motion for Relief from Stay [Docket No. 123] (the "Stay Motion") and the Village of Antioch's Supplemental Motion for Relief from Stay [Docket No. 610] (the "Supplemental Stay Motion" and together with the Stay Motion, the "Motions")<sup>2</sup> of the Village of Antioch (the "Village"), for entry of an order (the "Order") for relief from the automatic stay, it is hereby

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Village, by agreement with the Debtors, including Neumann Homes, Inc. ("Neumann"), and Fidelity and Deposit Company of Maryland ("F&D"), as surety under certain subdivision and site improvement bonds issued with respect to the Debtors' "Clublands Development" (which is identified as the "Development" in the Public Infrastructure Agreement for Special Service Area Number 2: Clublands (the "Infrastructure Agreement")),

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<sup>1</sup> The Debtors consist of: Neumann Homes, Inc. (EIN: 36-3372185); NDC Fabrications, LLC (EIN: 20-3927889); Neumann Homes of Colorado, LLC (EIN: 30-0016357); Neumann Homes of Michigan, LLC (EIN: 20-0266814); Neumann Homes of Wisconsin, LLC (EIN: 13-4233135); Neu Pro Co., LLC (EIN: 20-3927922); NH Sky Ranch, LLC (EIN: 20-2680457); Precision Framing Systems, LLC (EIN: 61-1404308); and Sky Ranch, LLC (EIN: 20-2680547).

<sup>2</sup> Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motions.

attached to the Supplemental Stay Motion as Exhibit "B", including the Water Treatment Plant<sup>1</sup> and all other on-site and off-site public improvements relating to the Clublands Development), shall be, and is hereby granted relief from the automatic stay such that:

(a) The Village may declare Neumann to be in breach or default of its obligations under the Infrastructure Agreement and related agreements for the purpose of completing certain Public Improvements identified in the Punchlists (attached as Exhibits H through K to the Supplemental Stay Motion insofar as they pertain to the Clublands Development) and Priority Lists (attached as Exhibits O through Q to the Supplemental Stay Motion insofar as they pertain to the Clublands Development) (without limiting the claims that are preserved herein, the undertakings set forth herein with respect to the completion of the Public Improvements, subject to their performance, constituting a cure of any performance defaults relating to those Public Improvements under Section 365 of the Bankruptcy Code.) Subject to Paragraph 1(f) and all other available defenses, the Village's claim under the Applicable Development Agreements (as defined later herein, together with all other related agreements) for reimbursement of its costs and expenses, including reasonable attorneys' fees arising out of the breach or default of the Debtors to complete the Public Improvements is fully preserved even though the Public Improvements may be completed by the Village, F&D or future developers;

(b) The Village may make demand upon F&D to perform its obligations under the Site Improvement Bond No. 08614792 dated October 29, 2002 in the original amount of \$3,122,003.13, (the "Phase 1 Bond") and Subdivision/Site Improvement

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<sup>1</sup> The Water Treatment Plant is the subject of an agreement dated October 4, 2004 between Neumann and the Village entitled "Agreement For Construction of Potable Water Improvements" and is also subject to litigation pending in the Circuit Court of Lake County, Illinois as Case No. 06 L 919.

Bond No. 08663983 dated September 29, 2004 in the revised amount of \$3,316,832.20, (the "Phase 3 Bond") (collectively, the "Bonds") with respect to those aspects of the Public Improvements identified in the Punchlists and Priority Lists;

(c) F&D, under the terms and conditions of those certain completion agreements (the "Completion Agreements") which have been executed by the Village and F&D and are attached hereto as Group Exhibit A, shall perform its obligations, or a portion of its obligations, under the Bonds issued for Phase 1 and Phase 3 of the Clublands Development by either completing the items identified as the "A" items on the Phase 1 Priority List and identified as the "A" items on the Phase 3 Priority List for Clublands or, if so elected by F&D prior to August 15, 2008, by paying the penal sum of either the Phase 1 Bond or the Phase 3 Bond or both. Payment by F&D of the penal sum of either bond shall constitute a complete discharge of F&D's obligations under the bond for which the penal sum is paid. In the event that F&D elects to pay the penal sum of either the Phase 1 Bond or the Phase 3 Bond, the Village shall make no use or distribution of such funds other than for installation of the Public Improvements as identified as the "A" items on the Priority List for Clublands Phase 1 or Clublands Phase 3, as applicable. Unless otherwise agreed to by the Debtors and the Village, if there are funds remaining after the Village completes said Public Improvements, the Village shall apply that surplus (the "Surety Surplus") against any allowed cure or administrative claims as provided in Paragraph (f). The Village and F&D may not in the Completion Agreements or otherwise agree without the consent of the Debtors or the respective purchaser of Clublands Phase 1 or Clublands Phase 3, which consent shall not be unreasonably withheld, (i) to extend the completion date of the "A" items on the Phase 1 Priority List and the Phase 3 Priority List beyond November 30, 2008, or (ii) to materially reduce the scope of the "A" items identified in the Phase 1 Priority List



and "A" items identified in the Phase 3 Priority List. In the event that F&D elects not to pay the penal sum but instead undertakes to complete the construction or installment of a particular section or area of a public improvement, it shall complete such construction or installment in accordance with the terms of the Completion Agreement. The Village reserves its rights to make further demands upon the Bonds and any other bonds issued relating to the Clublands Development, including any bonds relating to the Water Treatment Plant.

(d) The Village may complete the Public Improvements for Clublands Phase 2, as identified on the relevant Punchlist (attached as Exhibit I to the Supplemental Stay Motion). The Village shall substantially complete the Public Improvements for Clublands Phase 2 which are identified as the Village's Responsibility Report for Phase II, which is attached as Exhibit B hereto, on or before November 30, 2008 (weather permitting, or by June 30, 2009), provided that, and to the extent that, funds from SSA-2 are available for the Phase 2 Public Improvements. To the extent there are not sufficient SSA-2 funds for the Village to complete the Public Improvements listed on the Village's Responsibility Report for Phase 2 (Exhibit B), the Village may nevertheless complete such improvements provided that any future buyer shall not be responsible for more than 10% of the costs of such improvements, with the future buyer's liability capped at \$60,000 (the "Phase 2 Cap"). The Village may not deny a permit or certificate of occupancy to the future builder on account of the improvements listed as the Village's responsibility on Exhibit B not having been completed, but the Village may deny permits if the future builder does not contribute its share toward the Phase 2 Cap. For informational purposes only, the Village shall provide to the Debtor copies of the bid documents three (3) business days before they are issued for bid and copies of bids received (along with an indication of the awarded bid) within three (3) business days before work commences. The Debtor may provide

comments or input on the bid process or awarded bids, but any such comments or input shall not prevent the Village from proceeding with the Public Improvements, the parties reserving all of their rights and defenses with respect thereto. Once work on any particular section or area of a Public Improvement has been commenced, it shall be substantially completed by November 30, 2008 (weather permitting, or by June 30, 2009). To the extent consistent with the underlying SSA-2 documents, the Village shall promptly draw upon the SSA-2 Improvement Fund for any such items as to which SSA-2 funding is available.

(e) Provided that F&D or its contractor installs Public Improvements in Phase 1 and/or Phase 3 as contemplated by this Order, F&D may assert one or more claims against the Debtors in connection with the performance of its obligations under the surety bonds which are the subject of the Motion, the completion of the Public Improvements and the matters for which the stay is lifted, which, by F&D's agreement, shall be limited to:

(i) a secured claim as to each development phase which (i) is junior in all respects to the liens of Cole Taylor Bank (including the "carve out" agreement between the Debtors and Cole Taylor Bank as to the sharing of proceeds from the sale of a development in which Cole Taylor Bank has a lien) and any other existing liens on the development, including any special service tax liens, (ii) pertains only to the cost of work designated as "new work" (as opposed to "repair work") by agreement between F&D and the Debtors, (iii) is limited in amount to 20% of the actual cost incurred by F&D of completing the new work in a particular phase of a development which is not reimbursed from any third party source multiplied by a fraction, the numerator of which is equal to the number of lots owned by the Debtors in such development phase as of the date hereof and the denominator of which is equal to the total number of lots in such development phase times, and (iv) attaches only to the proceeds of the sale of Phase 1 and/or Phase 3, as applicable and

(ii) an unsecured claim for the actual costs incurred by F&D for completing the Public Improvements that is not reimbursed by the secured claim described in clause (i) or any third party source.

If F&D pays the penal sum of either bond to the Village, the Village shall, on or before June 30, 2009, construct the Public Improvements for Phase 1 or Phase 3 up to the extent of the funds

received from F&D and from available SSA-2 funds which are remaining after completion of the Public Improvement in Phase 2 and reimbursement of engineering fees as stated in the Completion Agreement. The Village may assert a secured claim as set forth in this paragraph 1(e)(i) and (ii) above, but only to the extent the costs to complete the Improvements for Phase 1 or Phase 3 exceed the amounts that the Village receives from F&D or from SSA-2 for the Phase 1 or Phase 3 Improvements. For informational purposes only, the Village shall provide to the Debtor copies of the bid documents three (3) business days before they are issued for bid and copies of bids received (along with an indication of the awarded bid) within three (3) business days before work commences. The Debtor may provide comments or input on the bid process or awarded bids, but any such comments or input shall not prevent the Village from proceeding with the Public Improvements, the parties reserving all of their rights and defenses with respect thereto.

(f) The Village reserves all of its rights (including any right to setoff) to assert an administrative or cure claim as to any matters relating to the Clublands Development, including the Water Treatment Plant (and the Debtors and all other parties reserve all rights to contest any such claims), provided that, (i) the Village may assert an administrative or cure claim for the construction costs for the Phase 2 Public Improvements as identified on the relevant Punch Lists only to the extent the Village, after using its best efforts, cannot recover those construction costs from SSA-2 funds or from surety bonds and, provided further, that the maximum amount that the Village may claim for the construction costs of such improvements, after receipt of SSA-2 funds or surety funds, will be \$500,000, (ii) the Village shall not assert any secured claims relating to the Clublands Development against the Debtors except as set forth in the preceding paragraph (e), nor any administrative or cure claims as to which funding from

another source is otherwise available and (iii) the only source of repayment for any allowed administrative or cure claim (including any right to setoff or recoupment) relating to the Clublands Development shall be (x) the potable water tap fees associated with the remaining lots owned by the Debtors as of the date hereof, which by agreement of the Debtors and the Village shall be increased from approximately \$2,000 per lot to \$4,000 per lot and recapture fees associated with the Service Area for the Water Treatment Plant; (y) previously paid tap fees which are held in escrow by the Village, (or, to the extent any amounts which should still be in escrow have previously been drawn by the Village, credit in the amount so drawn); and (z) any Surety Surplus. Any amounts remaining in any of the categories of funds described in (iii) (x)-(z) above, after payment of any cure or administrative claims of the Village as allowed by subsequent agreement between the Village and the Debtors or by subsequent order of this Court shall belong to the Debtors up to the amounts owed to the Debtors under any Applicable Development Agreement (as defined in Paragraph 2) or in any other related agreement. Any amounts remaining in said categories after all amounts due the Debtors have been paid shall be retained by the Village. The Village shall provide an accounting to the Debtors within fourteen (14) days of the entry of this Order as to the collection and any application of tap fees paid by the Debtors as well as any other recapture fees associated with the Service Area for the water treatment plant. To the extent that it is subsequently determined by agreement of the Village and the Debtors or by court order that any escrow funds were withdrawn by the Village in a manner not in accordance with the applicable agreements governing the use of such funds, the Village shall immediately restore such escrow by the amount of such withdrawals. The Village and the Debtors agree to use reasonable efforts to resolve any cure or administrative claims as promptly as possible. Pending resolution of such claims issues and subject to approval of the board of the

Village at its next regularly scheduled board meeting, the Debtors and the Village agree to split on a 50/50 basis the escrow funds currently held by the Village from the tap fees. Any disbursement of these tap fees is subject to a retention of \$76,318.80, plus interest, with respect to the lien asserted by Joseph J. Henderson & Son, Inc. and a retention of \$7,000.00 with respect to the lien or claim asserted by Lake County Grading Company, LLC ("LCG"), which liens or claims pertain to the Water Treatment Plant, and which liens or claims are disputed. The disbursement of the remaining funds to the Village and the Debtor shall be applied against any claims that either such party may otherwise have in such funds.

(g) The Village and F&D may draw and use currently available SSA-2 Funds in conformity with the underlying SSA documents to the extent that either such party has rights thereunder. The Village and/or F&D (as applicable) shall defend, indemnify and hold harmless the Debtors for (i) any and all third-party claims asserted against the Debtors for any use of such funds drawn by the Village or F&D subsequent to the entry of this Order, and (ii) any fees, costs or expenses incurred by the Debtors in the absence of any defense provided by the Village and/or F&D (as applicable) or incurred by the Debtors in assisting the Village and/or F&D at their request, respectively, in defending against such asserted claims. Neither F&D nor the Village shall file any claims (other than unsecured claims) against the Debtors with respect to the SSA-2 funds. Until further Order of Court or until agreement between the Village, the Debtors and LCG, the sum of \$189,189.45, plus statutory interest, if any, shall remain in the SSA-2 Improvement Fund with respect to the lien asserted by LCG, which lien is disputed. To the extent there are any excess SSA-2 Funds available after all permitted Village and F&D draws are accounted for, the Debtors reserve the right to submit draw requests in accordance with the bond documents and all relevant agreements, and the Village and all other parties reserve all

rights to contest any claims or interest which the Debtors may assert with respect to the SSA-2 Funds.

(b) By agreement of the Debtors, after the Public Improvements have been completed and accepted by the Village's engineers, the Public Improvements shall be dedicated to the Village in accordance with Section 3.9 of the Infrastructure Agreements.

2. (a) Based upon the information which the Village received from its engineers and otherwise to the Village's best knowledge, the Village represents that the Punchlists, the Priority Lists, the FBRR Reports (defined below and attached hereto) and the requirements set forth in the Applicable Development Agreements<sup>2</sup> with respect to Phase 4 constitute the nature and extent of the Public Improvements that remain to be installed, completed and/or constructed with respect to the Clublands Development as of the date the Punchlists were prepared. As a result of the undertakings of the Village and F&D under paragraph 1 of this Order and the other agreements reflected herein and without expanding or diminishing the scope of those undertakings, neither the Debtors nor any successor or purchaser of their assets shall have any obligation to perform or bear any expense with respect to the completion of the Public Improvements with respect to the Clublands Development other than:

(i) As to the Debtors, the claims allowable against the Debtors under paragraph 1 hereof,

(ii) As to any purchaser of Phase 1, the "Future Builder's Responsibilities" Report (the "FBRR Report") for Phase 1, a copy of

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<sup>2</sup> "Applicable Development Agreements" for Clublands shall consist of the "Public Infrastructure Agreement For Special Service Area Number 2: Clublands" dated June 5, 2003; the Settlement Agreement involving Bill Anest dated November 21, 2002; the Clublands Development Agreement dated October 28, 2002; P.U.D. Ordinances, applications and related documents; the Final Plans and Final Plat of Subdivision for Clublands; all documents relating to the bonds issued for Special Service Area Number 2 (SSA-2); all engineering plans prepared by Manhard Consulting Ltd. for Clublands, including all revisions thereto; and all Landscape Improvement Plans prepared by Ives/Ryan Group, Inc., and revisions thereto, and any agreements relating to the Miller Road drainage issues.

which is attached as Exhibit C, to the extent such items were obligations of the Debtors under the Applicable Development Agreements;

(iii) As to any purchaser of Phase 2, (x) the FBRR Report for Phase 2, a copy of which is attached hereto as Exhibit D, to the extent such items were obligations of the Debtors under the Applicable Development Agreements and (y) the Phase 2 Cap;

(iv) As to any purchaser of Phase 3 East, the FBRR Report for Phase 3 East, a copy of which is attached as Exhibit E, to the extent such items were obligations of the Debtors under the Applicable Development Agreements;

(v) As to any purchaser of Phase 3 West, the FBRR Report for Phase 3 West, a copy of which is attached as Exhibit F, to the extent such items were obligations of the Debtors under the Applicable Development Agreements;

(vi) As to any purchaser of Phase 4, all Public Improvements which were the responsibility of the Debtor for Phase 4, and any drainage issues relating to Miller Road (whether included as part of Phase 3 or Phase 4 but subject to any required easements having been obtained), to the extent such items were obligations of the Debtors under the Applicable Development Agreements;

(vii) As to any and all purchasers, all requirements for the issuance of permits generally imposed by the Village unless otherwise provided under the Applicable Development Agreements with the Debtors;

(viii) The Village reserves the right to require in connection with a sale hearing that any and all purchasers submit surety bonds acceptable to the Village for the construction of the Public Improvements identified in 2(ii)-2(vi) above, whether required by any Applicable Development Agreement, by statute, or otherwise, and the Debtors and any such purchaser(s) reserve the right to contest the same. Without limiting the foregoing, such reservation shall include the right of the Village, as part of the sales process, to object to any assumption and assignment of any Applicable Development Agreement based on the need for adequate assurances of future performance by the purchasers and the right of the Debtor and any purchaser(s) to contest the same. The Village also reserves the right to require any and all purchasers to comply with all applicable ordinances, codes, rules and regulations, and all applicable federal, state and local laws and the Debtors and any such purchaser(s) reserve the right to contest the same as not applicable;

(ix) Commitment by the purchaser of Phase 4 to build the Clubhouse for Clublands to the extent, if any, that the Debtors were obligated to construct the Clubhouse under the Applicable Development Agreements or any

other related agreements or as may otherwise be agreed to by the purchaser of Phase 4 and the Village.

(x) With respect to Phases 1, 2, 3 East and 3 West, to the extent any Public Improvement is not identified on the Priority Lists or the applicable SEC Report, the Village, the Debtors, any subsequent purchaser and F&D shall, in good faith, attempt to ascertain and assign responsibility for the completion of such Public Improvement based upon the delegation of responsibilities for the construction and completion the Public Improvements otherwise set forth herein. If the parties are unable to reach an agreement, the purchaser for the Phase on which such Public Improvement is located shall bear responsibility for such Public Improvement unless, upon motion of the Debtors or such purchaser, the Court, by final and non-appealable order, determines that the Village or F&D should be assigned responsibility for the completion of such Public Improvement based upon (a) the general delegation of responsibilities for the construction and completion of the Public Improvements otherwise set forth herein, (b) as to F&D only, limited to the terms, conditions and limitations (including the penal sum limitation) contained in the Bonds; and (c) as to the Village, limited to funds available from SSA-2 funds, the Bonds or the Surety Surplus. The Village may not deny a permit or certificate of occupancy to the future builder on account of the Village not completing such Public Improvements.

(b) Except as permitted herein, neither the Village nor F&D may assert any secured, administrative or cure claim against the Debtors with respect to the Clublands Development. Notwithstanding the foregoing, the following rights and obligations are fully reserved by any interested party:

(i) Nothing herein shall be construed as affecting or in any way prohibiting or permitting any party from asserting any rights related to the Village of Antioch Special Service Area Number Two, including any right to assess, tax, levy, collect, enforce, or take any action permitted pursuant to the certain Series 2003 Trust Indenture and Series 2003 Bonds, and applicable law, related to the Village of Antioch Special Service Area Number Two and any right to contest same; and

(ii) Unsecured claims (which do not also constitute administrative or cure claims) that may be filed herein by Antioch or F&D.

3. The Village shall cooperate with any purchaser of Clublands Phase 4 and shall issue the second funding phase of SSA-2 ("Phase 2 Funding") subject to the following terms and conditions.



(a) Antioch will market the bonds but will not guarantee that the bonds will be sold;

(b) Antioch will issue the Phase 2 Funding in accordance with the terms and conditions of the underlying documents governing the issuance and funding of the Phase 2 Funding. The Court shall retain jurisdiction to determine that legal obligation; and

(c) The Phase 2 Funding shall proceed at the time designated in any existing agreement between the Village and the Debtor. Otherwise, the timing of the Phase 2 Funding shall proceed pursuant to agreement between the Village and the successor or assignee of Neumann.

4. The Village and F&D (as applicable) shall (i) indemnify and hold harmless the Debtors (and any successor to the Debtors or purchaser of their assets) from and against any claim or lien which may be asserted against the Debtors (and any successor to the Debtors or purchaser of their assets) by suppliers of labor and material in connection with the completion of any Public Improvements by the Village or F&D as contemplated by this Order, provided that such labor or material were provided subsequent to the entry of this Order, (ii) only employ insured or bonded contractors to complete the said Public Improvements, and (iii) name the Debtors (and any successor to the Debtors or purchaser of their assets identified at the time that any contract is entered into with any such contractor), at no cost to the Debtors (or any successor to the Debtors or purchaser of their assets), as additional insureds under any policy of liability insurance procured or furnished by the Village or F&D or furnished by a prime contractor in connection with the completion of the Public Improvements contemplated by this Order.

5. Notwithstanding any provision to the contrary, the Village has stay relief to draw upon the SSA-2 Administrative Fund in accordance with the Bond Documents. The Debtors agree not to assert any objection to the Village's right to draw upon the SSA-2 Administrative Fund for reimbursement of the Village's fees and expenses, provided that such draws do not exceed \$500,000 and that the Debtors are released from any claims that have been paid thereby.

6. Notwithstanding any provision herein to the contrary, this order does not address any claims or other matters pertaining to or arising from the NeuHaven (Deercrest) Development and all such matters asserted in the Motions shall be continued to July 16, 2008.

7. The agreements set forth herein are expressly based upon the Village and F&D having executed the Completion Agreements prior to the entry of this Order.

8. For informational purposes only, the Village shall provide the Debtors with notice of any SSA-2 draws within three business days after any such draws.

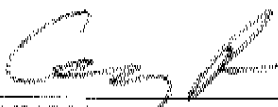
9. Notwithstanding anything contained herein, the Debtors reserve the right to seek to reject any of the Applicable Development Agreements and all parties reserve the right to contest the same.

10. While this Order refers to the development as "Phase 1", "Phase 2", "Phase 3 East", "Phase 3 West" and "Phase 4" consistent with the existing development documents, as a result of the different stage of completion of all or a portion of the various phases, the Clublands Development has been divided into Parcel A, Parcel B and Parcel C for marketing and bidding purposes. To the extent that all or a portion of a "phase" is included within a "parcel", the buyer of such "parcel" shall have all the rights set forth herein and,

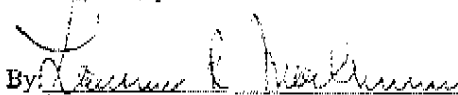
subject to the terms of a subsequent sale order, all of the obligations set forth herein with respect to the "phase" or portion of a "phase" that comprise such "parcel".

11. This Order shall be effective and enforceable immediately upon entry hereof and shall not be stayed for ten days after the entry of this Order.

AGREED AND STIPULATED TO:

  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
George N. Panagakis (ARDC No. 06205271)  
Stephen D. Williamson (ARDC No. 06244130)  
Chicago, Illinois 60606-1285  
(312) 407-0700  
Attorney's for Debtors and  
Debtors-in-Possession


VILLAGE OF ANTIOCH, an Illinois  
Municipal corporation

By: 

FIDELITY & DEPOSIT COMPANY OF  
MARYLAND

By: \_\_\_\_\_

Dated: Chicago, Illinois  
July 23, 2008

  
United States Bankruptcy Judge

Lawrence R. Moelmann (ARDC No. 1937448)  
HINSHAW & CULBERTSON LLP  
222 North LaSalle Street  
Suite 300  
Chicago, IL 60601  
(312) 704-3000  
Attorneys for the Village of Antioch

subject to the terms of a subsequent sale order, all of the obligations set forth herein with respect to the "phase" or portion of a "phase" that comprise such "parcel".

11. This Order shall be effective and enforceable immediately upon entry hereof and shall not be stayed for ten days after the entry of this Order.

AGREED AND STIPULATED TO:

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
George N. Panagakos (ARDC No. 06205271)  
Stephen D. Williamson (ARDC No. 06244130)  
Chicago, Illinois 60606-1285  
(312) 407-3700  
Attorneys for Debtors and  
Debtors-in-Possession

VILLAGE OF ANTIOCH, an Illinois  
Municipal corporation

By: *Lawrence R. Moelmann*

FIDELITY & DEPOSIT COMPANY OF  
MARYLAND

By: *Connelis D. Perdis*  
*Jts. Attorney.*

Dated: Chicago, Illinois  
July \_\_\_\_, 2008

\_\_\_\_\_  
United States Bankruptcy Judge

Lawrence R. Moelmann (ARDC No. 1937448)  
HINSHAW & CULBERTSON LLP  
222 North LaSalle Street  
Suite 300  
Chicago, IL 60601  
(312) 704-3000  
Attorneys for the Village of Antioch

## **Exhibit A**

EXECUTION COPY

ANTIOCH CLUBLANDS PHASE 1 COMPLETION AGREEMENT

This Completion Agreement ("Agreement") is made by and between the Village of Antioch (the "Village" or "Antioch") and Fidelity & Deposit Company of Maryland ("F&D") and is effective this 27<sup>th</sup> day of May, 2008

RECITALS

- A. Neumann Homes, Inc. ("Neumann") and the Village entered into a certain Infrastructure Agreement ("IA") dated June 5, 2003 (a copy of which is attached as Exhibit B to the Stay Relief Motion (defined below in Recital "F")), for the development of a subdivision commonly known as "Clublands Phase I." (the "Subdivision") The IA among other things, requires that Neumann construct site improvements or infrastructure (collectively, the "Improvements") in the Subdivision for the health, safety and welfare of the residents. Attached hereto and made a part hereof as Exhibit A is a list of all of the documents (the "Improvement Documents") governing installation of the Improvements, which Neumann is obligated to install in Clublands Phase I.
- B. As required by the IA, in order to secure performance of Neumann's obligation to construct the Improvements, Neumann procured and delivered to the Village Subdivision/Site Improvement Bond No. 8614792 (the "Phase I Bond") dated October 29, 2002, in the original penal sum of \$3,122,003.13 (a copy of the Phase I Bond is attached hereto as Exhibit "B"), which was issued by F&D. as surety, and names Neumann, as principal, and the Village, as obligee;

- C. Smith Engineering Consultants ("SEC"), the engineers for the Village, prepared a summary or punchlist of Public Improvements for Clublands - Phase 1 (attached to the Stay Relief Motion as Exhibit "H"), which shall be referred to as the "Phase 1 Punchlist." SEC, with input from Forecon International - Michigan, Ltd., F&D's consultant, prepared a priority list for Phases 1, which is attached to the Stay Relief Motion (as Exhibit "O" (referred to as the "Phase 1 Priority List"), which the Village contends should be completed on a priority basis;
- D. The Village contends that Neumann is in breach of the IA because Neumann has ceased all work on the Improvements for a period of six (6) consecutive months without reasonable cause for delay;
- E. Neumann filed a voluntary Petition for Relief under Chapter 11 of the United States Bankruptcy Code ("Code") on or about November 1, 2007 (the "Petition Date");
- F. The Village has presented to the Bankruptcy Court the Supplemental Motion of the Village of Antioch for Relief from Stay (the "Stay Relief Motion");
- G. The Village, F&D, and Neumann have agreed on the form and content of an agreed order (the "Draft Stay Relief Order") that may be entered in the Neumann Bankruptcy Proceedings with respect to the Stay Relief Motion, which provides in part that upon entry thereof the Village may declare Neumann to be in breach of its obligations under the IA so that the Village may demand that F&D perform its obligations under the Phase 1 Bond. A copy of the Draft Stay Relief Order is attached hereto as Exhibit C;
- H. Upon entry of the Draft Stay Relief Order, the Village intends to declare Neumann in default of its obligations under the IA and to make a demand upon F&D to perform its obligations under the Phase 1 Bond and, in contemplation of those events occurring, this

Agreement contains the terms and conditions under which F&D will perform such obligations.

### AGREEMENT

NOW, THEREFORE, in consideration for the terms and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the Village and F&D agree as follows:

1. The Recitals are incorporated herein.
2. Antioch and F&D agree to the entry of a stay relief order in a form substantially similar to the Draft Stay Relief Order granting relief to Antioch to declare Neumann in default of its obligations under the IA and to make a demand under the Phase 1 Bond.
3. Upon the entry of the Stay Relief Order referred to in paragraph 2 above, Antioch shall declare Neumann to be in breach of its obligations under the IA with respect to the completion of the Improvements, including, without limitation, those items identified in the Phase 1 Priority List. Antioch shall also make a written demand upon F&D to fulfill certain of its obligations under Phase 1 Bond by completing the items on the Phase 1 Priority List. The foregoing declaration of default and written demand are conditions precedent to F&D's obligations under this Agreement and under the Phase 1 Bond.
4. Provided that the foregoing conditions are satisfied, F&D agrees to complete the "A" items on the Phase 1 Priority List (the "Priority "A" Items) in accordance with the terms and conditions of Improvement Documents insofar as they are applicable to the Priority "A" Items. F&D shall hire a contractor to complete all such items. Without limiting the foregoing, F&D shall require its contractor to comply with all insurance requirements contained in the Improvement Documents and shall comply with any applicable prevailing wage law. F&D shall



require the contractor to furnish payment and performance bonds in the amount of the contract awarded to said contractor and further require that the Village be named as an additional obligee thereto. The Priority "A" Items shall be completed on or before October 31, 2008 (the "Completion Date"). Time is of the essence. However, subject to the requirements of paragraph 5 hereof, F&D may request extensions of Completion Date, which requests shall not be unreasonably denied, provided that F&D has pursued completion of the Priority "A" Items with reasonable promptness. In the event that the construction of the work is interrupted or prevented by acts of God, acts of war or rebellion, labor disturbances (other than those caused by F&D or its contractor), acts of Government or governmental officers or any cause beyond the control of F&D, F&D shall not be responsible for any losses or damages, including attorneys fees, resulting from any delays caused by the foregoing.

5. F&D and the Village agree that this Agreement cannot be modified or amended to materially reduce the scope of work identified on the Priority "A" Items or to extend the Completion Date beyond October 31, 2008, without the consent of Neumann or its designee, which consent shall not be unreasonably withheld.

6. As part of the Draft Stay Relief Order, Neumann may convey to Antioch the improvements constructed to date by Neumann in Phase 1. By accepting such improvements, Antioch does not release F&D from its obligations under the Phase 1 Bond.

7. Antioch has previously issued Special Service Area Number 2 Special Tax Bonds (SSA-2) for certain improvements regarding Clublands. The Village represents to F&D, based upon information received from the SSA-2 Trustee, that the balance in the SSA-2 Improvement Fund as of May 21, 2008 is \$932,956.26, which includes accrued interest (the "SSA Balance"). The Village has advised F&D that it will not honor any request by F&D for payment from the

SSA Improvement Fund for work performed by F&D or its contractor on Phase 1. F&D reserves any and all rights and remedies available to it to contest the Village's decision to not honor any such requests for payment. F&D does not intend to waive any such rights or remedies. Similarly, the Village reserves any and all rights and defenses to any such claims that may be asserted by F&D.

8. Currently, a mechanic lien claim under Section 23 of the Illinois mechanic Lien Act has been served by Lake County Grading seeking to impose a lien upon the SSA Balance.

9. In the event either party obtains a final and non-appealable order from a court of competent jurisdiction declaring that the disbursement of the SSA Balance was improper, both the Village and F&D agree to restore to the SSA-2 Improvement Fund the amount of any improper disbursement of the SSA Balance received by F&D and/or the Village. F&D is not responsible for restoring funds which had been improperly disbursed to Antioch, and Antioch is not responsible for restoring funds which had been improperly disbursed to F&D.

10. The parties agree that the current penal sum of the Phase 1 Bond is \$5,122,003.13 (the "Penal Sum"). F&D shall be entitled to reduction of the Penal Sum by the amount paid by F&D (i) for completion of the Priority "A" Items, including, without limitation, amounts paid by F&D for the correction of any defective work installed by Neumann or any of its contractors and (ii) for any engineering or other professional expenses contemplated by the construction documents, such as the preparation of record drawings. Except for the foregoing engineering fees, the Penal Sum of the Phase 1 Bond shall not be reduced by amounts paid by F&D for engineering, consulting or legal expenses incurred by F&D or construction costs incurred for the correction of defective work installed by F&D or any of its subcontractors. Effective upon the Village's acceptance of and F&D's conveyance to the Village of the completed "A" items

identified in the Phase 1 Priority List (the "Accepted Improvements") and except for latent defects of which the Village, upon reasonable inspection, could not have discovered as of the date of said conveyance, the Village releases F&D from any and all additional claims, liabilities and damages, including attorneys' fees, with respect to the Accepted Improvements.

11. Subject to the foregoing reduction and release, Antioch reserves any and all rights and claims which it has or may hereafter have under the Phase I Bond, at law or in equity and agrees that F&D's liability to the Village is limited to Penal Sum which remains after reduction of the Penal Sum due to completion of the Priority "A" items, as provided herein. F&D reserves any and all rights and defenses available to it under the Phase I Bond, at law or in equity. The Village and F&D do not intend to waive any such rights, claims and/or defenses.

12. F&D shall provide to the Village a written warranty from the contractor(s) it retains to perform the work on the Priority "A" items which guarantees to the Village the workmanship and material furnished by the said contractor(s) for one year commencing on the date of substantial completion of such work. F&D and its contractor(s) shall have no responsibility for warranting any of the work performed by Neumann or its contractors.

13. F&D shall be represented at the Project by D. Eugene Morgan or another designee of Forcon International - Michigan, Ltd., (the "Authorized Representative"). The Authorized Representative will represent the F&D in dealing with the Village on day-to-day construction issues with respect to the work. The Authorized Representative shall have, on behalf of the F&D, the authority to negotiate all change orders for extra work requested or required by Village. All change orders shall be executed by F&D. All requests for change orders must be submitted to Mr. D. Eugene Morgan, Forcon International - Michigan, Ltd., P.O. Box 389, 7513 South

Harbor Drive, Pentwater, MI 49449. The authorized representative for the Village shall be Ms. Jill Velan, Village Administrator, whose address is set forth in paragraph 15 below.

14. This Agreement contains the entire understandings and agreements of the parties hereto. All oral or written agreements prior to the effective date of this Agreement and which relate to this Agreement and the matters set forth herein are declared null and void. Any modification of this Agreement must be made in writing and executed by the parties hereto

15. Any notice required to be made under the terms of this Contract shall be deemed made if either party mails such notice by first class mail, postage prepaid, as follows:

As to the Village:

Ms. Jill Velan, Administrator  
Village of Antioch  
874 Main Street  
Antioch, IL 60002  
Tel.: (815) 395-1000;  
Fax: (815) 395-1920  
email: [jvelan@antioch.il.gov](mailto:jvelan@antioch.il.gov)

with a copy to:

Lawrence R. Moelmann  
Hinshaw & Culbertson, LLP  
222 N. La Salle Street  
Suite 300  
Chicago, IL 60601  
Tel.: (312) 704-3229  
Fax: (312) 704-3001  
email: [lmoelmann@hinshawlaw.com](mailto:lmoelmann@hinshawlaw.com)

As to F&D:

D. Eugene Morgan  
Forcon International - Michigan, Ltd.  
P.O. Box 389  
7513 South Harbor Drive  
Pentwater, MI 49449  
Tel.: (231) 869-2017  
Fax: (231) 869-2123  
email: [emaorgan@forcon.com](mailto:emaorgan@forcon.com)

with a copy to:

Cornelius F. Riordan  
Riordan, Donnelly, Lipinski & McKee, Ltd.  
10 N. Dearborn Street  
Fourth Floor  
Chicago, IL 60602  
Tel: (312) 589-6010  
Fax: (312) 663-1028  
email: [criordan@rdmlaw.com](mailto:criordan@rdmlaw.com)

16. It is understood and agreed by F&D and the Village that this Agreement shall be construed without any regard to any presumption or other rule requiring construction against the party causing this Agreement.

17. This Completion Agreement may be executed in counterparts. Signatures transmitted by facsimile or e-mail shall have the same legal effect as original signature.

18. Other than as specifically provided herein at paragraph 5, the parties agree that no third party shall have any rights under this agreement.

19. This agreement shall be governed by the law of the state of Illinois.

IN WITNESS WHEREOF, the parties have executed this Completion Agreement this 27<sup>th</sup> day of May, 2008.

ATTEST:

By: Candice Rowe  
Its Clerk

VILLAGE OF ANTIOCH, an Illinois  
Municipal corporation

By: [Signature]  
Its Village Administrator

FIDELITY & DEPOSIT COMPANY OF  
MARYLAND

By: Gregory W. Kilburn  
Claims Counsel

**EXECUTION COPY**

**ANTIOCH CLUBLANDS PHASE 3 COMPLETION AGREEMENT**

This Completion Agreement ("Agreement") is made by and between the Village of Antioch (the "Village" or "Antioch") and Fidelity & Deposit Company of Maryland ("F&D") and is effective this 27<sup>th</sup> day of May, 2008

**RECITALS**

- A. Neumann Homes, Inc. ("Neumann") and the Village entered into a certain Infrastructure Agreement ("IA") dated June 5, 2003 (a copy of which is attached as Exhibit B to the Stay Relief Motion (defined below in Recital "F")), for the development of a subdivision commonly known as "Clublands Phase 3." (the "Subdivision") The IA among other things, requires that Neumann construct site improvements or infrastructure (collectively, the "Improvements") in the Subdivision for the health, safety and welfare of the residents. Attached hereto and made a part hereof as Exhibit A is a list of all of the documents (the "Improvement Documents") governing installation of the Improvements, which Neumann is obligated to install in Clublands Phase 3
- B. As required by the IA, in order to secure performance of Neumann's obligation to construct the Improvements, Neumann procured and delivered to the Village Subdivision/Site Improvement Bond No. -08663983 (the "Phase 3 Bond") dated September 29, 2004, in the original penal sum of \$8,053,2213.00, with a revised and current penal sum in the amount of \$3,316,832.20 (a copy of the Phase 3 Bond is attached to the Stay Relief Motion as part of Group Exhibit "D"), which was issued by F&D, as surety, and names Neumann, as principal, and the Village, as obligee;

- C. Smith Engineering Consultants ("SEC"), the engineers for the Village, prepared summaries or punchlists of Public Improvements for Clublands - Phase 3 West (attached to the Stay Relief Motion as Exhibit "J") and for Clublands - Phase 3 East (attached to the Stay Relief Motion as Exhibit "K"), which collectively shall be referred to as the "Phase 3 Punchlists." SEC, with input from Forcon International - Michigan, Ltd., F&D's consultant, prepared priority lists for Phases 3 West and East, which are attached to the Stay Relief Motion (as Exhibits "P" and "Q" (collectively referred to as the "Phase 3 Priority Lists"), which the Village contends should be completed on a priority basis;
- D. The Village contends that Neumann is in breach of the IA because Neumann has ceased all work on the Improvements for a period of six (6) consecutive months without reasonable cause for delay;
- E. Neumann filed a voluntary Petition for Relief under Chapter 11 of the United States Bankruptcy Code ("Code") on or about November 1, 2007 (the "Petition Date");
- F. The Village has presented to the Bankruptcy Court the Supplemental Motion of the Village of Antioch for Relief from Stay (the "Stay Relief Motion");
- G. The Village, F&D, and Neumann have agreed on the form and content of an agreed order (the "Draft Stay Relief Order") that may be entered in the Neumann Bankruptcy Proceedings with respect to the Stay Relief Motion, which provides in part that upon entry thereof the Village may declare Neumann to be in breach of its obligations under the IA so that the Village may demand that F&D perform its obligations under the Phase 3 Bond. A copy of the Draft Stay Relief Order is attached hereto as Exhibit B;
- H. Upon entry of the Draft Stay Relief Order, the Village intends to declare Neumann in default of its obligations under the IA and to make a demand upon F&D to perform its

obligations under the Phase 3 Bond and, in contemplation of those events occurring, this Agreement contains the terms and conditions under which F&D will perform such obligations.

### AGREEMENT

NOW, THEREFORE, in consideration for the terms and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the Village and F&D agree as follows:

1. The Recitals are incorporated herein.
2. Antioch and F&D agree to the entry of a stay relief order in a form substantially similar to the Draft Stay Relief Order granting relief to Antioch to declare Neumann in default of its obligations under the IA and to make a demand under the Phase 3 Bond.
3. Upon the entry of the Stay Relief Order referred to in paragraph 2 above, Antioch shall declare Neumann to be in breach of its obligations under the IA with respect to the completion of the Improvements, including, without limitation, those items identified in the Phase 3 Priority Lists. Antioch shall also make a written demand upon F&D to fulfill certain of its obligations under Phase 3 Bond by completing the items on the Phase 3 Priority Lists. The foregoing declaration of default and written demand are conditions precedent to F&D's obligations under this Agreement and under the Phase 3 Bond.
4. Provided that the foregoing conditions are satisfied, F&D agrees to complete the "A" items on the Phase 3 Priority Lists (the "Priority "A" Items") in accordance with the terms and conditions of Improvement Documents insofar as they are applicable to the Phase 3 Priority Lists. F&D shall hire a contractor to complete all such items. Without limiting the foregoing, F&D shall require its contractor to comply with all insurance requirements contained in the



Improvement Documents and shall comply with any applicable prevailing wage law. F&D shall require the contractor to furnish payment and performance bonds in the amount of the contract awarded to said contractor and further require that the Village be named as an additional obligee thereto. The Priority "A" Items shall be completed on or before October 31, 2008 (the "Completion Date"). Time is of the essence. However, subject to the requirements of paragraph 5 hereof, F&D may request extensions of Completion Date, which requests shall not be unreasonably denied, provided that F&D has pursued completion of the Priority "A" Items with reasonable promptness. In the event that the construction of the work is interrupted or prevented by acts of God, acts of war or rebellion, labor disturbances (other than those caused by F&D or its contractor), acts of Government or governmental officers or any cause beyond the control of F&D, F&D shall not be responsible for any losses or damages, including attorneys fees, resulting from any delays caused by the foregoing.

5. F&D and the Village agree that this Agreement cannot be modified or amended to materially reduce the scope of work identified on the Priority "A" Items or to extend the Completion Date beyond October 31, 2008, without the consent of Neumann or its designee, which consent shall not be unreasonably withheld.

6. As part of the Draft Stay Relief Order, Neumann may convey to Antioch the improvements constructed to date by Neumann in Phase 3. By accepting such improvements, Antioch does not release F&D from its obligations under the Phase 3 Bond.

7. Antioch has previously issued Special Service Area Number 2 Special Tax Bonds (SSA-2) for certain improvements regarding Clublands. The Village represents to F&D, based upon information received from the SSA-2 Trustee, that the balance in the SSA-2 Improvement Fund as of May 21, 2008 is \$932,956.26, which includes accrued interest (the "SSA Balance").

Antioch has advised F&D that it intends to draw from the SSA Balance the sum of \$90,000.00 for engineering costs and an additional sum sufficient to pay for completion of the Public Improvements for Clublands - Phase II. F&D agrees not to contest the withdrawal of \$90,000.00 from the SSA-2 Improvement Fund in the partial payment of engineering costs, and the Village agrees not to withdraw more than \$90,000.00 from the SSA-2 Improvement Fund for the payment of engineering costs. Except for the foregoing \$90,000 withdrawal, F&D has advised the Village that it objects to any withdrawal of the SSA Balance which are not authorized by the agreement(s) governing the use and disbursement of funds in the SSA Improvement Fund and, consequently, any such requisition and withdrawal of funds from the SSA Balance is done without F&D's agreement or consent. F&D reserves any and all rights and remedies available to it to contest the Village's withdrawal of funds from the SSA Balance. F&D does not intend to waive any such rights or remedies. Similarly, the Village reserves any and all rights and defenses to any such claims that may be asserted by F&D. Antioch agrees to pay to F&D any and all remaining funds in the SSA-2 Improvement Fund for in accordance with the agreements governing said fund to partially cover the costs related to the Phase 3 Priority Items, provided that there are no asserted liens or encumbrances against such funds. F&D's acceptance of any such payment shall not constitute a waiver or release by F&D of any rights or remedies available to F&D with respect to the Village's use of such funds.

8. Currently, a mechanic lien claim under Section 23 of the Illinois mechanic Lien Act has been served by Lake County Grading seeking to impose a lien upon the SSA Balance.

9. In the event either party obtains a final and non-appealable order from a court of competent jurisdiction declaring that the disbursement of the SSA Balance was improper, both the Village and F&D agree to restore to the SSA-2 Improvement Fund the amount of any

improper disbursement of the SSA Balance received by F&D and/or the Village. F&D is not responsible for restoring funds which had been improperly disbursed to Antioch, and Antioch is not responsible for restoring funds which had been improperly disbursed to F&D.

10. The parties agree that the current penal sum of the Phase 3 Bond is \$3,316,832.20 (the "Penal Sum"). F&D shall be entitled to reduction of the Penal Sum by the amount paid by F&D (i) for completion of the Priority "A" Items, including, without limitation, amounts paid by F&D for the correction of any defective work installed by Neumann or any of its contractors and (ii) for any engineering or other professional expenses contemplated by the construction documents, such as the preparation of record drawings. Except for the foregoing engineering fees, the Penal Sum of the Phase 3 Bond shall not be reduced by amounts paid by F&D for engineering, consulting or legal expenses incurred by F&D or construction costs incurred for the correction of defective work installed by F&D or any of its subcontractors. Effective upon the Village's acceptance of and F&D's conveyance to the Village of the certain Public Improvements identified as "A" Items in the Phase 3 Priority Lists (the "Accepted Improvements") and except for latent defects of which the Village, upon reasonable inspection, could not have discovered as of the date of said conveyance, the Village releases F&D from any and all additional claims, liabilities and damages, including attorneys' fees, with respect to the Accepted Improvements.

11. Subject to the foregoing reduction and release, Antioch reserves any and all rights and claims which it has or may hereafter have under the Phase 3 Bond, at law or in equity and agrees that F&D's liability to the Village is limited to Penal Sum which remains after reduction of the Penal Sum due to completion of the Priority "A" Items, as provided herein. F&D reserves any and all rights and defenses available to it under the Phase 3 Bond, at law or in equity. The Village and F&D do not intend to waive any such rights, claims and/or defenses.

12. F&D shall provide to the Village a written warranty from the contractor(s) it retains to perform the work on the Priority "A" Items which guarantees to the Village the workmanship and material furnished by the said contractor(s) for one year commencing on the date of substantial completion of such work. F&D and its contractor(s) shall have no responsibility for warranting any of the work performed by Neumann or its contractors.

13. F&D shall be represented at the Project by D. Eugene Morgan or another designee of Forcon International - Michigan, Ltd., (the "Authorized Representative"). The Authorized Representative will represent the F&D in dealing with the Village on day-to-day construction issues with respect to the work. The Authorized Representative shall have, on behalf of the F&D, the authority to negotiate all change orders for extra work requested or required by Village. All change orders shall be executed by F&D. All requests for change orders must be submitted to Mr. D. Eugene Morgan, Forcon International - Michigan, Ltd., P.O. Box 389, 7513 South Harbor Drive, Pentwater, MI 49449. The authorized representative for the Village shall be Ms. Jill Velan, Village Administrator, whose address is set forth in paragraph 15 below.

14. This Agreement contains the entire understandings and agreements of the parties hereto. All oral or written agreements prior to the effective date of this Agreement and which relate to this Agreement and the matters set forth herein are declared null and void. Any modification of this Agreement must be made in writing and executed by the parties hereto.

15. Any notice required to be made under the terms of this Contract shall be deemed made if either party mails such notice by first class mail, postage prepaid, as follows:

As to the Village:  
Ms. Jill Velan, Administrator  
Village of Antioch  
874 Main Street  
Antioch, IL 60002  
Tel.: (815) 395-1000;

Fax: (815)395-1920  
email: [jvelan@antioch.il.gov](mailto:jvelan@antioch.il.gov)

with a copy to:  
Lawrence R. Moelmann  
Hinshaw & Culbertson, LLP  
222 N. La Salle Street  
Suite 300  
Chicago, IL 60601  
Tel.: (312) 704-3229  
Fax: (312) 704-3001  
email: [lmoelmann@hinshawlaw.com](mailto:lmoelmann@hinshawlaw.com)

As to F&D:  
D. Eugene Morgan  
Forcon International – Michigan, Ltd.  
P.O. Box 389  
7513 South Harbor Drive  
Pewaukee, MI 49449  
Tel.: (9231) 869-2017  
Fax: (231) 869-2123  
email: [gmmorgan@forcon.com](mailto:gmmorgan@forcon.com)

with a copy to:  
Cornelius F. Riordan  
Riordan, Donnelly, Lipinski & McKee, Ltd.  
10 N. Dearborn Street  
Fourth Floor  
Chicago, IL 60602  
Tel: (312) 589-6010  
Fax: (312) 663-1028  
email: [criordan@rdlmilaw.com](mailto:criordan@rdlmilaw.com)

16. It is understood and agreed by F&D and the Village that this Agreement shall be construed without any regard to any presumption or other rule requiring construction against the party causing this Agreement.

17. This Completion Agreement may be executed in counterparts. Signatures transmitted by facsimile or e-mail shall have the same legal effect as original signature.

18. Other than as specifically provided herein at paragraph 5, the parties agree that no third party shall have any rights under this agreement.

19. This agreement shall be governed by the law of the state of Illinois.

IN WITNESS WHEREOF, the parties have executed this Completion Agreement this 27<sup>th</sup> day of May, 2008.

ATTEST:

By: Candice Rowe  
Its Clerk

VILLAGE OF ANTIOCH, an Illinois  
Municipal corporation

By: [Signature]  
Its Village Administrator

FIDELITY & DEPOSIT COMPANY OF  
MARYLAND

By: Gregory W. Kilburn  
Claims Counsel

## Exhibit B

**The Village's Responsibility Report - Clublands Phase II**

In general, the Village of Antioch (the "Village") will complete the Public Improvements for the Clublands Phase II Subdivision in accordance with the Stay Relief Order entered in the Neumann Homes Bankruptcy proceedings. In an effort to further clarify the work that must be completed by the Village in Clublands Phase II Subdivision, SEC Group, Inc. has prepared the list below. The list was taken from the Clublands Phase II - Acceptance Review No. 1 letter prepared by SEC dated December 20, 2007. The Village's responsibilities do not extend to the lots owned by the Debtors at the time the bankruptcy proceedings were commenced (Lots 158-162, 164, 171 and 174). The future builder/developer will have responsibility for these lots as stated in Exhibit D.

- I. The future builder/developer must submit Record Drawings of the lot grading and overland flow routes (if located on and adjacent to the lot they own) to the Village for review/approval prior to the occupancy permit being issued for that home. The lot record drawings will allow the Village to verify that the finished lot grading and overland flow routes are construction in accordance with the approved engineering plans.
- II. Erosion control measures on the site must be repaired and maintained and it is anticipated that the Village will repair the site erosion control deficiencies prior to the property being sold. The Village will repair the damaged silt fence and straw bales, establish temporary vegetation on disturbed areas, and maintain erosion control measures until the site is stabilized.
- III. The Village will remove all garbage and debris from the vacant lots and will stabilize the lots with temporary seeding (clay buster) until an adequate mat of vegetation is established.
- IV. The Village will address the deficiencies with the wetlands and stormwater storage basins.
- V. The Village is responsible for correcting the deficiencies noted with the sanitary sewer.
- VI. The Village is responsible for correcting the deficiencies noted with the storm sewer system.
- VII. The Village is responsible for correcting the deficiencies noted with the water main improvements.
- VIII. The Village is responsible for installing all missing street signage and correcting all deficiencies noted with the street signage.
- IX. The Village is responsible for correcting all the deficiencies with the street lights system.



**Exhibit B**

- X. The Village is responsible for correcting the deficiencies in the roadways and repairing the damaged curb and installing the final lift of asphalt on the roadways.
- XI. The Village is responsible for installing the sidewalk on Lots 164 and 171 along with repairing the deficient sidewalk as noted.
- XII. The Village is responsible for repairing all deficiencies with existing driveway aprons.
- XIII. The Village is responsible for completing the Notice of Termination.
- XIV. The Village is responsible for installing the pavement markings once the final surface course of asphalt is installed.
- XV. The Village is responsible for installing the subdivision survey monumentation.
- XVI. The Village's staff is responsible for submitting the final documents (Bill of Sale, Maintenance Guarantee, etc) to the Village Board and requesting acceptance of the improvements once all the work is completed.

## Exhibit C

**The Future Builders Responsibility Report -- Clublands Phase I**

The future builder/developer who will purchase the Clublands Phase I Subdivision will have to finish constructing the improvements and homes in accordance with the approved Engineering Plans, Village Ordinances, and Agreements that were in place with Neumann Homes. As subsequently defined and or superseded by the Order, the future builder/developer will be responsible for installing the driveway aprons, sidewalk and landscaping on and adjacent to their lots that they are constructing homes on. Plus, the future builder/developer is responsible for protecting the completed public and private improvements from damages while they are completing their work. In an effort to further clarify the work that must be completed by the future builder/developer in Clublands Phase I Subdivision, SEC Group, Inc. has prepared the list below. The list was taken from the Acceptance Review No. 1 letter prepared by SEC dated December 20, 2007.

- I. The future builder/developer must submit Record Drawings of the lot grading and overland flow routes (if located on and adjacent to the lot they own) to the Village for review/approval prior to the occupancy permit being issued for that home. The lot record drawings will allow the Village to verify that the finished lot grading and overland flow routes are construction in accordance with the approved engineering plans.
- II. The future builder/developer must maintain the sites, including the erosion control measures for their lot grading and overland flow routes (if located on and adjacent to the lot they own) once they take ownership until the work is completed and accepted by the Village.
- III. The future builder/developer must complete the lot grading work in accordance with the approved engineering plans (overland flow routes, no ponding, etc). If a utility structure on a lot requires adjustment in elevation in order to conform to the finished lot grading, then the future builder/developer will adjust the structure once the final grading work is completed. The future builder/developer will have the responsibility of maintaining their lots (mowing, clean up debris, erosion control, etc) until the home construction is completed and the improvements accepted by the Village.
- IV. The future builder/developer will be responsible for installing all missing landscaping, repairing damaged landscaping on their lots and guarantee all landscaping installed in the ROW adjacent (front or side yards) to their lots for a period of one (1) year after the work is accepted by the Village Board. Additionally, the future builder/developer will be responsible for removing the asphalt parking lot, grading Lots 4, 10-13 in accordance with the approved engineering plans.
- V. The future builder/developer is responsible for installing the sidewalk on Lots 10-14.

## Exhibit C

- VI. The future builder/developer is responsible for installing all new driveway aprons for their lots.
- VII. The future builder/developer may apply for his own IEPA NOI for the lots that he is purchasing.
- VIII. The future builder/developer will be responsible for submitting the final documents (Bill of Sale, Maintenance Guarantee, etc) for the public improvements (sidewalks, driveway aprons, landscaping, etc) constructed/completed on and adjacent to their lots.

The future builder/developer of the vacant lots will be responsible for protecting the existing public (roadways, utilities, sidewalks, etc) and private (landscaping, detention basins, fences, etc) improvements and shall make good any damage caused to these properties. The future builder/developer may submit an irrevocable letter of credit, cash bond or surety bond to the Village of Antioch as a performance guarantee for completing the installation of the public improvements installed (sidewalks, landscaping, erosion control etc.) for their lots and for protecting the existing improvements, if required by any applicable development agreement, statute, ordinance, or otherwise. Once the work is accepted by the Village Board, the future builder developer will replace the performance guarantee with a maintenance guarantee in accordance with the Village Ordinances and procedures.

## Exhibit D

**The Future Builders Responsibility Report – Clublands Phase II**

The future builder/developer who will purchase the Clublands Phase II Subdivision will have to finish constructing the improvements and homes in accordance with the approved Engineering Plans, Village Ordinances, and Agreements that were in place with Neumann Homes. As subsequently defined and or superseded by this Order, the future builder/developer will be responsible for the installation of sidewalks, driveway aprons, and landscaping on and adjacent to their lots. The future builder/developer is responsible for protecting the completed public and private improvements from damages while they are completing their work. In an effort to further clarify the work that must be completed by the future builder/developer in Clublands Phase II Subdivision, SEC Group, Inc. has prepared the list below. The list was taken from the Clublands Phase II - Acceptance Review No. 1 letter prepared by SEC dated December 20, 2007. The lots for which the future builder/developer will be responsible are lots 158-164, 171 and 174.

- I. The future builder/developer must submit Record Drawings of the lot grading and overland flow routes (if located on and adjacent to the lot they own) to the Village for review approval prior to the occupancy permit being issued for that home. The lot record drawings will allow the Village to verify that the finished lot grading and overland flow routes are construction in accordance with the approved engineering plans.
- II. The future builder/developer must maintain the sites, including erosion control measures for their lot grading and overland flow routes (if located on and adjacent to the lot they own) from the time they purchase the property until their work is completed and accepted by the Village Board.
- III. The future builder/developer must complete the lot grading work in accordance with the approved engineering plans (overland flow routes, no ponding, etc). If a utility structure on a lot requires adjustment in elevation in order to conform to the finished lot grading, then the future builder/developer will adjust the structure once the final grading work is completed. The future builder/developer will have the responsibility of maintain their lots (mowing, clean up debris, erosion control, etc) until the home construction is completed and the improvements accepted by the Village Board.
- IV. The future builder/developer will be responsible for installing all missing landscaping, repairing damaged landscaping on their lots (Lots 158-162, 164, 171 and 174) and guarantee all landscaping in the ROW adjacent (front or side yards) to these lots for a period of 1 year after the improvements are accepted by the Village Board.
- V. The future builder/developer is responsible for installing the sidewalk on Lots 158-162 and 174.
- VI. The future builder/developer is responsible for installing all new driveway aprons for their lots.

#### Exhibit D

- VII. The future builder/developer must apply for his own IEPA NOI for the lots that he is purchasing.
- VIII. The future builder/developer will be responsible for submitting the final documents (Bill of Sale, Maintenance Guarantee, etc) for the public improvements (sidewalks, driveway aprons, landscaping, etc) constructed/completed on and adjacent to their lots to the Village.

The future builder/developer of the vacant lots will be responsible for protecting the existing public (roadways, utilities, sidewalks, etc) and private (landscaping, detention basins, fences, etc) improvements and shall make good any damage caused to these properties. The future builder/developer may submit an irrevocable letter of credit, cash bond or surety bond to the Village of Antioch as a performance guarantee for completing the installation of the public improvements installed (sidewalks, landscaping, erosion control etc.) for their vacant lots and for protecting the existing improvements, if required by any applicable development agreement, statute, ordinance or otherwise. Once the work is accepted by the Village Board, the future builder/developer will replace the performance guarantee with a maintenance guarantee in accordance with the Village Ordinances and procedures.

## Exhibit E



**The Future Builders Responsibility Report – Clublands Phase III East**

Since this subdivision is only partially mass graded and constructed, the future builder/developer who purchases the Clublands Phase III East Subdivision will have to finish constructing the improvements in accordance with the approved Engineering Plans, Village Ordinances, and Agreements that were in place with Neumann Homes. As subsequently defined and or superseded by the Order, the future builder/developer is responsible for completing the site mass grading, installation of the remaining subdivision improvements and for installing the Miller Road Off Site Storm Sewer Outlet, conditioned upon the obligation, if any, of the Grub School Drainage District securing necessary easements to the extent required pursuant to the settlement and development agreements. The future builder/developer is responsible for protecting the completed public and private improvements from damages while they are completing their work. In an effort to further clarify the work that must be completed by the future builder/developer in Clublands Phase III East Subdivision, SEC Group, Inc. has prepared the list below. The list was taken from the Clublands Phase III East - Acceptance Review No. 1 letter prepared by SEC dated December 20, 2007.

- I. The future builder/developer must submit Record Drawings of the improvements they construct, including but not limited to underground utilities, detention basin volumes and etc. Additionally, the record drawings for lot grading and overland flow routes (if located on and adjacent to the lot they own) must be submitted to the Village for review/approval prior to the occupancy permit being issued for that home. The lot record drawings will allow the Village to verify that the finished lot grading and overland flow routes are constructed in accordance with the approved engineering plans.
- II. The future builder/developer must maintain the sites, including erosion control, from their purchase date until their work is completed and accepted by the Village Board. This is a permit requirement for Lake County SMC, ACOE, and IEPA; and the lack of maintenance and upkeep of the erosion control measures will result in fines per the permits.
- III. Since the subdivision is only partially mass graded and constructed, the future builder/developer must complete the subdivision and lot grading work in accordance with the approved engineering plans. It is our understanding that Neumann Homes intended to utilize the excess structural fill material and topsoil (including the stockpiles) from Phase III East to complete the mass grading of Clublands Phase IV. The future builder/developer of Clublands Phase III East must install the Miller Road Off-Site Storm Sewer Outlet, unless the developer of Clublands Phase IV undertakes that responsibility with an acceptable surety bond. The future builder/developer will have the responsibility of maintaining their lots (mowing, clean up debris, erosion control, etc) until the home construction is completed and the improvements accepted by the Village Board.

#### Exhibit E

- IV. The future builder/developer must finish constructing Detention Basin 4 and construct the remaining stormwater basins as shown on the approved engineering plans. Additionally, the future builder/developer of Clublands Phase III East must construct the Miller Road Off-Site Storm Sewer unless the developer of Clublands Phase IV undertakes that responsibility with an acceptable surety bond.
- V. The future builder/developer will be responsible for installing all missing landscaping per the approved landscaping plan (including tot lots), repairing damaged landscaping on all lots except 637-647 and 663-666. Additionally, the future builder/developer must guarantee all landscaping in the ROW adjacent (front or side yards) to these lots for a period of 1 year after the improvements are accepted by the Village Board.
- VI. The future builder/developer must complete the installation of the remaining sanitary sewer systems, repair any deficiencies and guarantee the work in accordance with Village ordinances and procedures once the improvements are accepted by the Village Board.
- VII. The future builder/developer of Phase III East must install the Miller Road Off Site Storm Sewer unless the developer of Clublands Phase IV undertakes that responsibility with an acceptable surety bond. Additionally, the future builder/developer must complete the installation of the remaining storm sewer system, repair any deficiencies and guarantee the work in accordance with Village ordinances and procedures once the improvements are accepted by the Village Board.
- VIII. The future builder/developer must complete the installation of the remaining water main distribution system, repair any deficiencies and guarantee the work in accordance with Village ordinances and procedures once the improvements are accepted by the Village Board.
- IX. The future builder/developer will be responsible for completing/maintaining street signage work on Forest Ridge Drive, Tall Oaks Drive, Crescent Drive, Newway Lane, and Heritage Oaks, until the improvements are accepted by the Village Board.
- X. The future builder/developer will be responsible for completing the installation of the remaining street lights in Clublands Phase III East Subdivision, repair any deficiencies and guarantee the work in accordance with Village ordinances and procedures once the improvements are accepted by the Village Board.
- XI. The future builder/developer will be responsible for completing and maintaining the remaining roads (Forest Ridge Drive, Tall Oaks Drive, Crescent Drive, Newway Lane, and Heritage Oaks), including removing/replacing damaged pavement and curb on the remaining streets prior to installing the surface course of asphalt.

#### Exhibit E

- XII. Once the surety repairs the damaged existing sidewalks, all other sidewalks will be installed and maintained by the future builder/developer until the improvements are accepted by the Village Board.
- XIII. The future builder/developer is responsible for installing all new driveway aprons for their lots.
- XIV. The future builder/developer may apply for his own IEPA NOI for the areas that he is purchasing.
- XV. The future builder/developer must install all other pavement markings once they [the surety] install the surface course of asphalt on the roads.
- XVI. The future builder/developer will be responsible for submitting the final documents (Bill of Sale, Maintenance Guarantee, etc) for the public improvements (sidewalks, driveway aprons, landscaping, etc) constructed/completed on and adjacent to their lots to the Village.

The future builder/developer of the vacant lots will be responsible for protecting the existing public (roadways, utilities, sidewalks, etc) and private (landscaping, detention basins, fences, etc) improvements and shall make good any damage caused to these properties. The future builder/developer may submit an irrevocable letter of credit, cash bond or surety bond to the Village of Antioch as a performance guarantee for completing the installation of the public improvements installed (sidewalks, landscaping, erosion control etc.) and for protecting the existing improvements, if required by any applicable development agreement, statute, ordinance or otherwise. Once the work is accepted by the Village Board, the future builder/developer will replace the performance guarantee with a maintenance guarantee in accordance with the Village Ordinances and procedures.

## Exhibit F

**The Future Builders Responsibility Report – Clublands Phase III West**

The future builder/developer who will purchase the Clublands Phase III West Subdivision will have to finish constructing the improvements and homes in accordance with the approved Engineering Plans, Village Ordinances, and Agreements that were in place with Neumann Homes. As subsequently defined and or superseded by the Order, the future builder/developer will be responsible for the installation of sidewalks, driveway aprons and landscaping on and adjacent to their lots. The future builder/developer is responsible for protecting the completed public and private improvements from damages while they are completing their work. In an effort to further clarify the work that must be completed by the future builder/developer in Clublands Phase III West Subdivision, SEC Group, Inc. has prepared the list below. The list was taken from the Clublands Phase III West - Acceptance Review No. 1 letter prepared by SEC dated December 20, 2007.

- I. The future builder/developer must submit Record Drawings of the lot grading and overland flow routes (if located on and adjacent to the lot they own) to the Village for review/approval prior to the occupancy permit being issued for that home. The lot record drawings will allow the Village to verify that the finished lot grading and overland flow routes are constructed in accordance with the approved engineering plans.
- II. The future builder/developer must maintain the sites, including erosion control, for their lot grading and overland flow routes (if located on and adjacent to the lot they own) from their purchase date until the work is completed and accepted by the Village Board. This is a permit requirement for Lake County SMC, ACOE, and IEPA; and the lack of maintenance and upkeep of the erosion control measures will result in fines per the permits.
- III. The future builder/developer must complete the lot grading work for their lots in accordance with the approved engineering plans (overland flow routes, no ponding, etc.). If a utility structure on a lot requires adjustment in elevation in order to conform to the finished lot grading, then the future builder/developer will adjust the structure once the final grading work is completed. The future builder/developer will have the responsibility of maintaining their lots (mowing, clean up debris, erosion control, etc) until the home construction is completed and the improvements accepted by the Village.
- IV. The future builder/developer will be responsible for installing all missing landscaping, repairing damaged landscaping on Lots 198, 210-216, 219, 220, 225-228, 231-236, 238, 239, 269-274, 277, 282, 283, 278, 284, 286, 293-309, 305, 307, 309-314, 324-335, 337, 338-344, 349, 351-353, 335-360, 362 and 369. Additionally, the future builder/developer must guarantee all landscaping in the ROW adjacent (front or side yards) to these lots for a period of 1 year after the improvements are accepted by the Village Board.

## Exhibit F

- V. The future builder/developer will be responsible for installing the sidewalk on Lots 210-216, 219, 225-228, 231-236, 269-274, 277, 284, 286, 293-303, 305, 307, 309-314, 324-335, 337, 338-344, 349, 351-353 and 354-360.
- VI. The future builder/developer is responsible for installing all new driveway aprons for their lots.
- VII. The future builder/developer may apply for his own IEPA NOI for the lots that he is purchasing.
- VIII. The future builder/developer will be responsible for submitting the final documents (Bill of Sale, Maintenance Guarantee, etc) for the public improvements (sidewalks, driveway aprons, landscaping, etc) constructed/completed on and adjacent to their lots to the Village.

The future builder/developer of the vacant lots will be responsible for protecting the existing public (roadways, utilities, sidewalks, etc) and private (landscaping, detention basins, fences, etc) improvements and shall make good any damage caused to these properties. The future builder/developer may submit an irrevocable letter of credit, cash bond or surety bond to the Village of Antioch as a performance guarantee for completing the installation of the public improvements installed (sidewalks, landscaping, erosion control etc.) and for protecting the existing improvements, if required by any applicable development agreement, statute, ordinance or otherwise. Once the work is accepted by the Village Board, the future builder/developer will replace the performance guarantee with a maintenance guarantee in accordance with the Village Ordinances and procedures.