

EXHIBIT F

**PRELIMINARY DEVELOPMENT AGREEMENT
REGENCY ESTATES SUBDIVISION**

**AN AGREEMENT RELATING TO THE APPROVAL OF A MAJOR PLAT
OF SUBDIVISION (OR MAJOR DEVELOPMENT),
THE MAKING OF REQUIRED IMPROVEMENTS
AND PROVIDING FUNDS, THEREFORE, FOR
REGENCY ESTATES SUBDIVISION, LOMBARD, ILLINOIS**

THIS AGREEMENT (hereinafter, the "Development Agreement") is made and entered into this first day of April, 2004 by and between the **VILLAGE OF LOMBARD**, a municipal corporation (hereinafter referred to as "Village") and **FREEDOM DEVELOPMENT CORPORATION**, an Illinois corporation, (hereinafter referred to as "Developer").

WITNESSETH:

WHEREAS, the Developer is the owner and developer of the real estate situated within the corporate limits of the Village, legally described in Exhibit 1 attached hereto and made a part hereof and platted as a subdivision of the Subject Property known as Regency Estates Subdivision, as shown by prints of the final plats thereof placed on file in the office of the Deputy Village Clerk of said Village (hereinafter, the "Subject Property"), and intends to develop the Subject Property in accordance with the terms and provisions of this Development Agreement; and

WHEREAS, Developer has prepared final plats as referenced in this Development Agreement, which have been approved by the Plan Commission and the Village Board of Trustees of said Village and which, upon receipt by the Village of an irrevocable letter or letters of credit (hereinafter singularly referred to as "Irrevocable Letter of Credit" or collectively referred to as "Irrevocable Letter(s) of Credit") for an amount specified as security for subdivision public improvements, and for such other purpose or purposes herein mentioned, if any, and upon execution of this Development Agreement shall be recorded; and,

WHEREAS, a site plan and preliminary engineering plans and specifications for the construction and installation of the required public improvements within the boundaries of the aforesaid subdivision of the Subject Property and off-site public improvements, as prepared by ARC Design Resources, Inc., dated , March 24, 2004, have been approved by the President and Board of Trustees of the Village (hereinafter, the "Corporate Authorities"), and copies thereof have been filed in the office of the Deputy Village Clerk of the said Village, which copies by reference thereto are hereby incorporated as a part hereof. A final version of the site plan and engineering plans and specifications (hereinafter, the "Plans and Specifications") will be submitted by the Developer to the Village for approval, which approval shall be a condition precedent to the issuance of any building or authorization to proceed with construction as discussed hereinafter; and,

WHEREAS, the developer has entered into contracts or will enter into contracts for the work and public improvements required to be made within said subdivision of the Subject Property and

off-site under the Village's Subdivision and Development Ordinance (Chapter 154 of the Village Code), this Development Agreement and the Annexation Agreement governing the annexation and zoning of the Subject Property, which Annexation Agreement is entered into between the parties hereto of even date herewith.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1:

COMMENCEMENT OF CONSTRUCTION

Commencement of construction of the public improvements detailed herein may begin only after the Developer has delivered one or more Irrevocable Letter(s) of Credit in a form satisfactory to the Village and issued by a bank or financial institution approved by the Village in an amount equal to 115% of the Developer's engineer's estimate of cost of construction as approved by the Village's engineer for underground utilities (including water distribution system, sanitary sewer system, and storm sewers with appurtenances; storm water control systems (including retention or detention ponds, drainage ways and related facilities); right-of-way improvements, (streets, curbs, gutters, sidewalks, streetlights, and parkway landscaping); and all related grading improvements.

SECTION 2:

CERTAIN OBLIGATIONS OF DEVELOPER

The Developer agrees to cause to be made in such subdivision of the Subject Property with due dispatch and diligence, such improvements as are required under the aforesaid Subdivision and Development Ordinance, the Plans and Specifications, and the additional conditions approved by the Village's Plan Commission on January 26, 2004, and as modified by the Corporate Authorities on April 1, 2004, attached hereto and incorporated herein as Exhibit 2. The Developer will, when required to, bring about progress in the work with due dispatch, take aggressive steps to enforce each contract connected with the construction of said public improvements, to the end that said improvements will be duly and satisfactorily completed within the time or times herein mentioned. The Developer agrees that all work in the construction of said public improvements shall be done in a good, substantial and workmanlike manner, that all manufactured materials used therein shall be new and of good quality, that same shall at all times be subject to inspection by the Village, shall all be satisfactory to the Village and shall be subject to its approval. The Developer will at its expense furnish all necessary engineering services for said public improvements.

SECTION 3:

COMPLETION OF PUBLIC IMPROVEMENTS

The public improvements subject to the Irrevocable Letter(s) of Credit and included within the Plans and Specifications shall be completed within twenty-four (24) months of recording of the final plat of subdivision of the Subject Property unless otherwise extended by amendment to this Development Agreement by the Corporate Authorities. All Irrevocable Letter(s) of Credit, assurances, guarantees,

acceptances, and related matters shall comply with the Village's Subdivision and Development Ordinance. The construction of public improvements by the Developer and issuance of approvals by the Village for Regency Estates Subdivision shall comply with the following schedule:

A. Sediment and Erosion Control.

Sediment and erosion control measures shall be implemented as per the Subdivision and Development Ordinance and the Plans and Specifications prior to the issuance of building permits or authorization to proceed with mass grading or other public improvements to the Subject Property. Said measures shall be maintained during the entire construction, process and shall be inspected and repaired as necessary after each significant rainfall. Failure to do so may result in the issuance of a stop work order for any outstanding public improvements or building permits.

B. Tree Preservation Measures.

The Village will not impose a tree preservation requirement as a condition of this development. The Developer, however, will use reasonable efforts to preserve as many trees as is reasonably possible around the perimeter of the Subject Property.

C. Authorization to Proceed with Public Improvements.

- 1) Upon approval of the Plans and Specifications, receipt of all required fees, approval of the Irrevocable Letter(s) of Credit, recording of this Development Agreement and the final plat of subdivision of the Subject Property, and completion of items "A" and "B" above, authorization to construct all public improvements will be given by the Village in accordance with the Plans and Specifications. However, a bituminous concrete base course shall not be installed in areas set aside for roadway construction until the storm water management facilities are constructed and storage volumes are verified.
- 2) Village represents it will not impose or collect any impact fees for said subdivision of the Subject Property, except as may be set forth in the Annexation Agreement for Regency Estates Subdivision, of even date herewith, and approved by the Corporate Authorities.

D. Construction of Storm Water Control System.

The storm water management system for the Subject Property is to be operational prior to the issuance of any building permits for private improvements for properties or installation of a bituminous concrete base course in areas set aside for roadway construction. An operational storm water management system means that the volume of the storm water detention/retention pond(s) designated for collection of stormwater runoff generated by the aforesaid subdivision of the Subject Property is adequate for the flow being directed to it and the restrictor outlet is in place and that the system has been reviewed and approved by the Village's Director of Community Development. There shall be excluded from the calculation of the required capacity of the storm water management system all land situated

within the right-of-way of 18th Street, as noted within the Annexation Agreement. Final grading and landscaping of the detention/retention pond(s) shall be completed in conjunction with final landscaping for each phase.

E. Issuance of Building Permits.

1) Foundation-Only Permits.

Foundation-only permits may be issued upon completion of adequate access to the corresponding building sites and the completion of underground utility work across the street frontage of the subject building site. Adequate access shall mean a maintained gravel access road.

2) Building Permits.

Building permits may be issued upon provision of adequate emergency access to the building site, an operational fire hydrant within 300 feet of the subject building site, and the completion of underground utility work across the street frontage of the subject building site. Adequate emergency access shall mean a maintained roadway with a base course and first layer of asphalt that will support the Village's fire trucks as approved by the Village's fire chief.

3) Model Home.

Developer may commence construction of a model home on either of Lot 1 or Lot 12. Such construction may proceed simultaneously with infrastructure construction, provided that the model home may not be opened for viewing by the public until the following conditions have been satisfied:

- a) the storm water management system for the Subject Property shall be operational; and
- b) all standards applicable to the issuance of a certificate of occupancy by the Village shall have been complied with.

F. Certificates of Occupancy.

Issuance of a certificate of occupancy (hereinafter, a "Certificate of Occupancy") for a dwelling unit shall be issued upon satisfactory completion of the following:

- 1) Inspection and approval by the Village's bureau of inspectional services;
- 2) Completion of the water distribution system including testing and chlorination. No occupancy permits for dwelling units shall be granted by the Village until the water distribution system has been looped (through the development). This requirement shall not apply to a sales office and model building;

- 3) Completion of the sanitary sewer system to the building for which the Certificate of Occupancy is requested;
- 4) Substantial completion of the public street system to the building for which the Certificate of Occupancy is requested and either a turnaround capability for a fire truck or a bituminous roadway through the development in a manner to provide two means of emergency access for each such building. Substantial completion shall include curbs, gutter, street lights and the base course of asphalt;
- 5) Subject to the provisions of Section 3.F.8 below, sidewalks must be installed across the frontage of each lot;
- 6) Subject to the provisions of Section 3.F.8 below, landscaping of the subject building site must be substantially completed, weather permitting. This includes parkway trees, final grading and ground cover;
- 7) Record drawings (as-builts) of the sanitary sewer and domestic water facilities required to serve the building shall be submitted and approved prior to issuance of the first Certificate of Occupancy; and
- 8) A Certificate of Occupancy may be issued at the reasonable discretion of the Village's Director of Community Development during winter conditions notwithstanding the lack of 5) and 6) above provided cash or its equivalent in the amount of 115% of the estimated cost is posted to assure such completion.

G. Other Improvements.

- 1) All required landscaping and other public improvements shall be completed within 24 months of final plat of subdivision of the Subject Property approval or prior to acceptance of the public improvements, whichever date occurs first.
- 2) A buffering plan shall be implemented consistent with the alternatives set forth in the Plans and Specifications.

H. Acceptance of Public Improvements/Easements.

- 1) Final record drawings ("as-builts"), including final grading and all utilities, shall be submitted for the review and approval of the Village's Director of Community Development prior to acceptance of the public improvements.
- 2) Engineer's Certification. The Developer's engineer is to certify that the storm water management system were constructed in accordance with the Village's flood control ordinances, and that the project was constructed substantially to plan.
- 3) All deficiencies described in the final punch list shall be satisfactorily completed and approved by the Village's Directors of Public Works and Community Development.

- 4) A maintenance guarantee in the form of an irrevocable letter of credit shall be submitted and approved. Said maintenance guarantee and irrevocable letter of credit shall comply with the Village's Subdivision and Development Ordinance.
- 5) The public improvements to be dedicated to the Village shall be accepted by the Corporate Authorities. Upon acceptance by the Corporate Authorities, the public improvement installation guarantee (i.e., the Irrevocable Letter(s) of Credit) shall be returned to the developer.
- 6) Upon inspection and determination that no deficiencies exist, the maintenance guarantee (irrevocable letter of credit), shall be returned at the time of its expiration.

SECTION 4:

CONSTRUCTION DAMAGE TO PUBLIC IMPROVEMENTS

Care shall be taken to avoid damage to public improvements, including but not limited to, utilities and curbs during construction. Any public improvement damaged during construction shall be repaired by the Developer at no cost to the Village and to the satisfaction of the Village and in substantial compliance with this agreement and all relevant Village ordinances.

SECTION 5:

DEDICATION OF PUBLIC IMPROVEMENTS

Upon the Village's approval and acceptance of the public improvements, same shall become the property of the Village and subject to its control. A formal dedication or conveyance of the public improvements to the Village shall be made by the Developer, if deemed necessary by the Corporate Authorities.

SECTION 6:

IRREVOCABLE LETTER(S) OF CREDIT

It is expressly understood that this agreement is conditional upon and subject to (1) the delivery to the Village of the document provided for in Section 1 from a financial institution reasonably approved by the Village, (2) approval of same by the Corporate Authorities, and (3) placing same in the Village's files.

SECTION 7:

NOTICES

All notices or demands to be given hereunder shall be in writing, and the mailing of any such notice or demand by Certified or Registered Mail. Said notices shall be provided as follows:

If to the Village or
Corporate Authorities:

President and Board of Trustees
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148

With Copies to:

Village Manager
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148

Director of Community Development
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148

Thomas P. Bayer
Klein, Thorpe and Jenkins, Ltd.
20 North Wacker Drive
Suite 1660
Chicago, Illinois 60606

If to the Developer:

Jeffrey R. Brown
Freedom Development Corp.
P. O. Box 6150
Villa Park, Illinois 60181

With a Copy to:

Richard Heidecke
Heidecke Law Offices
720 Enterprise Drive
Oak Brook, Illinois 60523

or to such other address as any party may from time to time designate in a written notice to the other parties.

SECTION 8:

SITE ACCESS

Developer (and its contractors) shall keep all streets which provide access to the subdivision of the Subject Property reasonably clean from all mud, gravel, and other debris, at all times during and after construction hours.

SECTION 9:

TRAFFIC CONTROL

The Developer shall install traffic signs and other devices as required by the Village for the proper control of vehicles and pedestrians in the area. These control devices shall meet the specifications of the Village's engineer.

SECTION 10:

ACCEPTANCE

- A. Public improvements shall be accepted by the Corporate Authorities after certification by the Village's engineer and director of community development that the public improvements are in compliance with previously approved plans, specifications, and relevant ordinances.
- B. All required fees and procedures shall be provided prior to such acceptance. The Village shall not be liable for any damages that may occur on any dedicated road within a new subdivision of the Subject Property that has not been accepted by the Corporate Authorities. The Developer shall hold the Village free and harmless and indemnify the Village, its agents, officers and employees from any and all such claims, damages, judgments, costs and settlements including, but not limited to, attorneys' fees that may arise from construction, use, repair, or maintenance or said public improvements before they are accepted by the Corporate Authorities.

SECTION 11:

**BINDING EFFECT AND TERM AND
COVENANTS RUNNING WITH THE LAND**

- A. This Development Agreement has been executed on behalf of the Village pursuant to action adopted by the Corporate Authorities at a meeting of said Corporate Authorities duly held on April 1, 2004.
- B. This Development Agreement has been executed by the Developer and shall be binding on the heirs and assigns of the Developer, but shall not be binding on a dwelling unit owner subsequent to the issuance of an occupancy permit for said dwelling unit.
- C. This Development Agreement shall automatically expire upon the expiration of the maintenance guarantee (irrevocable letter of credit) required at the time of acceptance of the public improvements as set forth in Section 3.H.4 herein.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed on their behalf respectively and have caused their respective Corporate Seals to be affixed hereto, all as of the date and year first above written.

DEVELOPER:

ATTEST:

By: _____

Its: _____

Dated: _____, 2004

FREEDOM DEVELOPMENT CORPORATION

By: _____

Name: Jeffrey R. Brown

Its: President

VILLAGE OF LOMBARD

ATTEST:

By: _____

Name: Barbara Johnson

Its: Deputy Village
Clerk

By: _____

Name: William J. Mueller

Its: President, Village of Lombard

Dated: _____, 2004

SCHEDULE OF EXHIBITS

EXHIBIT 1: Legal Description

EXHIBIT 2: Plan Commission Conditions of January 26, 2004, as Amended by the
Corporate Authorities on April 1, 2004.

EXHIBIT 1

LEGAL DESCRIPTION

REGENCY ESTATES

PARCEL 1.

THE WEST 175.0 FEET OF THE WEST 206.50 FEET OF THE SOUTH 499.0 FEET OF THE NORTH 1497.0 FEET OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

ALSO KNOWN AS LOT 18 IN YORK TOWNSHIP SUPERVISOR'S ASSESSMENT PLAT NO. 1 (HIGHLAND ROAD FARM) OF THE EAST ½ OF THE SOUTHWEST ¼; THE WEST ½ OF THE SOUTHEAST ¼ AND THE SOUTH 1332.0 FEET OF THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 23, 1943 AS DOCUMENT 452575, IN DUPAGE COUNTY, ILLINOIS.

PARCEL 2.

LOT 17 IN YORK TOWNSHIP SUPERVISOR'S ASSESSMENT PLAT NO. 1 (ALSO KNOWN AS HIGHLAND ROAD FARMS) OF THE EAST ½ OF THE SOUTHWEST ¼, THE WEST ½ OF THE SOUTHEAST ¼ AND THE SOUTH 1332 FEET OF THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 23, 1943 AS DOCUMENT 452575, IN DUPAGE COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 06-20-306-014
PERMANENT INDEX NUMBER: 06-20-306-013

PROPERTY ADDRESS: 19 W 416 East 18TH Street and
312 East 18TH Street
Lombard, Illinois 60148

EXHIBIT 2

PLAN COMMISSION CONDITIONS OF APPROVAL JANUARY 26, 2004, AS AMENDED BY THE CORPORATE AUTHORITIES ON APRIL 1, 2004.

1. The site shall be developed in substantial compliance with the submitted Final Plat of Subdivision exhibit prepared by Arc Design Resources, Inc., revised March 24, 2004.
2. Final Engineering shall be approved prior to consideration of the Final Plat of Subdivision by the Board of Trustees.
3. That the front yard building setbacks for Lots 6 through 8 of the proposed subdivision shall be as depicted as part of the petitioner's preliminary plat submittal.
4. That in order to provide of appropriately graded slopes for the proposed detention facility, Lot 10 of the proposed subdivision shall be reserved for open space and detention purposes. The proposed detention facility shall be graded with at least three sides with not less than 3:1 slopes and shall be subject to the review and approval of the Director of Community Development.
5. That the petitioner shall fully improve 18th Street from the eastern end of the subject property to Stewart Avenue, consistent with the petitioner's submittal and the provisions of the annexation agreement for the subject property.
6. That the petitioner shall provide a solid 6-foot board-on-board fence along the western property line of the subject property.
7. That the petitioner shall provide a vegetation screen along the north and east property lines of the subject property.