

Memorandum of Understanding

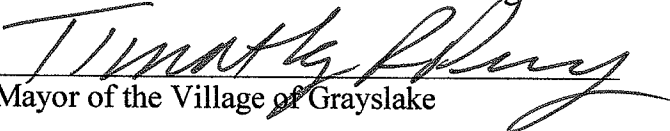
This Memorandum of Understanding is established between the County of Lake and the Village of Grayslake (the "Parties") for the purposes of authorizing a transfer of existing Population Equivalent (PE) from the Former Fairgrounds site to the Future Fairgrounds site (as depicted in Exhibit A) and further clarifying certain connection charges for new users at the Former Fairgrounds site and for the Fair Association at the Future Fairgrounds site.

1. The Parties entered into the Restated and Amended Agreement for Sewage Disposal on March 8, 2005, which was last amended April 10, 2007 (hereinafter referred to as the "County-Grayslake Amended Agreement") whereby a new use, having higher permitted sewage flow than the existing use, shall pay a Connection Charge calculated on the basis of the corresponding incremental increase in permitted sewage flow.
2. The County-Grayslake Amended Agreement also provides that any new use which is subject to the additional Connection Charge specified in Paragraph 1, above, shall be subject to the Relief Sewer Special Connection Fee as set forth in Section 6.2.B of the Restated and Amended Agreement for Sewage Disposal between the Parties.
3. The Parties acknowledge that the Fair Association's operations at the Former Fairgrounds site comprised approximately 643 PE and that the Fair Association's new facilities to be located at the Future Fairgrounds site will generate approximately 707 PE (an additional 64 PE above the Fair Association's sewage generation at the Former Fairgrounds site).
4. The Parties further acknowledge that the Fair Association's transfer of operations from the Former Fairground site to the Future Fairground site constitutes the relocation of an existing user within the Grayslake Sewer Service Area.
5. Accordingly, the Parties hereby agree that the transfer of the Fair Association's PE from the Former Fairground site to the Future Fairground site shall not require further amendment to the County-Grayslake Amended Agreement.

6. The Parties further agree that, for the purpose of calculating Connection Fees and the Relief Sewer Special Connection Fee to be paid under the County-Grayslake Amended Agreement, the Connection Charge and the Relief Sewer Special Connection Fee associated with the relocation of the Fair Association to the Future Fairgrounds site shall be calculated on the basis of the incremental increase in PE generated by the relocated Fair Association operations (calculated to be 64 PE) rather than the total PE generated by the relocated Fair Association operations.

7. The Parties further agree that, for the purposes of calculating Connection Fees and the Relief Sewer Special Connection Fee to be paid under the County-Grayslake Amended Agreement, any new use at the Former Fairgrounds site shall pay the Connection Fees and the Relief Sewer Special Connection Fee based on the total permitted sewage flow for the new use (without any reduction or credit for any prior use or permitted sewage flow at the Former Fairgrounds site).

The undersigned affirm that they can act on behalf of their respective agencies to enter into this Memorandum of Understanding.



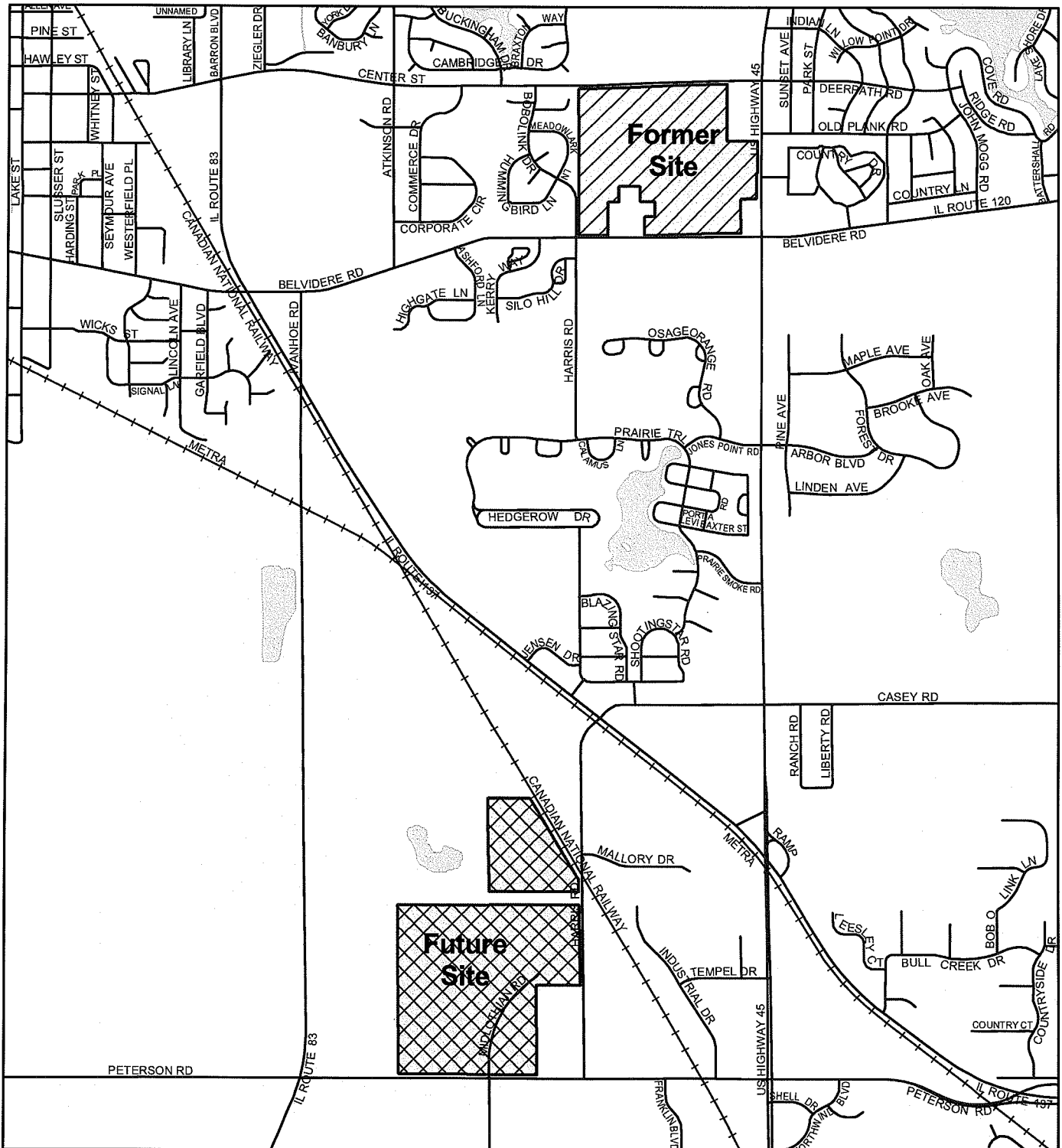
Mayor of the Village of Grayslake

11-19-08
Date

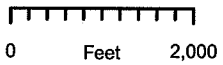
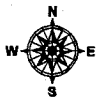
Director, Lake County Public Works

Date



EXHIBIT A



 **LakeCounty**
 Department of Public Works
 650 West Winchester Road
 Libertyville, Illinois 60048
 (847) 377-7500
 (847) 377-7173 FAX



LAKE COUNTY FAIRGROUNDS FORMER AND FUTURE SITES

-  Former Site
-  Future Site

OCTOBER 2008