

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into as of this ____ day of _____, 2012, by and between the Village of Round Lake (“Round Lake”), the Village of Round Lake Park (“Round Lake Park”), the Village of Round Lake Heights (“Round Lake Heights”)(hereinafter collectively, “Plaintiff Villages”); the County of Lake (“County”); Village of Fox Lake (“Fox Lake”); and, the Round Lake Sanitary District (“RLSD”).

WHEREAS, Round Lake, Round Lake Park, and Round Lake Heights have filed a lawsuit against the County and Fox Lake captioned *Village of Round Lake et al. v. County of Lake et al.*, case No. 09 MR 1770, pending in the Lake County Circuit Court, wherein Round Lake, Round Lake Park, and Round Lake Heights, generally, challenge the terms proposed by the County for a new sewage disposal agreement, challenge the sewer rates charged by the County for sewage disposal services, and challenge a so-called externality fee proposed to be paid to Fox Lake, all as more fully described in the Second Amendment Complaint (the “Round Lakes’ Lawsuit”);

WHEREAS, there is currently pending in the Second District Appellate Court of Illinois, the case captioned *Village of Round Lake Beach v Round Lake Sanitary District*, Case No. 2-11-0599, which is an appeal of the trial court’s entry of summary judgment in the consolidated Lake County Circuit Court cases *Village of Round Lake Beach v. Round Lake Sanitary District et al.*, 10 MR 70, and *People ex rel. State’s Attorney Waller v. Round Lake Sanitary District*, 10 MR 327, through which appeal Appellant/Intervenor Round Lake appeals the trial court’s rulings that the RLSD was without legal authority to transfer its non-cash assets to the Round Lake Area Municipal Joint Action Sewage Treatment Agency and that the RLSD was without legal authority to transfer \$140,000 to Round Lake, Round Lake Park, and Round Lake Heights, pursuant to a November 2009 Grant Agreement, all as more fully set forth in the trial court’s March 18, 2011, Memorandum Opinion and Order (the “RLSD Lawsuit”).

WHEREAS, Round Lake, Round Lake Park, Round Lake Heights, the County, Fox Lake and RLSD now wish to fully settle, resolve and compromise all issues that were raised or could have been raised in the Round Lakes’ Lawsuit and the RLSD Lawsuit.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Incorporation of Recitals:** The foregoing recitals are hereby incorporated into and made a part of this Agreement as if fully set forth herein.

2. **New County-Round Lake Sewer Agreement:** The County and Round Lake contemporaneously with this Settlement Agreement shall enter into the Agreement for Sewage

Disposal attached hereto and incorporated herein as Exhibit A.

3. **New County-Round Lake Park Sewer Agreement:** The County and Round Lake Park contemporaneously with this Settlement Agreement shall enter into the Agreement for Sewage Disposal attached hereto and incorporated herein as Exhibit B.

4. **New County-Round Lake Heights Sewer Agreement:** The County and Round Lake Heights contemporaneously with this Settlement Agreement shall enter into the Agreement for Sewage Disposal attached hereto and incorporated herein as Exhibit C.

5. **No Forcible Annexation :** The Villages of Round Lake and/or Round Lake Park agree that, prior to July 26, 2030, neither of them shall forcibly annex the property commonly known as the “Northern Illinois Mack Truck” property (PINs 10-09-301-006, 10-09-301-007, 10-09-301-1010, 10-09-301-012, 10-09-301-014, 10-09-301-016, 10-09-400-007). However, the Villages of Round Lake and/or Round Lake Park may annex the “Northern Illinois Mack Truck” property or any part thereof pursuant to the application or request of the landowner(s) of such property to do so

6. **Central Lake County Area Transportation Agreement:** Contemporaneously with the execution of this Settlement Agreement, Round Lake and Round Lake Park will execute the codicil to the Central Lake County Area Transportation Improvement Intergovernmental Agreement attached hereto as Exhibit D and thereafter comply with the terms of the Central Lake County Area Transportation Improvement Intergovernmental Agreement.

7. **Fox Lake Payment:** Within seven (7) days of the execution by all parties of this Settlement Agreement Fox Lake shall pay to the RLSD on behalf of the Plaintiff Villages a lump sum in the amount of \$30,000 in settlement of the Plaintiff Villages’ claims against Fox Lake in Round Lakes’ Lawsuit. This settlement sum of \$30,000 is being paid to the RLSD as partial satisfaction of the Plaintiff Villages’ obligations to the RLSD and the People referred to in paragraph 12 below.

8. **Resolution of RLSD Lawsuit:** Within seven (7) days of execution by all parties of this Settlement Agreement, Round Lake shall move to dismiss and thereafter shall take all steps necessary to cause the dismissal with prejudice of its pending appeal in the RLSD Lawsuit.

9. **Resolution of Round Lake Lawsuit:** Within seven (7) days of execution by all parties of this Settlement Agreement, the Plaintiff Villages shall file the motion to dismiss attached hereto as Exhibit E and thereafter shall take all steps necessary to cause the dismissal with prejudice of the Round Lakes’ Lawsuit and entry of the agreed order of dismissal with prejudice attached hereto as Exhibit F.

10. **Return of RLSD Non-Cash Assets:** Within thirty (30) days of the execution of this Settlement Agreement, the Plaintiff Villages shall cause the Round Lake Area Municipal Joint Action Sewage Treatment Agency (the “Joint Agency”) to take all necessary steps to re-vest title in and return ownership to, the RLSD with respect to the former RLSD treatment plant (PIN 06-20-100-002), Midland Lift Station (PIN 06-29-200-002), and all other non-cash assets (collectively, the “RLSD Assets”) purportedly transferred to the Joint Agency by quit claim

deed dated February 2, 2010, and by bill of sale dated February 2, 2010. Said revestment shall be by quit claim deed and bill of sale from the Joint Agency to the RLSD in the same form as those executed on February 2, 2010. Additionally, within thirty (30) days of the execution by all parties of this Settlement Agreement, the Plaintiff Villages shall cause the Joint Agency to take all necessary steps to execute and deliver a release and waiver of easement in recordable form, which instrument shall terminate any and all interests created for them or the Joint Agency by grant of exclusive and perpetual easement dated April 12, 2010 and recorded as Document No. 6600611 (the "April 2010 Easement"). Prior to execution and recording, the Plaintiff Villages shall present the documents to be used to satisfy the terms of this Paragraph 10 to the County and RLSD for review and approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Notwithstanding said reconveyance to the RLSD and termination of the April 2010 Easement, the Plaintiff Villages shall have access to those facilities on terms no less favorable than other municipalities within the Northwest Lake FPA.

11. **No County Objection to RLSD Reconveyance of Midland Lift Station:** Notwithstanding Paragraph 10 above, the County will not object to the RLSD subsequently transferring the Midland Lift Station to either Round Lake and/or Round Lake Park provided that the Northwest Wholesale Advisory Committee determines that such transfer will not interfere with the efficient operation of the NW Sewerage System.

12. **Plaintiff Village's Payment to RLSD:** Round Lake, Round Lake Park, and Round Lake Heights agree to pay RLSD the sum total of \$85,000 in full and final resolution of RLSD's and the People's claim for reimbursement of the \$140,000 transferred pursuant to the 2009 Grant Agreement by and between the RLSD and Round Lake, Round Lake Park, and Round Lake Heights as challenged in the RLSD Lawsuit. The Parties agree that the \$30,000 paid by Fox Lake to the RLSD on behalf of the Plaintiff Villages (as set forth in Paragraph 7 above) is in partial satisfaction of this obligation. The remaining \$55,000 shall be paid by the Plaintiff Villages to RLSD as follows: within seven (7) days of the execution by all parties of this Settlement Agreement, the Plaintiff Villages shall pay to RLSD the sum of \$11,000; thereafter the Plaintiff Villages shall pay to RLSD equal annual installments of \$11,000 per year on or before June 30 of the years 2013, 2014, 2015, and 2016. The Plaintiff Villages shall be jointly and severally liable for the payment to the RLSD pursuant to this Paragraph 12.

Additionally, the County and RLSD agree to enter into an amendment to the 2010 Regional I & I Facilities Intergovernmental Agreement in the form attached hereto as Exhibit G.

13. **Release/Discharge of Liability:** Plaintiff Villages forever release, acquit and discharge the County and Fox Lake and their respective agents, servants, successors, heirs, executors, administrators, associates, officers, directors, employees, insurers, attorneys and all other persons, firms, corporations, associations, partnerships or other entities, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses whatsoever, which the undersigned has had, now has, or which may hereafter accrue resulting from or related to the allegations pled in the Round Lakes' Lawsuit or the RLSD Lawsuit.

RLSD hereby forever releases, acquits and forever discharges Plaintiff Villages and their respective agents, servants, successors, heirs, executors, administrators, associates, officers, directors, employees, insurers, attorneys and all other persons, firms, corporations, associations, partnerships or other entities, of and from any and all claims, actions, causes of action, demands,

rights, damages, costs, expenses whatsoever, which the undersigned has had, now has, or which may hereafter accrue resulting from or related to the transfer of assets and property from the RLSD, as pled in the RLSD Lawsuit.

The County forever releases, acquits and discharges the Plaintiff Villages and their respective agents, servants, successors, heirs, executors, administrators, associates, officers, directors, employees, insurers, attorneys and all other persons, firms, corporations, associations, partnerships or other entities, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses whatsoever, which the undersigned has had, now has, or which may hereafter accrue resulting from or related to the allegations pled in the Round Lakes' Lawsuit or the RLSD Lawsuit.

Fox Lake forever releases, acquits and discharges the Plaintiff Villages and their respective agents, servants, successors, heirs, executors, administrators, associates, officers, directors, employees, insurers, attorneys and all other persons, firms, corporations, associations, partnerships or other entities, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses whatsoever, which the undersigned has had, now has, or which may hereafter accrue resulting from or related to the allegations pled in the Round Lakes' Lawsuit or the RLSD Lawsuit.

The Parties to this Agreement understand that this Agreement and the Releases it contains constitute a complete defense to any claim or entitlement which any party may hereafter assert against any other party in any suit or claim for or on account of any matter or thing whatsoever resulting from or relating to the Round Lakes' Lawsuit or the RLSD Lawsuit, any claims that could or might have been asserted in those lawsuits, or any other claims released in this instrument.

Parties state that they have read and that they understand this Agreement; that they have had sufficient time to consider this Agreement; and, they have discussed the Agreement with their legal counsel.

14. **No Admission:** The Parties agree that the making and execution of this Agreement are not and shall not be construed as an opinion, admission, or position as to the actual rights and defenses of the parties in connection with the litigation identified herein. This Agreement has been negotiated by all parties and shall not be construed against any party as the drafter of this Agreement.

15. **Severability:** If any provision of this Agreement, or any section, sentence clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law. In the event that any provision of this Agreement is invalidated, the Parties will endeavor to take all actions necessary to cure such invalidity so as to effect the intent and purpose of this Agreement as severable, and if any part of it is specifically found to be unenforceable by a court of competent jurisdiction, the other provisions shall remain fully valid and enforceable.

16. **Binding Nature of Agreement:** The Parties to this Agreement affirm that the only consideration for their signing this Agreement are the terms stated herein, that no other promise or agreement of any kind has been made to or with them by any person or entity whomsoever to cause them to execute this instrument and that they fully understand the meaning and intent of this Agreement, including without limitation, its final and binding effect, and that they are voluntarily entering into this Agreement. The parties agree that the Settlement Term Sheet that was previously executed by the Plaintiff Villages and the County on September 22, 2011 was for the sole purpose of facilitating this Settlement Agreement, and that this Settlement Agreement is controlling and that the Settlement Term Sheet has no force or effect whatsoever and creates no obligations whatsoever.

17. **Authority/Execution:** Each person signing this Agreement hereby warrants, states, and covenants that he or she has read and understood this Agreement, that he or she has the authority to execute this Agreement on behalf of the party whom he or she represents, that, if no attestation is given to such signature, no such attestation is required, and that such party intends to be legally bound by the provisions of the Agreement. This Agreement is made pursuant to and in accordance with Illinois law including the Illinois Counties Code. Additionally, this Agreement is made and entered into pursuant to the Parties' authority to settle and resolve pending litigation. Each of the Parties warrants, states and covenants that it possesses the lawful authority to enter into the Agreement, and that it will not disavow this Agreement or assert any argument, at any time, that this Agreement is unlawful or unauthorized.

18. **Materiality:** Each party, for itself and its successors and assigns, hereby agrees that all of the representations, promises, covenants, agreements, findings and obligations set forth in this Agreement and the agreements and other documents attached as exhibits to this Agreement between the parties are material to this Agreement; hereby confirms and admits their truth and validity to the best of its knowledge.

19. **No Third Party Beneficiaries:** No claim as a third party beneficiary under this Agreement by any individual, firm or corporation other than the Parties shall be made or valid.

20. **Enforcement and Remedies:** The Parties agree that any disputes or claims arising out of this Agreement shall be resolved in accordance with the laws of Illinois and that any litigation will be brought in the 19th Judicial Circuit of Lake County, Illinois, by any appropriate action at law or in equity. The failure of any party to insist upon the strict and prompt performance of the representations, promises, covenants, agreements and obligations contained in this Agreement, or any of them, by any other party shall not constitute or be construed as a waive or relinquishment of such party's right thereafter to enforce any such representations, promises, covenants, agreements, or obligation, but the same shall continue in full force and effect.

Upon breach of this Agreement, any of the parties, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained. No action take by any party hereto pursuant to the provisions of this paragraph or pursuant to the provisions of any other paragraph of this Agreement shall be deemed to constitute an election of

remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any party to law or in equity.

21. **Counterparts:** This Agreement may be executed in several counterparts, all of which shall be an original and all of which shall constitute but one and the same Agreement. This agreement shall be executed in multiple originals, with each party to receive a fully executed original.

IN WITNESS WHEREOF, the parties have, by their duly authorized officers, set their hands and affixed their seals on the date first above written.

Village of Round Lake

Village of Round Lake Heights

By: Village President

By: Village President

ATTEST:

ATTEST:

By: Village Clerk

By: Village Clerk

(SEAL)

(SEAL)

Village of Fox Lake

Village of Round Lake Park

By: Village President

By: Village President

ATTEST:

ATTEST:

By: Village Clerk

By: Village Clerk

(SEAL)

(SEAL)

County of Lake

Round Lake Sanitary District

By: County Board Chairman

By: Sanitary District President

ATTEST:

ATTEST:

By: County Clerk

By: Sanitary District Secretary

(SEAL)

(SEAL)

EXHIBIT A
AGREEMENT FOR SEWAGE DISPOSAL BETWEEN COUNTY AND VILLAGE OF
ROUND LAKE

EXHIBIT B
AGREEMENT FOR SEWAGE DISPOSAL BETWEEN COUNTY AND VILLAGE OF
ROUND LAKE PARK

EXHIBIT C
AGREEMENT FOR SEWAGE DISPOSAL BETWEEN COUNTY AND VILLAGE OF
ROUND LAKE HEIGHTS

EXHIBIT D
CODICIL TO CENTRAL LAKE COUNTY AREA TRANSPORTATION
IMPROVEMENT INTERGOVERNMENTAL AGREEMENT

**This document has been prepared
for, and after recording should
be returned to:**

Paula J. Trigg, P.E.
Lake County Division of Transportation
600 W. Winchester Road
Libertyville IL 60048

Additional Parties Codicil
(Village of Round Lake Park)

THIS INSTRUMENT IS A CODICIL to that certain "Central Lake County Area Transportation Improvement Intergovernmental Agreement" (the "IGA") and is entered into by and between the VILLAGE OF ROUND LAKE PARK (the "Village") and the COUNTY OF LAKE (the "County") pursuant to Section VII of the IGA.

The Village hereby acknowledges and agrees that it has: (a) taken all of the procedural steps described in the IGA required before considering the approval of the IGA; (b) approved this Codicil by the duly authorized action of its corporate authorities; (c) pursuant to such approval elected to accept all of the terms and conditions of the IGA and to be bound thereby; and (d) authorized its President and Clerk to execute this Codicil on behalf of the Village.

The County, pursuant to its authority under Section VII of the IGA, hereby accepts the Village's approval of the Codicil by causing the Codicil to be executed by the County Board Chairman and County Clerk.

The County and the Village agree to cause their respective clerks to certify a true and correct copy of this Codicil and thereafter record it in the office of the Lake County Recorder.

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the duly authorized persons on behalf of the Village and the County have signed this Codicil as follows:

ATTEST:

Village Clerk

VILLAGE OF ROUND LAKE PARK

By: _____
President

Date: _____

ATTEST:

County Clerk
Lake County

COUNTY OF LAKE

By: _____
Chair
Lake County Board

Date: _____

**This document has been prepared
for, and after recording should
be returned to:**

Paula J. Trigg, P.E.
Lake County Division of Transportation
600 W. Winchester Road
Libertyville IL 60048

Additional Parties Codicil
(Village of Round Lake)

THIS INSTRUMENT IS A CODICIL to that certain "Central Lake County Area Transportation Improvement Intergovernmental Agreement" (the "IGA") and is entered into by and between the VILLAGE OF ROUND LAKE (the "Village") and the COUNTY OF LAKE (the "County") pursuant to Section VII of the IGA.

The Village hereby acknowledges and agrees that it has: (a) taken all of the procedural steps described in the IGA required before considering the approval of the IGA; (b) approved this Codicil by the duly authorized action of its corporate authorities; (c) pursuant to such approval elected to accept all of the terms and conditions of the IGA and to be bound thereby; and (d) authorized its President and Clerk to execute this Codicil on behalf of the Village.

The County, pursuant to its authority under Section VII of the IGA, hereby accepts the Village's approval of the Codicil by causing the Codicil to be executed by the County Board Chairman and County Clerk.

The County and the Village agree to cause their respective clerks to certify a true and correct copy of this Codicil and thereafter record it in the office of the Lake County Recorder.

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the duly authorized persons on behalf of the Village and the County have signed this Codicil as follows:

ATTEST:

Village Clerk

VILLAGE OF ROUND LAKE

By: _____
President

Date: _____

ATTEST:

County Clerk
Lake County

COUNTY OF LAKE

By: _____
Chair
Lake County Board

Date: _____

EXHIBIT E
JOINT MOTION TO DISMISS ROUND LAKES’ LAWSUIT, 09 MR 1770

STATE OF ILLINOIS)
)
COUNTY OF LAKE)

IN THE CIRCUIT COURT OF THE NINETEENTH
JUDICIAL CIRCUIT, LAKE COUNTY, ILLINOIS

VILLAGE OF ROUND LAKE, VILLAGE)
OF ROUND LAKE HEIGHTS, and VILLAGE)
OF ROUND LAKE PARK,)
)

Plaintiffs,)

vs.)

General No. 09 MR 1770

COUNTY OF LAKE, and VILLAGE)
OF FOX LAKE,)

Defendants.)

JOINT MOTION FOR DISMISSAL WITH PREJUDICE

Plaintiffs Village of Round Lake, Village of Round Lake Park, and Village of Round Lake Heights and Defendants County of Lake and Village of Fox Lake, jointly move for dismissal with prejudice of the above-captioned cause and state as follows:

1. The parties have compromised and settled all of the claims and causes of action asserted in the above-captioned case pursuant to that certain “Settlement Agreement and Release” dated as of _____, 2012 (“Settlement Agreement”), a copy of which is attached hereto as Exhibit A.
2. Pursuant to the Settlement Agreement, Plaintiffs are obligated to dismiss this case with prejudice, each party to bear its own costs and attorneys’ fees.
3. The parties request this Court retain jurisdiction of this case to enforce any term or condition of this Settlement Agreement.

Wherefore, the parties respectfully request that the Court enter the attached Order, dismissing the case in its entirety with prejudice.

VILLAGE OF ROUND LAKE,
VILLAGE OF ROUND LAKE HEIGHTS, and
VILLAGE OF ROUND LAKE PARK

By: _____
One of Their Attorneys

COUNTY OF LAKE

By: _____
One of Its Attorneys

VILLAGE OF FOX LAKE

By: _____
One of Its Attorneys

Michael J. Waller
State's Attorney of Lake County
Daniel L. Jasica #06237373
Janelle K. Christensen #6220116
Assistant State's Attorney
18 North County Street, 5th Floor
Waukegan, IL 60085
(847)377-3050

VILLAGE OF ROUND LAKE PARK

COUNTY OF LAKE

By: _____
One of Its Attorneys

By: _____
One of Its Attorneys

VILLAGE OF FOX LAKE

By: _____
One of Its Attorneys

ENTERED: _____
Honorable Margaret Mullen

Order prepared by:

State's Attorney of Lake County
Daniel L. Jasica #06237373
Assistant State's Attorney
18 North County Street, 5th Floor
Waukegan, IL 60085
(847)377-3050

EXHIBIT G
FIRST AMENDMENT TO COUNTY/RLSD REGIONAL I & I FACILITIES
INTERGOVERNMENTAL AGREEMENT

FIRST AMENDMENT TO REGIONAL I/I
FACILITIES INTERGOVERNMENTAL AGREEMENT

THIS FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT (the "**Amendment**") is entered into this ____ day of _____, 201__ (the "**Effective Date**"), by and between the **ROUND LAKE SANITARY DISTRICT**, an Illinois sanitary district established under the Sanitary District Act of 1917 (the "**District**"), and the **COUNTY OF LAKE**, an Illinois unit of local government (the "**County**") (collectively, the District and the County shall hereinafter be referred to as the "**Parties**").

IN CONSIDERATION OF the mutual promises, representations, and undertakings of the Parties as hereinafter set forth, the Parties agree as follows:

SECTION 1: Recitals.

A. The District and the County did enter into that certain "Regional I/I Facilities Intergovernmental Agreement" dated November 16, 2010 (the "**Agreement**").

B. As set forth in Section 1.E of the Agreement, Litigation had been filed relating to purported Property Transfers by a prior Board of the District, as well as purported transfers of the District's Funds.

C. Pursuant to Section 2 of the Agreement, the County made certain Advancements to the District in the amount of \$24,000.00, which Advancements were to be paid from any funds that the District recovered from the Litigation.

D. A settlement of the Litigation has been reached as documented by that certain "Settlement Agreement" dated _____, 2012 by and among Village of Round Lake ("Round Lake"), the Village of Round Lake Park ("Round Lake Park"), the Village of Round Lake Heights ("Round Lake Heights")(hereinafter collectively, "Plaintiff Villages"); Village of Fox Lake ("Fox Lake"); the County, and the District(the "**Settlement**").

E. Pursuant to the Settlement, the District will receive \$85,000.00 over a five-year period from the Plaintiff Villages.

F. Pursuant to the Settlement, the County will be entering into agreements for sewage disposal with each of the Plaintiff Villages (the "**Sewer Agreements**").

G. Pursuant to the Agreement and the Sewer Agreements, the County is planning to use the Property for the development of regional inflow/infiltration facilities (the "**Regional Improvements**").

H. In order to assist the District with its cash flow and to assist the County with its financing of the Regional Improvements, the County and the District desire to amend the Agreement as herein set forth.

SECTION 2: Amendment to Section 2 of the Agreement. Section 2 of the Agreement is hereby amended in its entirety, so that said Section 2 shall hereafter be and read as follows:

SECTION 2: Term; User Fee. The term of this Agreement is for a period of ~~thirty years~~ beginning on November 9, 2010 (the "**Effective Date**") and extending to the 30th anniversary of the **final repayment of the Advancements as provided below**~~Effective Date~~ (the "**Term**"), or such lesser term as may be established by judicial decree pursuant to the requirements of applicable law. The County shall pay to the District a "**Base User Fee**" of \$1.00 for the Term. In addition to the Base User Fee, the County shall, as additional consideration, advance funds not to exceed \$24,000 to the District throughout the 12 months following the Effective Date (the "**Advancements**") to fund certain services in order to allow the District to continue to operate (the "**Eligible Services**"). The District may use the Advancements solely to fund Eligible Services, which include, and are limited to, (i) payment of Trustees' salaries and expenses, and (ii) payment of fees to attorneys, consultants, or administrative personnel, which firms or individuals shall have first received pre-approval by the County. Absent written approval by the County, any consultant services or expenditures shall not be deemed Eligible Services, and the Advancements may not be used as a source of funding for such services. ~~A portion of~~ the District's Funds ~~(or a portion thereof)~~ are recovered by **are to be repaid to** the District through the **settlement of the** Litigation **(the "Settlement Payments")**, and the District will reimburse the County **through the delivery of four annual payments of \$5,000.00 and a final payment of \$4,000.00 (the "Repayments"), which Repayments shall be made to the County within 30 days after the District receives the Settlement Payments.** ~~for any Advancements made to the District; except that, should the District recover less than the amount of the Advancements, only the recovered amount of the District's Funds shall be reimbursed to the County. If the District's Funds are not recovered through the Litigation, the District is under no obligation to reimburse the County for any Advancements made to the District.~~

SECTION 3: AMENDMENT TO SECTION 13. Section 13 of the Agreement is hereby amended in its entirety, so that said Section 13 shall hereafter be and read as follows:

SECTION 13: Mechanic's Liens. County has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to diminish the interest of District. **Subject to the foregoing, the District agrees to cooperate with the County with respect to the County's development and financing of the Regional Improvements; provided, however, that the District shall have no financial obligation for such Regional Improvements; and provided further that the County shall indemnify and hold the District harmless from the costs and liabilities relating to or arising from the financing of the Regional Improvements.**

SECTION 4: Continued Effect. Except as expressly provided in this Amendment, the Agreement shall remain in full force and effect.

SECTION 5: Effective Date. This Amendment shall take effect upon its execution by the parties and the execution of the Settlement.

[Signature page to follow.]

IN WITNESS WHEREOF, the District and the County have caused (or shall be deemed to have caused) their duly authorized representatives to execute this Amendment as of the Effective Date.

ROUND LAKE SANITARY DISTRICT

COUNTY OF LAKE

By: _____
District President

By: _____
County Board Chair

ATTEST:

ATTEST:

District Clerk

Secretary