

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE COUNTY OF LAKE, ILLINOIS, AUTHORIZING AN AMENDED CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY AGREEMENT, AUTHORIZING A FIRST COMPREHENSIVE AMENDMENT AND RESTATEMENT TO THE WATER PURCHASE AND SALE CONTRACT BETWEEN CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY AND CHARTER MEMBERS, AND FURTHER CONSENTING TO THE ADMISSION OF ADDITIONAL MEMBERS AND SERVICE AREAS PURSUANT TO AN ADMISSIONS AGREEMENT TO THE CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY, AND AUTHORIZING ALL NECESSARY ACTS IN THE APPROVAL, EXECUTION AND DELIVERY OF SUCH DOCUMENTS

WHEREAS, The County of Lake, Illinois (the “*County*”) is an Illinois county owning and operating several municipal water systems that provide water to its retail customers in various service areas;

WHEREAS, the County is a Charter Member of the Central Lake County Joint Action Water Agency (the “*Agency*”) pursuant to the existing Agreement establishing the Agency (the “*Existing Agency Agreement*”);

WHEREAS, the Agency supplies potable water from Lake Michigan to the County insofar as it currently supplies Lake Michigan water to certain service areas, and to certain other municipal customers and members, (the “*Charter Members*”) pursuant to the existing Water Purchase and Sale Contract between the Agency and such Charter Members (the “*Existing Water Contract*”);

WHEREAS, the Agency has proposed certain amendments to the Existing Agency Agreement, and a comprehensive restatement to the Existing Water Contract to enable the Agency to efficiently and economically continue its services to the Charter Customers and Additional Members into the future;

WHEREAS, the Agency has further proposed, subject to certain terms and conditions of an Admissions Agreement to the Central Lake County Joint Action Water Agency (the “*Admissions Agreement*”), to admit the Villages of Lake Villa and Lindenhurst, Lake County, Illinois, as members of the Agency and also to allow two additional service areas of the County, specifically Fox Lake Hills and Grandwood Park, to be served, and to provide Lake Michigan water to such Villages and additional service areas;

WHEREAS, the County Board of the County (the “*County Board*”) has considered these matters and finds it advisable, in order to assure an economic and reliable supply of Lake Michigan Water now and for a term of 40 years into the future, to authorize and approve the proposed amendments, restatement, and admissions as described above;

WHEREAS, the form of the Amended Central Lake County Joint Action Water Agency Agreement (the “*Amended Agency Agreement*”) has been presented to the County Board and is attached hereto as *Exhibit A*;

WHEREAS, the form of the First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract between the Agency and its Charter Members (the “*Restated Water Contract*”) has been presented to the County Board and is attached hereto as *Exhibit B*;

WHEREAS, the form of the Admissions Agreement has been presented to the County Board and is attached hereto as *Exhibit C*; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY BOARD OF THE COUNTY OF LAKE, ILLINOIS, AS FOLLOWS:

*Section 1. Recitals.* The findings and determinations set forth in the preambles to this Ordinance are hereby made findings and determinations of the County Board of the County and are incorporated into the body of this Ordinance by reference.

*Section 2. Approval of Amended Agency Agreement.* The County hereby approves the Amended Agency Agreement in the form attached hereto as *Exhibit A* and agrees to be bound by the terms and conditions of the Amended Agency Agreement.

*Section 3. Approval of Restated Water Contract.* The County hereby approves the Restated Water Contract in the form attached hereto as *Exhibit B* and agrees to be bound by the terms and conditions of the Restated Water Contract.

*Section 4. Approval of Admission of Members and Service Areas.* The County hereby consents to the admission of the Villages of Lake Villa and Lindenhurst, Lake County, Illinois, as members of the Agency and also to the admission of two additional service areas of the County, and to provide Lake Michigan water to such Villages and additional service areas of the County pursuant to the Admissions Agreement in the form attached hereto as *Exhibit C*, and to be bound by the terms and conditions of the Admissions Agreement; provided, however, that the consents given by the County in this Section are expressly subject to (a) the submission by each of the Villages of Lake Villa and Lindenhurst of a certified copy of its ordinance stating that each such Village has determined that it desires to become a member of the Agency along with a copy of the Admissions Agreement executed by such Village and (b) adoption of an additional and subsequent ordinance by the County stating that it desires to receive water service from the Agency for the Fox Lake Hills and Grandwood Park service areas and approving and authorizing execution of the Admissions Agreement.

*Section 5. Ratification.* Any and all prior actions taken by the County Board, the Chairman, the County Clerk and other County officials in connection with the Amended Agency Agreement, the Restated Water Contract, and the Admissions Agreement are hereby ratified, confirmed and approved.

*Section 6. Authority to Execute and File with Agency.* By this Ordinance, the Chairman of the County Board is hereby authorized and directed to execute and deliver and the County Clerk is hereby authorized to attest and seal the Amended Agency Agreement and the

Restated Water Contract. In addition, the County Clerk is hereby authorized and directed to promptly file a certified copy of this Ordinance with the Secretary of the Agency, along with executed copies of the Amended Agency Agreement and the Restated Water Contract.

*Section 7. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

*Section 8. Superseder; Effective Date.* All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

AYES: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

\_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

ADOPTED: \_\_\_\_\_, 2013

APPROVED: \_\_\_\_\_, 2013

\_\_\_\_\_  
Chairman

Recorded in County Records: \_\_\_\_\_, 2013.

# Exhibit A

10/21/13

AMENDED  
CENTRAL LAKE COUNTY JOINT ACTION  
WATER AGENCY AGREEMENT

THIS AMENDED AGREEMENT is entered into by and among the following units of government – The County of Lake, Village of Grayslake, Village of Gurnee, Village of Lake Bluff, Village of Mundelein, and Village of Libertyville, Village of Round Lake, Village of Round Lake Beach and Consortium of the Village of Round Lake Heights and Round Lake Park which execute this Agreement on or before its effective date.

WITNESSETH:

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois authorizes units of local government to contract and associate among themselves to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or ordinance; and

WHEREAS, under that Constitutional provision participating units of local government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities; and

WHEREAS, the Intergovernmental Cooperation Act, as amended (5 ILCS 220, et seq.), also authorizes units of local government to exercise and enjoy jointly their powers, privileges or authority, and to enter into intergovernmental agreements for that purpose; and

WHEREAS, 5 ILCS 220/3.1 grants certain additional powers to a joint action water agency; and

WHEREAS, the Intergovernmental Cooperation Act, as amended, authorizes any two or more governmental units to establish by intergovernmental agreement, a Joint Action Water Agency to provide adequate supplies of water on an economical and

efficient basis for members, and for the agency to be itself a municipal corporation and public body politic and corporate; and

WHEREAS, the governmental units which are a member to this Agreement have determined that they are in need of additional assured supplies of water and they desire to obtain Lake Michigan water; and

WHEREAS, it is necessary for purposes of economy and adequacy of water supply that the governmental units which are a party to this Agreement jointly provide and operate a joint waterworks and/or water supply system to obtain Lake Michigan water for the use of the respective governmental units; and

WHEREAS, the governmental units which are a party to this Agreement have determined that it is necessary and in their best interests to establish a Joint Action Water Agency in order to provide adequate supplies of water on an economical and efficient basis for the Members individually, including without limitation to provide joint waterworks and/or water supply system to obtain Lake Michigan water for use as provided in this Agreement:

WHEREAS, the governmental units desire to amend the Agreement which was entered into in 1986;

NOW, THEREFORE, THE GOVERNMENTAL UNITS LISTED ABOVE AGREE AS FOLLOWS:

SECTION 1. Definitions. For the purposes of this Agreement each of the following words and phrases shall have the meaning set forth following the word or phrase, unless the context clearly indicates a different meaning.

- (a) The word “Act” shall mean the Intergovernmental Cooperation Act (5 ILCS 220 et seq.), as it has been and as it may be amended from time to time.
- (b) The phrase “Additional Member” shall mean any City or village which becomes a member of the Agency pursuant to this Agreement, other than an Original Member. An Original Member which withdraws from the Agency pursuant to this Agreement may, however, become a member of the Agency again in the manner provided for Additional Members.
- (c) The word “Agency” shall mean the Central Lake County Joint Action Water Agency established by this Agreement and Admissions Agreement.

- (d) The phrase “Board of Directors” shall mean the Board of Directors of the Agency.
- (e) The word “By-Laws” shall mean By-Laws of the Agency as adopted and as amended from time to time by the Board of Directors.
- (f) The phrase “Executive Committee” shall mean the Executive Committee of the Agency.
- (g) The word “Members” shall mean all governmental units which are Original Members or which become Additional Members of the Agency pursuant to this Agreement. The word “Members” does not, however, include governmental units which, pursuant to this Agreement, shall have withdrawn from the Agency. The word “Member” shall mean one of the Members. The Agency may admit more than one municipality as a single Member through the creation of a consortium.
- (h) The phrase “Original Members” shall mean the governmental units listed on page 1 of this Agreement which governmental units approve and execute this Agreement on or before its effective date.
- (i) The word “Participant” shall mean any person, corporation, or Public Agency which shall enter into an agreement with the Agency pursuant to Section 6 of this Agreement to participate in activities of the Agency.
- (j) The phrase “Public Agency” shall mean the State of Illinois, any agency of the State, and any units of local government as defined in the Illinois Constitution of 1970 including, without limitation, any city, village, water district, water commission or joint action water agency.
- (k) The word “System” shall mean the waterworks and/or water supply system of the Agency.

Section 2. Establishment. A Joint Action Water Agency is established by this intergovernmental agreement among the governmental units. The corporate name of the Agency so established is the “Central Lake County Joint Action Water Agency.” The Agency shall be a municipal corporation and a public body politic and corporate.

Section 3. Purposes. The Agency is established for the purpose of providing adequate supplies of water on an economical and efficient basis for the Members, all as provided in this Agreement. In order to reduce the cost of providing water for the Members, the Agency may also provide water for other persons, including, without limitation, Participants, all as provided in this Agreement.

Section 4. Duration. The Agency shall have perpetual duration unless dissolved and terminated as provided in Section 7 of this Agreement.

Section 5. Membership.

(a) The members of the Agency shall be the Original Members, plus any Additional Members, excluding, however, any Original Members, or Additional Members which shall have withdrawn from the Agency pursuant to this Agreement.

(b) Any Illinois city, village or other governmental unit which is not an Original Member of the Agency and Original Member which shall have withdrawn from the Agency as provided in this Agreement, may join the Agency as an Additional Member upon the adoption of an ordinance by the corporate authorities of the joining governmental unit determining so to become a member and upon the consent of the Board of Directors and of all of the then Members. The consent of each such Member shall be effected by an ordinance adopted by the corporate authorities of the consenting governmental unit, a certified copy of which shall be filed with the Secretary of the Agency. The Board of Directors of the Agency may establish any reasonable conditions with respect to any governmental unit becoming an Additional Member. These conditions may include, without limitation, the making of a capital contribution to the Agency and the assumption of all or a portion of contracts, debts and obligations of the Agency.

(c) Promptly upon any governmental unit becoming an additional member, that fact shall be certified by the Secretary of the Agency to the Secretary of State of Illinois.

Section 6. Participants. The Agency may enter into agreements with any person, corporation or Public Agency which is a water supplier to participate in activities of the Agency. Each Agreement with such a Participant shall contain provisions governing all aspects of such person's participation, including without limitation, the rights and obligations of the Participant with respect to any required capital contribution and sharing of costs and liabilities. Any such agreement may provide for a participant to appoint a delegate to participate in the meetings of the Board of Directors and the Executive Committee of the Agency, but a participant and its delegate shall have no voting privileges. No such agreement with a Participant shall become effective unless and until the corporate authorities of each Member shall have approved the agreement by an ordinance, a certified copy of which shall have been filed with the Secretary of the Agency.

Section 7. Withdrawal, Termination and Dissolution.

(a) Any Member may at any time withdraw as a member of the Agency but only upon the consent of the Board of Directors and upon the consent of each other Member. The Member requesting withdrawal shall not vote on this request for withdrawal. Such withdrawal by a member with the consent of the other members shall be conditioned upon the payment of its pro rata share of financial obligations incurred by the Agency to the date of said withdrawal and other conditions.

(b) When any Member shall withdraw pursuant to paragraph (a) of this Section, the Agency shall file with the Secretary of the Agency a certified copy of the ordinance of the Agency permitting withdrawal. Any consent by any Member to withdrawal by any other Member shall be made only by filing with the Secretary of the Agency a certified copy of an ordinance so consenting to the withdrawal. Upon the withdrawal of one or more Members so as to reduce the number of Members to less than five, the Agency may be dissolved and terminated.

(c) Upon the filing with the Secretary of the Agency of certified copies of ordinances of the majority of Members determining to dissolve and terminate the Agency, then the Agency shall be so dissolved and terminated. If the number of members is reduced to two, a vote of either member to dissolve shall be sufficient to dissolve the Agency.



(d) Promptly upon any Member withdrawing from the Agency, or upon action having been taken to dissolve and terminate the agency, that fact shall be submitted by the Secretary of the Agency to the Secretary of State of Illinois.

(e) Notwithstanding any provision of this Agreement, while and as long as any bonds or notes of the Agency are outstanding and unpaid, the Agency shall not terminate and dissolve in whole or in part.

Section 8. Powers.

(a) The Agency shall have the following powers, in addition to any powers set forth elsewhere in the Agreement:

- (i) To sue or be sued;
- (ii) To apply for and accept gifts or grants or loans of funds or property or financial or other aid from any public agency or private entity;
- (iii) To invest available funds;
- (iv) To employ agents and employees and to retain attorneys, engineers and such other consultants as the Board of Directors shall determine;
- (v) To acquire, hold, sell, lease, as lessor or lessee, transfer or (subject to paragraph (a) of Section 10 of this Agreement) dispose of real or personal property, or interests in property, as it deems appropriate, which property may be located within or without the corporate limits of any Municipality and to provide for the use of any such property by any Member or Participant;
- (vi) To plan, construct, improve, extend, finance (including the issuance of revenue bonds or notes and general obligation bonds or notes as provided in the Act or are otherwise within the power of the Agency), acquire, operate, maintain and contract for a joint waterworks and/or water supply system which may include, or may consist of, without limitation, facilities (including land and interests in land) for receiving, treating, storing and transmitting water from Lake Michigan for supplying water to the Members and their water users or to other Public Agencies, persons or corporations, including Participants;
- (vii) To buy water and to enter into contracts with any person, corporation or Public Agency (including any Municipality) for that purpose, in accordance with the Act;

(viii) To sell or provide water to Members and Participants at rates, fees and charges as determined by the Board of Directors and to enter into contracts for such sale or provision of water, all in accordance with the Act;

(ix) To sell water not required for use by Members to any person, corporation or Public Agency which is a water supplier at rates, fees and charges as determined by the Board of Directors and to enter into contracts for that purpose, all in accordance with the Act, but only to the extent allowed by applicable State water allocations;

(x) To sell water not required for use by Members to any person, corporation or Public Agency which is not a water supplier for its own use at rates, fees and charges as determined by the Board of Directors and to enter into contract for that purpose, all in accordance with the Act, but only when such sales and contracts are approved by ordinance adopted by the corporate authorities of each Member, certified copies of which are filed with the Secretary of the Agency, and only to the extent allowed by applicable State water allocations;

(xi) To adopt and enforce rules and regulations for Lake Michigan water use by Members, Participants or other purchasers of water from the Agency as may be necessary or advantageous to ensure adequate supplies of Lake Michigan water and comply with State or Federal laws and regulations;

(xii) To establish rates, fees and charges for the sale of water by the Agency or for the use of its facilities;

(xiii) To apply for State water allocations for use by the Members and/or Participants and the Agency and to utilize, pursuant to this Agreement, any water allocation assigned to the Agency;

(xiv) To borrow money and, in evidence of its obligation to repay the borrowing, issue its bonds or notes, all as provided in the Act, and, for the purpose of securing and paying any of its bonds or notes, to pledge, assign or provide for a lien or security interest on (i) any or all revenues derived from the operation of the System, including from contracts for the sale of water, and investment earnings thereon; (ii) proceeds of any particular of its bonds or notes and investment earnings thereon; (iii) receipts of the Agency under any interim

contracts for a supply of water with any Municipality or other person or any other contracts with any Municipality or other person which provide that such payments may be used for that purpose and investment earning on any such receipts; (iv) any funds or accounts securing payments of the bonds or notes as established by the bond or note resolution, all as and to the extent as provided in the Act and the resolution authorizing the issuance of the bonds or notes.

(xv) To exercise any or all powers specifically granted to Joint Action Water Agencies by the Act;

(xvi) To make and execute all contracts and other instruments necessary or convenient to the exercise of its powers or the accomplishment of the purposes of the Agency; and

(xvii) To exercise all other powers incident to the purposes and objectives of the Agency and the powers listed above.

(b) The Agency shall have the same privileges with respect to exemption from Illinois Commerce Commission regulation as is accorded the Municipalities. The Agency and its Directors, officers, employees, and agents shall have the same privileges with respect to limitation against and immunity from suit as have the Municipalities and their officers and employees, and shall have the right to acquire insurance and pay costs thereof for liability insurance, including officials and public employee liability insurance. All property, income and receipts of or transactions by the Agency shall be exempt from all taxation, the same as if it were the property, income or receipt of or transactions by the municipalities.

(c) Members may, for the purposes of, and upon request by, the Agency, exercise the power of eminent domain available to them, convey property so acquired to the Agency for the cost of the acquisition, and be reimbursed for all expenses related to this exercise of eminent domain power on behalf of the Agency.

Section 9. Governance. The Agency shall be governed and administered as provided in this Section and the By-Laws.

(a) The governing body of the Agency shall be the Board of Directors. There shall be one Director for each Member appointed by the Member. Each Director shall be the Mayor or President, an elected member of

the corporate authorities or other elected official of that appointing municipality. All Directors shall be appointed for two-year terms expiring on April 30 of odd-numbered years. Persons serving as Directors shall serve until their terms expire and thereafter until their respective successors are appointed. Should any Director cease to be an elected member of the corporate authorities or other official of the appointing Member, that person shall simultaneously cease to be a Director, and that position shall be vacant. Any vacancy in the office of Director, whether because the Director ceases to be an elected official of the appointing Member or otherwise, shall be filled by appointment by the Municipality with respect to which the vacancy exists. Each Director shall have one vote on the Board of Directors.

(b) Any Member may appoint an Alternate Director who may attend any meeting of the Board of Directors and may vote as the Director in the absence of the Director from that Member or if there is a vacancy in the position of Director from that Member. Each Alternate Director shall have the same qualifications as required of a Director. The term of an Alternate Director shall be the same as the term of the Director from the appointing Member. Members which fill a vacancy in the Director's position shall cause the Alternate Director to resume that role. Persons serving as Alternate Directors shall serve until their term expires and thereafter until their respective successors are appointed. Should any Alternate Director cease to be an elected member of the corporate authorities or other official of the appointing Member, that person shall simultaneously cease to be an Alternate Director and that position shall be vacant. Any vacancy in an office of an Alternate Director shall be filled by appointment by the Member with respect to which the vacancy exists.

(c) All appointments of Directors and Alternate Directors shall be an official action of the corporate authorities of the appointing Member. The Board of Directors shall resolve disputes in questions about such appointments.

(d) The Board of Directors shall elect one Director to serve as Chairman and another Director to serve as Vice-Chairman. The Chairman shall preside at all meetings of the Board of Directors. The Vice-Chairman shall

preside over meetings of the Board of Directors in the Chairman's absence. The Board of Directors shall select other persons, who need not be Directors, to the positions of Secretary and Treasurer. The Secretary shall be the keeper of the books and records of the Agency; and the Treasurer shall have charge and custody of and be responsible for all funds and securities of the Agency (other than funds and securities held by a corporate trustee or paying agent with respect to bonds or notes of the Agency). The duties of the officers of the Agency shall be prescribed in further detail in the By-Laws. The terms of office and manner of selection of the officers shall also be prescribed in the By-Laws.

(e) The Board of Directors shall determine the general policy of the Agency, shall approve the annual budget, shall make all appropriations (which may include appropriations made at any time in addition to those made in any annual appropriation document), shall approve all contracts for the purpose of sale of water, shall adopt any resolutions providing for the issuance of bonds or notes by the Agency, shall adopt its By-Laws, rules and regulations, and shall exercise such powers of the agency and perform such duties as may be prescribed in this Agreement or the By-Laws.

(f) There is established an Executive Committee of the Agency. The Executive Committee shall consist of the manager or other appointed official of each Member, as designated by the Member. Each Member shall be entitled to one seat on the Executive Committee. Each member of the Executive Committee shall be entitled to one vote on the Committee. Each Member shall choose a similarly-qualified appointed official of the Member as an alternate member of the Executive Committee to serve from time to time in the absence of the Member.

(g) The daily operation of the Agency shall be conducted under the direction and supervision of the Executive Committee, subject to the general policy decisions made by the Board of Directors from time to time. The Executive Committee shall be responsible for carrying out the policy decisions of the Board of Directors.

Section 10. Rights and Responsibilities of Members.

(a) The Board of Directors may, by vote of not less than 75% of the Directors, sell or dispose of any real or tangible personal property owned by the Agency upon a determination by the Board that the property is no longer useful or necessary for the Agency. No property shall be sold or disposed of if to do so would deprive any Member from continued service by or through the Agency, unless the corporate authorities of that Member consent by ordinance.

Any proceeds of such sale or disposition shall either be applied to the purposes of the Agency or shall be returned to the Members in their respective proportionate shares of capital contribution to the Agency, as the Board of Directors shall determine.

(b) Each Member shall pay its proportionate share of the costs of the Agency as provided in this paragraph or by separate action of the Board.

(i) The Board of Directors shall determine the costs to be paid by the respective Members as provided in this Agreement, the By-Laws, the Water Purchase and Sale Agreement and any Admissions Agreements-.

(ii) The general obligation bond debt will be apportioned to the Members, in accordance with law, on the basis of a uniform real estate tax levy sufficient to pay the debt service on the Agency's general obligation bonds. Funds to meet all covenants set forth in any authorizing bond resolution for general obligation bonds, as passed by the Board of Directors, shall be raised by a tax levy in an amount of not less than thirty percent (30%) of the annual debt service on the general obligation bonds, unless it is determined by action of a four-fifths vote of all Directors of the Agency, as evidenced by an Agency resolution, that it is in the best interests of the Members to reduce or eliminate the abatement in any fiscal year.

(iii) Costs of the System other than the initial project costs shall be paid for with general obligation bonds, revenue bonds or funds otherwise lawfully available, as the Board of Directors may determine.

(iv) Members shall appropriate their funds and shall use their credit, revenues and other resources, including the power to borrow money, to incur debt and to issue and sell bonds, if necessary, to pay their shares of the costs of the Agency and to service their debt related to the Agency as they individually determine.

(c) The Agency may suspend the membership on the Board of Directors and the Executive Committee of any Member whose capital contributions and payments or charges for operation and maintenance due to the agency, as determined by the Board of Directors as provided in this Agreement, have not been paid in full within sixty days after demand by the Agency. A Member under suspension shall have no power to make or second motions or to vote, nor shall it be counted for the purposes of the establishment of a quorum or the determination of the vote needed to pass or approve any matter coming before the Board of Directors or the Executive Committee. A Member under suspension shall continue during its suspension to be responsible for its share of any contracts, debts and obligations incurred by the Agency. Upon payment of all amounts due the Agency under this Agreement, including those accrued during the suspension, a Member under suspension shall be reinstated to membership on the Board of Directors and the Executive Committee. The Agency may decline to provide water to any Member whose charges have not been paid within sixty days after billing by the Agency. Further, a reasonable penalty charge for late payments may be established and imposed by the Executive Committee.

(d) The Agency shall not be liable for any liability or obligation incurred by any Member except as agreed by the Board of Directors or except pursuant to Paragraph (a) of Section 7.

(e) Any withdrawing Municipality shall be responsible for its share of any unpaid contracts, debts and obligations of the Agency incurred prior to the date of withdrawal or removal in proportion to its respective share or cost-sharing, as the case may be, and other obligations assumed in a withdrawal agreement, all as provided in Paragraph (b) of this Section or by separate ordinance.

(f) If withdrawal of one or more Member results in dissolution and termination of the Agency as required by Section 6, then the withdrawing Member shall participate in the dissolution of the Agency as set forth in Paragraph (g) of this Section.

(g) Upon the termination and dissolution of the Agency;

(i) The contracts, debts and obligations of the Agency remaining unpaid after such dissolution and termination shall be the several obligations of the respective Members and/or Participants in the respective proportions established for capital and operating costs, as applicable, in accordance with Paragraph (b) of this Section 10 or by separate ordinance.

(ii) The assets of the agency remaining after dissolution shall be distributed among the Members and/or Participants who had participated in the Agency within one year prior to such dissolution and termination in proportion to their respective proportionate share of capital costs as established in accordance with Paragraph (b) of this Section 10, after any setoff with respect to the provision for payment of that Member and/or Participant's share of the contracts, debts and obligations of the Agency,

(h) The allocation of Lake Michigan water by the State of Illinois for each Member may be assigned to the Agency subject to the terms of such water allocation. The Agency shall monitor the water usage of each Member to ensure compliance with their respective water allocations. Each Member shall keep on file with the Agency an emergency water usage plan. That plan shall be implemented whenever declared necessary by the Board of Directors for the good of the Agency and its members. An emergency usage plan will be developed for the Agency by the Executive Committee and approved by the Board of Directors. No Member's water allocation assigned to the Agency shall be used for any purpose without its consent except for service for that Member. The plan developed by the Agency shall be subject to the consent of the State of Illinois, if required by the terms of the State's water allocations for the Members. Upon withdrawal or removal of a Member from the Agency, a water allocation assigned to the Agency by that Member will be reassigned to the withdrawing Member by the Agency. Upon dissolution and termination of the Agency, all water allocations



assigned to the Agency by Members shall be reassigned by the Agency to the respective Members.

Section 11. By-Laws. The Board of Directors shall adopt By-Laws for the Agency which shall, among other matters, set forth provisions for the holding, notice, call and conduct of meetings of the Board of Directors and the Executive Committee, the adoption of annual budgets and appropriations, and the entering into of contracts and purchase by the agency. The By-Laws may be adopted only upon the concurrence of members of the Board of Directors equal in number to at least three-fourths of all of the Members and may be amended only upon such a vote. The By-Laws may provided additional requirements and procedures with respect to amendment of the By-Laws.

Section 12. Amendment. This Agreement may be amended by written agreement of all Members, authorized by ordinances adopted with their respective corporate authorities, certified copies of which shall be filed with the Secretary of the Agency. Promptly upon there being any amendment to this Agreement, the Secretary of the Agency shall cause a copy of the amendment to be filed in the office of the Secretary of State of Illinois.

Section 13. Enforcement. The Agency shall have the right to enforce this Agreement, the By-Laws or any agreement among or between the Agency and any one or more Members, against any Member and to compel payment of rate fees and charges as provided in this Agreement, the By-Laws or any such other agreements. If suit is necessary to compel enforcement of provisions of this Agreement, the By-Laws or any such other agreement or to compel payment of fees and charges of the Agency, the defaulting Member shall pay the Agency's reasonable legal fees and costs pertaining to the suit, in such amount as determined by the court.

Section 14. Ordinance Authorizing Agreement. Prior to executing this Agreement, this Agreement shall be approved by ordinance adopted by the corporate authorities of each Member, and each Member shall have delivered to each other Member a certified copy of such ordinance, which ordinance shall also specifically authorize and direct the execution of this Agreement on behalf of such Member.

Section 15. Effective Date. This Amended Agreement shall become effective on the date when it is executed by the designated officers of the Corporate Authorities of all of the Member

Section 16. Filing with Secretary of State. Promptly upon this Agreement becoming effective, a copy of this Agreement shall be filed by the Secretary of the Agency with the Secretary of the State of Illinois.

Section 17. Severability. If any part of this Agreement shall be held invalid for any reason, the remainder of this Agreement shall remain valid to the maximum extent possible.

In WITNESS WHEREOF, the undersigned Member has executed this Agreement by the signatures of their respective officers as reflected on the dates set forth below. This Agreement may be signed in duplicate originals.

MEMBER

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

Ordinance \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Executed this \_\_\_\_\_, \_\_\_\_\_

# Exhibit B

10/18/13

**CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY  
Lake County, Illinois**

**FIRST COMPREHENSIVE AMENDMENT  
AND RESTATEMENT TO THE  
WATER PURCHASE AND SALE CONTRACT**

**Between**

**CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY**

**And**

**CHARTER MEMBERS**

**2013**



**FIRST COMPREHENSIVE AMENDMENT  
AND RESTATEMENT TO THE  
CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY  
WATER PURCHASE AND SALE CONTRACT**

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Exhibit A      Member Address



**CENTRAL LAKE COUNTY  
JOINT ACTION WATER AGENCY  
FIRST COMPREHENSIVE AMENDMENT  
AND RESTATEMENT TO THE  
WATER PURCHASE AND SALE CONTRACT**

The Central Lake County Joint Action Water Agency and each of the following units of local government of the State of Illinois,

County of Lake  
Village of Grayslake  
Village of Gurnee  
Village of Lake Bluff  
Village of Libertyville  
Village of Mundelein  
Village of Round Lake  
Village of Round Lake Beach  
And the Consortium of the  
Villages of Round Lake Heights and Round Lake Park,

agree as set forth in this Contract.

**Article I**

**Definitions**

The following words and phrases shall have the following meanings when used in this Contract, unless the context clearly indicates a different meaning is intended.

“**Act**” means the Intergovernmental Cooperation Act 5 ILCS 220.

“**Additional Member**” means any Public Agency (other than a Charter Member) which becomes a Member of the Agency pursuant to the Agreement and under the terms of an Admissions Agreement.

**“Admissions Agreement”** means an Agreement between the Agency and an Additional Member, which describes the terms and conditions of the admission to and functions as a Member.

**“Agency”** means the Central Lake County Joint Action Water Agency established by the Agreement .

**“Aggregate Costs”** means Operation and Maintenance Costs, Fixed Costs and Default Costs, and Costs of Water Not Delivered collectively, as herein defined.

**“Agreement”** means the Central Lake County Joint Action Water Agency Agreement dated November 13, 1986, and as amended, from time to time.

**“Allocation”** means the allocation of Water granted to a Customer by the State of Illinois or any other entity given the authority to establish the amount of Water that a Member may withdraw from Lake Michigan during a calendar year or whatever other period is established.

**“Amendment”** means any duly executed modification of this Contract.

**“Board”** means the Agency’s Board of Directors as constituted at any given time pursuant to the Agreement.

**“Bonds”** means bonds, notes or other Agency obligations by whatever name known issued by the Agency pursuant to a Bond Resolution and payable by their terms solely out of the revenues of the System.

**“Bond Resolution”** means the Agency’s bond ordinances, resolutions, orders, motions or other proceedings under which the Agency will authorize the issuance of, and issue, Bonds, and includes any indenture, trust agreement, escrow agreement, depository agreement, loan agreement or the like so authorized to secure Bonds or the Repayment of Bonds.

**“Budget”** means the annual budget of the Agency as adopted pursuant to the Agreement.

**“Calendar Year”** means a twelve month period beginning on January 1 and ending on the succeeding December 31.

**“Capacity”** means the quantity of potable water, expressed in MGD, that the System is capable of producing and delivering.

**“Capital Improvement and Related Costs”** means all costs of the System, including costs of acquisition of necessary lands, easements, and rights-of-way over lands and water; the erection and construction of pumping, storage or other facilities, and the installation of mains and pipelines; costs of financing and administration during any period of acquisition, erection, construction or installation, as aforesaid; costs of repayment of such indebtedness as may be incurred for such costs, including administrative expenses costs of any improvement, repair, replacement or extension of the System; personnel and consultant costs, and costs for such other purposes the Board deems necessary and/or beneficial to the Agency and the Customers.

**“Charter Member”** means those government bodies listed on Page 7 which have signed this Contract, had it attested by their Clerk and have deposited it with the Secretary of the Agency on or before the 5<sup>th</sup> day of December, 2013.

**“Contract”** means this Contract.

**“Costs of Water Not Delivered”** means the costs of Water which the Agency shall have been unable to deliver to a Customer because of a failure of the System, determined as set forth in Section 520 of this Contract.

**“County”** means Lake County, which has several roles under this Contract. The County is a Charter Member regarding certain areas where it serves Lake Michigan water. It may be permitted to serve additional areas through the terms of an Admissions Agreement. Its officials are also directed or requested to take certain actions in its capacity as a county government.

**“Customer”** means Member or Participant.

**“Default Costs”** means the amount of payments of the Customer’s shares of Aggregate Costs which were due and payable in the prior month and for any reason were not received by the Agency (or the Trustee) by the last day of that prior month.

**“Delivered Quantity”** means the amount of Water delivered by the Agency to a Customer, at its Point of Delivery.

**“Device”** means the meter or check meter used to measure Delivered Quantity.

**“Dissolution”** means the dissolving of the Agency pursuant to law and the terms and conditions of the Agreement.

**“EAV”** means equalized assessed valuation.

**“Emergency Plan”** means the water usage plan adopted by a Customer and approved by the Agency (which approval shall not be unreasonably withheld) for a supply of water for a Customer when the requirements of a Customer for water exceed its Allocation, the Agency is unable or unwilling for any reason to furnish a Customer with a supply of Water sufficient to meet its Full Water Requirements or a fire or other emergency necessitates the use of water in an amount greater than the Customer’s Allocation. It shall include provisions for pumping enough water from a Customer’s well or wells or other sources to keep them in safe and operating condition.

**“Fiscal Year”** means the Agency’s fiscal year.

**“Fixed Costs”** means an amount sufficient at all times to pay or provide for the total of (a) the principal of, premium, if any, and interest on Bonds, (b) Bond reserves required therefore, (c) renewal, replacement and extension expenditures and reserves for the system, (d) compliance with the covenants of any Bond Resolution including, if required, any excess debt service coverage on Bonds, (e) reasonable capital costs necessary to carry out the corporate purposes and powers of the Agency, except as any of the foregoing are included in Operation and Maintenance Costs and (f) to meet the Agency’s obligations or determinations of the Agency under the Agreement with respect to abatement of taxes for General Obligation Bonds or other contractual obligations with its Customers or other persons or entities.

**“Force Majeure”** means acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States, of the State of Illinois, or of any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery, canals or tunnels, partial or entire failure of water supply, and inability on the part of the Agency to deliver water hereunder, or of any Customer to receive Water hereunder, and inability of the Agency to borrow money to finance acquisition and construction of the System.

**“Full Water Requirements”** means the amount of water necessary, from time to time, to meet the water requirements of all then current customers served by the Municipal System of a Customer (including public use where applicable), whether such customers are within or without the corporate limits or applicable service area of such Customer. It shall not include water not furnished by the Agency which is used by a Customer for purposes other than human consumption, and not used for sale or resale.

**“General Obligation Bonds”** means those bonds of the Agency which are payable from uniform real estate taxes.

**“Journal”** means the official record of the readings of the Devices as such readings are taken and recorded by the employees and/or agents of the Agency. The Agency may maintain (a) one Journal for all of the Devices collectively, (b) a separate Journal for each Customer, or (c) a separate Journal for each Device.

“Lake” means Lake Michigan.

**“Maximum Quantity”** means the largest amount of Water, , which a Charter Member is entitled to receive from the Agency under its Allocation, or for an Additional Member as set forth in an Admissions Agreement.

**“Member”** means any Charter Member or Additional Member, except any who withdraw from the Agency.

“**MGD**” means million gallons per day.

“**Municipal Ordinance**” means any lawfully adopted ordinance of any public agency with the exception of the Agency.

“**Municipal System**” means the waterworks or combined waterworks and sewage system of a Customer.

“**Operation and Maintenance Costs**” means all expenses incurred in the administration, operation and maintenance of the System and the accumulation of reserves related to payment of such costs. Upon the adoption of a Bond Resolution by the Agency in connection with the sale of Bonds, Operation and Maintenance Costs payable under this Contract in any month shall be at least equal to the amount required to be deposited in that month into the operation and maintenance fund or account and any operation and maintenance reserve fund or account created under the Bond Resolution, or otherwise required to operate the System.

“**Ordinance**” means an Agency ordinance adopted pursuant to law and the terms and conditions of the Agreement.

“**Participant**” means any person, corporation or Public Agency which is a water supplier and which enters into an agreement with the Agency to purchase water and to participate in the activities of the Agency other than as a Member.

“**Point of Delivery**” means the point or points at which the System will deliver Water to a Municipal System.

“**Public Agency**” means the State of Illinois, any agency of the State, and any units of local government as defined in the Illinois Constitution of 1970, including, without limitation any city, village, water district, water commission, or joint water agency and the County of Lake in the manner in which it becomes a Member.

“**Regular Hours**” means the normal hours of its business office which the Agency, in its sole discretion, sets for the purpose of conducting its regular business.

**“Result”** means the State of Illinois’ Annual Water Use Audit Results or any successor index, or if there is no index then a reasonable substitute therefore.

**“Subsequent Contract”** means any contract for the sale or purchase of Water which is entered into after the date of this Contract as determined by Section 916.

**“System”** means the Raw Water Pump Station, the Water Treatment Facility, transmission lines, intermediate pumping stations, delivery points and metering equipment, storage facilities of the System and further specifically including water rights, land and rights in land and easements and right-of-ways acquired by the Agency and used for the purpose of providing Water in accordance with the Agreement and all other real or personal property used or useful in the operation of the Agency.

**“Total Water Use”** means the total amount of water from any source used by a Member as reflected in the Illinois Department of Natural Resources Annual Water Use Audit Results or similar compilation.

**“Trustee”** means a trustee for the benefit of the holders of Bonds who is appointed as provided in any Bond Resolution.

**“Water”** means Lake Michigan Water of sufficient quality to meet the requirements of all State and Federal agencies which have jurisdiction over the quality of water furnished by public water suppliers.

A definition in the singular form may be used in the plural, and vice versa.

## **ARTICLE II**

### **Recitations**

#### **SECTION 201.**

The Agency was organized under the Act to provide adequate supplies of potable Water on an economical and efficient basis within its territorial limits.

#### **SECTION 202.**

The Charter Members have each executed counterparts of this Contract and under the Act are authorized to receive Water through the instrumentality of the Agency and, by executing this Contract, are enabling the Agency to construct and operate its System.

#### **SECTION 203.**

The Members each have a Municipal System and have each received an Allocation from the State of Illinois or some other authorizing governmental entity.

#### **SECTION 204.**

The Agency proposes from time to time, to issue Bonds pursuant to a Bond Resolution.

#### **SECTION 205.**

Pursuant to the Act, the Agency and the Charter Members are authorized to enter into this Contract and Additional Members may do so in the future.

#### **SECTION 206.**

The Members are surrendering none of their respective rights to the ownership and operation of their respective Municipal Systems, except as expressly limited in this Contract, nor is the Agency surrendering any of its rights to the ownership and operation of its System, but all expressly assert their continued right to operate such systems.

#### **SECTION 207.**

It is known to the Members that the Agency will, from time to time, use this Contract as a basis (a) for obtaining loans to be evidenced by the issuance of Bonds, (b) for payment of the principal of, premium, if any, and interest on Bonds, (c) as the means for the payment



of its operating and maintenance expenses and (d) for the establishment and maintenance of accounts and reserves for such purposes as may be required in the Bond Resolution authorizing issuance of Bonds or as authorized by applicable statutes.

SECTION 208.

The Members recognize that in the future the Agency may enter into contracts with additional Customers who have an Allocation.

SECTION 209. **(RESERVED)**

SECTION 210.

The Charter Members are signatories to the Agreement dated November 13, 1986, which grants the Charter Members certain rights and protections and the Charter Members entered into this Contract in reliance upon the continuation of the Agreement and their intended rights and protections.

SECTION 211.

The Members have entered into this Contract in reliance upon Section 3.1 of the Act which provides that any municipality or municipalities of this State, any county or counties of this State, any public water district or districts of this State, or any combination thereof may, by intergovernmental agreement, establish a Municipal Joint Action Water Agency to provide adequate supplies of Lake Michigan water on an economical and efficient basis for member municipalities, public water districts and other incorporated and unincorporated areas within such counties.

## **ARTICLE III**

### **Sale and Purchase of Water**

**SECTION 301. Sale and Purchase.**

The Agency agrees to sell Water to each Member, and each Member agrees to purchase Water from the Agency, on the terms and subject to the conditions set forth in this Contract as supplemented, if applicable in an Admissions Agreement.

**SECTION 302. Amount.**

The Agency shall sell to each Charter Member and each Charter Member agrees to purchase from the Agency an amount of Water necessary to serve its Full Water Requirements. However, the Agency's obligation to deliver Water to each Charter Member shall be limited to the lesser of a maximum annual amount equivalent to such Charter Member's then current Allocation and such proportion of the System's Capacity as such Charter Member's annual Maximum Quantity bears to the Maximum Quantity of all Charter Members and Additional Members. Provided, however, that if the Allocation of a Charter Member or Charter Members, shall increase so that the Agency is unable to serve any other Member the amount of Water obligated to be provided by the Agreement or an Admissions Agreement, the obligation to serve the Charter Member with the larger Allocation shall only be that amount which the Agency can serve while still being able to serve the amounts contractually obligated to be served to all other Members whose service is adversely influenced by the increased Allocation. The amount of Water, which shall be sold to Additional Members, shall be as provided for in their respective Admissions Agreements.

**SECTION 303. Limits on Supply.**

The Agency shall use its best efforts to furnish Water to the Members as hereinabove provided, but its obligation hereunder shall be limited by: (a) the amount of Water available to the Agency; (b) the Capacity of the System; (c) ordinary transmission loss, including standard metering error, between the Agency's source of supply and the Points of Delivery; (d) contracts between the Agency and its other Customers; and (e) matters beyond reasonable control of the Agency which prevent delivery of Water to any Member at a Point of Delivery. The Agency shall not enter into contracts with other

Customers that would cause the Agency to be obligated to sell Water in excess of the least of : (a) the System's Capacity; (b) the maximum amount of Water available to it; (c) an amount which would decrease the amount of Water then being supplied or to be supplied in the future to the Charter Members, in accordance with reasonable projections as to Water use of the Charter Members and as to Additional Members, their respective Admissions Agreement.

**SECTION 304. Emergency or Maintenance Shut-Off.**

The Agency undertakes to use reasonable care and diligence to provide a constant supply of Water as herein provided for, but reserves for emergency or maintenance purposes the right at any time to turn off temporarily the Water in its mains. The Agency shall give the Customers notice not less than forty-eight (48) hours in advance of any such turn-off, except that in emergencies it shall give notice which is reasonable under the particular circumstances.

**SECTION 305. Emergency Use of Other Sources.**

If it becomes necessary for the Agency to limit its delivery of Water to its Customers for any reason, each Member, to the fullest extent possible, shall be entitled to receive during such period of curtailment its pro-rated share of Water available as determined by the ratio of its total Delivered Quantity during the prior fiscal year to the sum of the Delivered Quantities during the prior Fiscal Year of all Customers entitled to Water during such period of curtailment. Nothing in this Contract shall be construed to prohibit each Member from putting into effect its Emergency Plan.

**SECTION 306. Quality.**

All Water delivered by the Agency to the Members shall be of sufficient quality to meet the requirements of all Federal and State agencies which have jurisdiction over the operation of public water suppliers. The Agency bears no responsibility for the contamination of Water or deterioration of Water quality occurring beyond the Points of Delivery.

**SECTION 307. (RESERVED)**

**SECTION 308. Restriction on Water Sales by a Member or Participant.**

No Member or Participant shall sell Water for resale to a Customer which is a Public

Agency and water supplier and is not a Member or Participant of the Agency unless and until the Corporate Authorities of each Member shall have approved the sale by an ordinance, a certified copy of which shall have been filed with the Secretary of the Agency. Nor shall any Member or Participant sell Water for resale within the territory of another Member without the written permission of that Member. Those limitations shall not apply to emergency interconnection agreements, nor to agreements to furnish Water in existence on November 1, 1991, or extensions of such agreements.

Any Member or Participant of the Agency which wishes to sell Water to retail customers in any of the locations set out below may do so only after presenting a detailed written request to engage in such sales of the Agency and having such request approved by the Agency by Resolution.

- (a) The sale of Water to serve property which is within the boundaries of a city or village which is not a Member or Participant;
- (b) The sale of Water, other than by Lake County, to serve unincorporated territory except pursuant to the provisions of an annexation agreement with the owner of the property served;
- (c) The sale of Water by Lake County to areas which are not directly connected through transmission mains from the Knollwood/Rondout, Vernon Hills, and Wildwood areas to which it initially commenced serving Water.

The limitations on sales set out in Subsections (a), (b), and (c) above shall not apply to Water served pursuant to emergency interconnection agreements, to property served on November 1, 1995, or subject to an agreement to serve executed prior to November 1, 1995, or to any area within a recorded subdivision, a portion of which was served by Water on November 1, 1995.

**SECTION 309. Excess Capacity.**

Notwithstanding any other provision of this Article and if the System has the Capacity, and such sale will not interfere with obligations owed to a Charter Member or any other provision of this Contract, the Agency shall sell to any Charter Member that so desires an amount of Water in excess of its Maximum Quantity and, if lawful, in addition to their

Allocation. If more than one Charter Member qualifies for and desires to purchase Water in excess of its Maximum Quantity, any such Water sold by the Agency shall be divided between all such Charter Members in the proportion that each Charter Member's Maximum Quantity bears to the sum of the maximum Quantities of all such Charter Members. Admission Agreements, or other actions of the Board of Directors, may deal with the ability of the Agency to sell Water in excess amounts to Additional Members but the rights of Charter Members shall not be infringed.

## **ARTICLE IV**

### **Measurement**

#### **SECTION 401. Equipment.**

The Agency shall furnish, install, own, operate, maintain, replace and repair, at its own expense, at the Points of Delivery (a) the necessary equipment and Devices of a type meeting the standards of the American Water Works Association for measuring properly the quantity of Water delivered under this Contract, and (b) such structures as the Agency shall deem necessary to house such equipment and Devices. Such meter or meters and other equipment so installed and structures so constructed shall remain the property of the Agency. Such structures and equipment shall be located at sites selected and provided by each Member, respectively, for Water delivered to it. Such sites shall be subject to review and approval by the Agency, which approval shall not be unreasonably withheld. Each Member shall grant to the Agency a property interest in each respective site sufficient to enable the Agency to install, use, operate and maintain such structures and equipment during the term of this Contract. The Agency and each Member shall have access to such structures and equipment for examination and inspection at all reasonable times, but the reading for billing purposes, calibration and adjustment thereof shall be done only by the employees or agents of the Agency.

#### **SECTION 402. Check Meters.**

A Member may, at its option and its own expense, install and operate a check meter to check each meter installed by the Agency, but the measurement of Water for the purpose of this Contract shall be solely by the Agency's meters, except in the cases hereinafter specifically provided to in the contrary. All such check meters shall be of standard make and at all reasonable times shall be subject to inspection and examination by any

employee or agent of the Agency, but the calibration and adjustment thereof shall be made only by such Member, except during any period when a check meter may be used under the provisions hereunder for measuring the amount of Water delivered, in which case the calibration and adjustment thereof shall be made by the Agency with like effects as if such check meter had been furnished and installed by the Agency.

**SECTION 403. Calibration.**

At least once in each Fiscal Year, the Agency shall calibrate its meters measuring Water delivered to a Member, if requested in writing by such Member to do so, in the presence of a representative of the Member, and the Agency and such Member shall jointly observe any necessary adjustment. If any check meters have been installed, such meter shall be calibrated by the Member in the presence of a representative of the Agency and the Agency and such Member shall jointly observe any necessary adjustment.

**SECTION 404. Variation Between Meters-Reconciliation.**

Notwithstanding the foregoing, if the Agency or any Member at any time observes a variation between a delivery meter and a check meter or any other evidence of meter malfunction, such party shall promptly notify the other party and the Agency and such Member shall then cooperate to procure an immediate calibration test and adjustment to accuracy of such meter and shall jointly observe any such adjustment. The party who discovers such variation shall give the other party notice not less than forty-eight (48) hours prior to the time of all tests of meters (which tests shall be conducted during normal working hours) so that the other party may conveniently have a representative present. If said representative is not present at the time set in such notice, calibration and adjustment may, notwithstanding any other provision of this section, proceed in the absence of such representative. If, upon any test, the percentage of inaccuracy of any meter is found to be in excess of two percent (2%), registration thereof shall be corrected by agreement of the Agency and such Member based upon the best data available, for a period extending back to the time when such inaccuracy began, if such time is ascertainable, or if such time is not ascertainable, then for a period extending back to one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If, for any reason, any meters are out of service or out of repair so that the amount of Water delivered cannot be ascertained or computed from the reading thereof, the Water delivered during the period such meters are out of service or out of repair shall be deemed to be the registration of any check meter or meters, if the same have been installed and are accurately registering. Otherwise, the amount of Water delivered during

such period shall be estimated (a) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations or (b) if the error is not ascertainable by calibration tests or mathematical calculations, by estimating the quantity of delivery by considering deliveries during preceding periods under similar conditions when the meter or meters were registering accurately, or any other reasonable manner.

**SECTION 405. Records.**

For the purpose of this Contract, the official record of readings of the meter or meters shall be the Journal or other record book of the Agency in which the records of the employees or agents of the Agency who take the readings are or may be transcribed. Upon written request of a Member, the Agency will give the Member a copy of such Journal or record book, or permit the Member to have access thereto in the office of the Agency during Regular Hours.

**SECTION 406. Removal of Agency Metering Station.**

Within ninety (90) days after the termination of this Contact without renewal, the Agency at its own expense shall remove metering equipment and stations from each Member to which such termination without renewal applies and restore the property. If the Agency fails to remove and restore, as aforesaid, the Member affected may elect to do so at its own cost of to take title to such equipment and station.

**SECTION 407. Unit of Measurement.**

The unit of measurement for Water delivered shall be gallons of water, U.S.. Standard Liquid Measurement, and all Devices shall be so calibrated, unless the Agency and the Member otherwise agree.

**SECTION 408. Measurement Basis for Delivered Quantity.**

Delivered Quantity shall be based on readings of the Devices or on estimates made pursuant to Section 404. The readings of such Devices for the Purpose of computing the Member's share of certain costs shall be taken by the Agency on the last day of each calendar month.

**ARTICLE V**

**Payments**

SECTION 501. Member Payments.

Each Member agrees to pay, at the time, on the terms and subject to the conditions set forth in this Article, its share of the Aggregate Costs which will be the total of the following:

- (1) The Member's share of Operation and Maintenance Costs as determined in accordance with Section 502;
- (2) The Member's share of Fixed Costs as determined in accordance with Section 503;
- (3) The Member's share of Default Costs as determined in accordance with Section 504.

Notwithstanding any other provisions of this Contract, the payments due under this Contract, together with the payments due under the Contracts with all other Members, shall at all times be sufficient (together with the other amounts available in the revenue fund established by the Bond Resolution) to make all payments provided in the Bond Resolution from the revenue fund or account to the operation and maintenance fund or account, the debt service reserve fund or account, the Bond anticipation note debt service fund or account and the general or surplus fund or account at the times and in the amounts provided in the Bond Resolution so that there shall be at no time any deficiency in any of those payments, or such amounts as the Board shall otherwise establish, or the Agency as a governmental body in relationship to sums owed shall, in a limited amount, be authorized to and be obligated to pay.

SECTION 502. Member's Share of Operation and Maintenance Costs.

Each Member's share of the Operation and Maintenance Costs for which all Members are responsible for each month shall be that proportion of those costs for that month which such Member's Delivered Quantity in that month was to the sum of the Delivered Quantity in that month was to the sum of the Delivered Quantities for all Members in that month. If, for any reason, a Member's Delivered Quantity is not available for that month, the Member's share of Operation and Maintenance Costs for each such month shall equal that proportion of those costs for that month which such Members Total Water Use for the prior Calendar Year was to the sum of the Total Water Use for all the Members in the prior Calendar Year. If the actual Delivered Quantity is later accurately determined, the Member shall pay the difference or receive a credit relative to the amount paid.



SECTION 503. Member's Share of Fixed Costs.

Each Member's share of the Fixed Costs for which all Members are responsible for each month shall be that proportion of those costs for that month which such Member's Delivered Quantity in that month was to the sum of the Delivered Quantities for all Members in that month. If, for any reason, the Fixed Costs are not available for that month, each Member's share of Fixed Costs for each month shall be that proportion of Fixed Costs which the Member's Total Water Use for the prior Calendar Year was to the sum of the Total Water Use of all Members for the prior Calendar Year. If the actual amount of Fixed Costs is later determined, each Member shall pay the difference or receive a credit relative to the amount paid.

SECTION 504. Member's Share of Default Costs.

If any Customer defaults on the payment to the Agency of its share of Aggregate Costs, or any part of the payment of its share due pursuant to Section 501, each Member agrees to pay a share of the amounts so in default to the Agency. That share shall be in the same proportion as such Member's share of the Aggregate Costs for the month prior to the month of the default bears to the sum of the shares of Aggregate Costs in that month of all Customers who are obligated to make payments under this Section and are not in default. Each Member's share of defaulted Aggregate Costs, or such defaulted payments of shares, as the case may be, shall be due and payable twenty-one (21) days after the Agency's written demand therefore. The demand shall include the Agency's calculations of the amount due by the Member hereunder. If and when the defaulting Customer makes a payment to the Agency of a defaulted amount or interest thereon for which the Members have made a payment to the Agency under this paragraph, the Agency will pay to each Member its proportionate share of such amount, including any such interest.

Each Member's share of Default Costs, if any, for each month shall be that proportion of those costs which the sum of the Member's share of Operation and Maintenance Costs and Fixed Costs in the prior month was to the sum of the total Operation and Maintenance Costs and Fixed Costs in the prior month of all members not in default in their payment obligations under their Contract.

SECTION 505. (RESERVED)

SECTION 506. Bills and Due Date.

The Agency shall notify each Member of such Member's share of Aggregate Costs for the month on or before the tenth day of the following month. The Member's share of Aggregate Costs for a month shall be due and payable and must be received at the offices of the Agency on or before the tenth day of the month following the month of the Agency's notification.

**SECTION 507. Disputed Payments.**

If a Member desires to dispute all or any part of any payment under this Contract, the Member shall, nevertheless, pay the full amount of any such payment when due and include with such payment written notification to the Agency that charges are disputed, the grounds for dispute and the amount in dispute.

Upon receipt of notification of a dispute, representatives of the Agency shall meet promptly with representatives of the Member to resolve such dispute. No adjustment or relief on account of any disputed charges shall be made unless disputed charges are the subject of such notice received in the office of the Agency on or before the applicable due date or within a reasonable period from the time the Member knew, or should have known, of the facts giving rise to the dispute.

In the event that it is determined that the Member shall have overpaid, it shall receive a refund with interest at the rates set out in the following Section.

**SECTION 508. Overdue Payments.**

If a Member shall fail to make any payment required under this Contract on or before its due date, such Member shall be in default and interest on the amount of such payment shall accrue during the period of nonpayment. Interest shall accrue at the maximum legal rate on taxable bonds payable by an Illinois Non-Home Rule Unit, not to exceed the higher of (a) the weighted average effective interest rate on all series of then outstanding Bonds of the Agency plus two percent (2%) or (b) the prime rate from time to time announced by the largest commercial bank (measured in terms of total assets) located in and doing banking business in the State of Illinois plus five percent (5%), from the date such payment becomes due until paid in full with interest as herein specified. In addition, such Member shall pay all costs and expenses, other than Agency interest costs, incurred by the Agency as a result of such an overdue payment. In the event such payment is not made within thirty (30) days from the date such payment becomes due, the Agency may,

at its option and in its discretion, reduce or discontinue delivery of Water to the Member until the amount due the Agency is paid in full with interest as herein specified. Not less than twenty (20) days prior to the event, the Agency shall give notice to the Member of its intention to reduce or discontinue delivery of Water in accordance with this Section and shall provide the Member an opportunity for a hearing prior to any reduction or discontinuance. If the Agency reduces or discontinues the delivery of Water under such circumstances, the Member shall, nevertheless, continue to be liable to pay all charges herein provided for. The rights specified in this Section shall be in addition to all other rights and remedies at law or in equity available to the Agency for breach of any of the provisions of this Contract.

**SECTION 509. Security Deposit.**

If a Member is in default in any payment under this Contract and the default is not cured within thirty (30) days after the due date of the defaulted payment, the Agency may, at its option, require such Member, as a further obligation under this Contract, to deposit as security for the payment of such Member's obligations hereunder a reasonable amount as determined by the Agency. The Member's compliance with the Agency's demand for a security deposit shall be a condition precedent to the curing of such Member's default and the restoration of Water service to such Member, if abated or reduced by reason of such default. The security deposit or any part thereof may, at the Agency's discretion, be applied to any subsequent default in any payments due hereunder by the Member. If so applied, the Member shall immediately provide funds to restore the security deposit to the amount required by the Agency. At the earliest of (a) the end of the term of this Contract, (b) a term of two (2) years after the curing of most recent default by the Member, or (c) at any such time that the Agency may at its sole discretion determine, any security deposit shall be returned to the Member if the Member has performed all its obligations under this Contract. Any such security deposits shall be kept in a separate interest bearing fund or account and any interest earned thereon shall be the property of the Agency.

**SECTION 510. Rate Equality.**

All rates or charges for all Charter Members shall be equal. No change in the rates or charges under this Contract for any Charter Member may be made unless the same change is made for all Charter Members. Alternative rates and charges may be charged to Additional Members or Participants.

SECTION 511. Limitation on Payments.

Notwithstanding any other provisions of this Contract to the contrary, the payments required to be made by each Member under this Contract shall be required to be made solely from revenues to be derived by such Member from the operation of its Municipal System. This Contract shall not constitute an indebtedness of any Member within the meaning of any statutory or constitutional limitation.

SECTION 512. Other Funds.

Notwithstanding the provisions of Section 511, the Members are not prohibited by this Contract from using other available funds to make the payments required by this Contract.

SECTION 513. Member Enforcement of Provisions.

Each Member acknowledges that its obligations hereunder are a benefit to each other Member and to subsequent Customers as such other Member's and subsequent Customer's obligations are a benefit to a Member. Accordingly, each Member agrees that, in addition to the Agency, Bondholders, the Trustee or other parties by law entitled to enforce the provisions of this Contract, any three or more Customers acting together may enforce the provisions of this Article, but only if the Agency has not acted to enforce such provisions within ninety (90) days of a failure to cure a default hereunder, and after a notice of not less than sixty (60) days by the Customers indicating an intent to take independent action. Any rights any Customer has under this Contract or other contracts with the Agency shall be limited in enforcement as set forth herein.

SECTION 514. (RESERVED)

SECTION 515. Nature of Payment Obligation.

Payments to be made under this Contract shall be an operation and maintenance expense of each Municipal System. Each Member is obligated to pay for Water without setoff or counterclaim and irrespective of whether such supply of Water is ever furnished, made available or delivered to the Member or whether the System is completed, operable or operating and notwithstanding any suspension, interruption, interference, reduction or curtailment of the supply of Water from the System. The rights of the Member in the event of failure by the Agency to perform its obligations under this Contract are governed by Section 903.

SECTION 516. Provision in Lieu of Allocation.

At any time when no Allocation is in effect for a Customer and reference to an Allocation is necessary to give meaning to a term of this Contract, the Allocation for such Customer shall be deemed to be the Customer's Total Water Use for the prior year divided by three hundred sixty-five (365).

SECTION 517. Budget, Limitation, Notice, Hearing Provisions & Rates.

Not less than sixty (60) days prior to the beginning of each Fiscal Year, the Agency shall prepare and send to the Members a tentative Budget. Each such Budget shall include, among such other items as the Agency may choose, an estimate of Fixed Costs to be paid by each Member in a stated aggregate dollar amount per month for each and an estimate of Operation and Maintenance Costs in a stated price per one thousand (1,000) gallons. The Agency will hold a hearing on such Budget, at which Members may be heard, and shall give the Members not less than twenty-one (21) days notice of such hearing. Operation and Maintenance Costs payable in each Fiscal year shall be determined and assessed by the Agency on a price per thousand gallons basis; such price may not exceed the estimate as set forth in the tentative budget unless the Agency shall hold a hearing on such higher price, at which the Members may be heard, and shall give the Members not less than twenty-one (21) days notice of such hearing. While Bonds are outstanding, the Agency shall only bill its Customers such amounts as shall be required to pay Aggregate Costs and to provide for its Customers a reliable water system as required by a Bond Resolution. Nothing shall prohibit the Agency from adopting a Budget with amounts determined to be necessary by the Agency's Executive Director for the purpose of improving the System to eliminate the need for additional borrowing by the Agency.

SECTION 518. Total Water Use Contingency.

If the Result for the previous Calendar Year is not available to the Agency at the time it is required to submit bills to the Participants, the Agency shall use the latest available Result. The bills for the month following the month in which the Result is received shall contain a recompilation of all bills rendered during the unavailability of the proper Result. Each Participant shall receive a credit for or be billed for the difference as the recompilation requires.

SECTION 519. Take or Pay Provision.

If a Member's Delivered Quantity for any month is less than its Full Water Requirements

for that month and the Agency was willing and able to deliver to such Member its Full Water Requirements at all times during that month, such Member's obligations for any payment due under this Contract shall be based on Full Water Requirements.

**SECTION 520. Payment of Share of Costs of Water Not Delivered.**  
In the event the Agency, because of a System failure, is unable to deliver in a given Fiscal Year, the Full Water Requirements of a Member for a period or periods each in excess of 96 hours, then all Members, (including such Member affected by the full or partial interruption), shall pay to the Agency their respective share of the Costs of Water Not Delivered. The quantity of Water Not Delivered shall be computed for the period using the greatest amount of Water purchased from the Agency by the affected Member during the same period of the year in either of the prior two (2) years. Costs of Water Not Delivered shall be computed as with other Water in fact delivered; provided, however, that such costs shall be based on 100% of Fixed Costs and Default Costs and only 65% of Operation and Maintenance Costs. The Costs of Water Not Delivered shall be divided proportionally among all Members in the proportion in which each paid Aggregate Costs in the prior Fiscal Year. Each Member's share of Costs of Water Not Delivered shall be due and payable monthly in the same manner as are each Member's share of all other costs constituting Aggregate Costs.

In the event that in any Fiscal year in which Costs of Water Not Delivered have been paid and for which the net income as shown on the preliminary Fiscal Year-end financial statement exceeds the net budgeted income, the Board of Directors in its discretion may rebate some or all of such surplus. The rebate in an amount not to exceed the total Costs of Water Not Delivered may be used for the purpose of reducing charges to or payments from Members in an amount related to such Member's share of the Costs of Water Not Delivered paid during the Fiscal Year in question.

## **ARTICLE VI**

### **Agency Covenants**

**SECTION 601. Operation of System and Supply of Water.**

The Agency shall endeavor to fulfill the performance of its obligations hereunder. The Agency shall not be liable to any Member for any damages occasioned by delay in the service to any Member, and all payments provided for under this Contract remain due and payable in accordance with its terms notwithstanding any such delay. The Agency shall, subject to the other terms and conditions of this Contract continually hold itself ready, willing and able to supply Water to such Member. Consistent with its legal obligations to its other Customers and consistent with fair and equitable treatment of all its Customers, the Agency shall also use its best efforts to supply each Member with such additional amounts of Water as from time to time may be allocated to such Member over and above its present Allocation, but the Agency does not hereby guarantee a supply of such additional amounts.

SECTION 602. Delivery and Title.

(a) Title to Water delivered under this Contract shall pass from the Agency to the Member upon passing through a point ten feet from the Points of Delivery. The Points of Delivery are part of the System and the Agency shall bear the costs of providing and maintaining them.

(b) Points of Delivery shall be established upon the mutual agreement of the Agency and the Member, provided that any additional Points of Delivery shall also conform to specifications established by the Agency. The point of connection of the Municipal System to the System shall be designated by agreement between the Agency and the Member when an additional Point of Delivery is established. The Member shall pay any costs of establishing, maintaining, operating or replacing such additional Points of Delivery. Such additional Points of Delivery shall be owned by the Member, but shall be under the control of and operated by the Agency.

(c) The Agency shall furnish, without charge, to each Member such Water as is needed for the construction or testing of the System and the points of connection to each Municipal System and for the obtaining of any permits required in connection with the construction or operation of the System and its connection to such Municipal System.

(d) The Agency shall use its best efforts to obtain the necessary permits and contracts for labor and material.

(e) With respect to the System, the Agency will carry insurance or maintain self-insurance of the kinds and in the amounts which are customarily carried or maintained by parties operating similar properties including, without limiting the generality of the foregoing, fire and other casualty and public liability insurance or protection. All monies received for loss under the insurance policies or on deposit as self-insurance reserve funds shall be used in making good the loss or damage in respect of which they were paid except to the extent no longer deemed useful to or profitable in the operation of the System, whether by repairing the property damaged or replacing the property destroyed, and provision from making good such loss or damage or replacing the property destroyed shall be made within a reasonable time from the date of loss. The proceeds derived from any and all policies or available from self-insurance reserves for public liability losses shall be used in paying or reimbursing any accounts from which payment for settlements, judgments or expenses were advanced.

SECTION 603. Covenants Regarding the System.

The Agency covenants and agrees:

(a) **(RESERVED)**

(b) That it will complete the acquisition and construction of facilities as the Board determines those facilities are needed to supply sufficient quantities of Water to the Members subject to the quantities required to be delivered to the Charter Members and under Admissions Agreements.

(c) That it will operate and maintain the System in order to be able to perform the obligation to supply Water to its Customers.

(d) That it will maintain in effect any Contract with each of the Members as required by the Bond Resolution or by action of the Board.

(e) That it will treat all Charter Members equitably without preference for any one or more Charter Members over any other one or more Charter Members, and it will treat all Additional Members in accordance with their respective Admissions Agreements.

(f) That it will enforce the provisions of each of the Contracts.



(g) That it will perform all of its covenants under any Bond Resolution as long as any Bonds authorized by said Bond Resolution are outstanding.

**SECTION 604. Abatement.**

Unless the Board resolves by a four-fifths (4/5) vote of all Charter Members that it is in the best interests of the Members to do otherwise in any Fiscal Year, the Agency will use those funds received in accordance with Paragraph (f) of the definition of "Fixed Costs" for abatement of real estate taxes imposed in accordance with the provisions of Section 10 (b)(i)(A) of the Agreement.

**ARTICLE VII**

**Member Covenants**

Each Member covenants and agrees, as follows:

**SECTION 701. Ownership.**

(a) It will continue to own and possess its Municipal System and will, within the exercise of reasonable business judgment and in a manner so as not to cause a default hereunder, dispose of property which is part of its Municipal System only to the extent that such property is no longer useful or profitable in the operations of its Municipal System. It will mortgage or encumber the Municipal System only to the extent required to issue bonds payable from revenues of the Municipal System in accordance with applicable law.

(b) It shall not combine its existing separate waterworks system with its separate sewage system or separate its existing combined waterworks system and sewerage system into separate systems before the time when all Bonds are paid or provision had been made for their payment. Thereafter, it may combine its waterworks system with its sewerage system or separate its combined waterworks system and sewerage system into separate systems only on the following conditions: (a) The Member shall provide the Agency with written evidence that the proposed combination or separation will not materially and adversely affect the Member's ability to comply with the terms, conditions and covenants of this Contract; and (b) the Agency shall then

determine that the proposed combination or separation will not materially and adversely affect the Member's ability to comply with all terms, conditions and covenants of this Contract. Then, and only then, the Agency shall approve such combination or separation and advise such Member in writing.

**SECTION 702. Operation and Maintenance.**

It will operate and maintain its Municipal System and all improvements and extensions of its Municipal System in good repair and working order, will operate the same efficiently and faithfully, and will punctually perform all duties with respect to its Municipal System as may be required by the Constitution and Laws of the State of Illinois, by all other applicable laws, regulations, and by all resolutions and ordinance of the Member.

**SECTION 703. Insurance.**

It will carry insurance on its Municipal System, become a member of a self-insurance pool or maintain other risk management protection of the kinds and in the amounts which are customarily carried or maintained by parties operating similar properties including, without limiting the generality of the foregoing, fire, windstorm, public liability, and all additional insurance or protection covering those risks. All monies received for loss under the insurance policies, pool coverage or risk management protection shall be used in making good such loss or damage (subject to Section 701), whether by repairing the property damaged or replacing the property destroyed, and provision for making good such loss or damage or replacing the property destroyed, and provision for making good such loss or damage or replacing the property destroyed shall be made within ninety (90) days from the date of loss. The proceeds derived from any and all policies, pool coverage, risk management protection or public liability shall be credited to an account for payment of operation and maintenance of the Municipal System and used in paying the claims on account of which they were received.

**SECTION 704. Finance.**

(a) In accordance with applicable State laws, it will adopt for each of its fiscal years a budget or appropriation ordinance providing for the payment of all sums anticipated to be due to the Agency during its fiscal year.

(b) It will make and keep proper books and accounts (separate and apart from

all of its other records and accounts) in which complete entries shall be made of all transactions relating to its Municipal System and, within two hundred and ten (210) days following the close of each of its fiscal years, it will cause the books and accounts of its Municipal System to be audited annually by independent certified public accountants, showing the receipts and disbursements on account of its Municipal System and will cause a copy of the audit to be sent to the Agency within two (2) weeks after an Agency request.

(c) It will provide for the segregation of all revenues of its Municipal System and such Municipal System fund and will provide for the application of the revenues for the purpose of Section 705 of this Article. Monies of its Municipal System which exceed its obligations hereunder may be used for any lawful corporate purposes.

(d) After the effective date of this Contract, as determined by section 915, any resolution or Municipal Ordinance which authorizes the issuance of any obligation of a Member to be paid from revenues of its Municipal System will expressly provide that revenues of its Municipal System may be used to pay principal of, premium, if any, and interest on those obligations only to the extent that those revenues exceed the amounts required to pay the operation and maintenance expenses of its Municipal System including, expressly, all amounts payable from time to time under this Contract.

#### SECTION 705. Rates.

It will establish, maintain and revise as necessary such rates for and collect charges from customers of its Municipal System as shall be required from time to time to produce revenues at least sufficient (a) to pay all amounts due under this Contract and to pay all other costs of operation and maintenance of its Municipal System, (b) to provide adequate reserves for its Municipal System in accordance with applicable law, (c) to make all deposits into all funds and accounts required by the terms of resolutions or ordinances authorizing bonds payable from revenues of its Municipal System and (d) to pay the principal of and interest on all bonds of such Member which are payable from the revenues of its Municipal System.

The Agency may not sue to enforce the provisions of this section as they relate to clauses (b) through (d) unless it can show that the ability of a Member to make the payments set forth in clause (a) is substantially impaired by the inadequacy of said rates and charges.

The rates and charges for customers of a Municipal System shall not be required, however, to be sufficient to produce amounts required to make payments under this Contract so long as available amounts sufficient for making such payments for the next six (6) months or the remainder of such Member's fiscal year, whichever is longer, shall have been set aside in cash or investments in a separate account in its Municipal System fund designated for the purpose of making payments under this Contract.

Section 706. Allocation.

(a) It will use its best efforts to obtain or retain an Allocation at least equal to its Full Water Requirements.

(b) It will take Water at the most practical uniform and continuous rate of withdrawal.

Section 707. Real Estate Tax Levy.

It will provide the Agency with all information and assistance necessary to enable the Agency to levy a uniform real estate tax sufficient to pay the debt service on the General Obligation Bonds in accordance with the provisions of Section 10(b)(i)(A) of the Agreement.

Section 708. Back-Flow.

It will take such steps as are necessary to prevent the back-flow of water from its Municipal System into the System.

Section 709. Reporting.

It will furnish to the Agency a monthly report of its Total Water Use, Delivered Quantity, and Full Water requirements. The report shall contain an explanation of any discrepancies between its Delivered Quantity and its Total Water Use for the month covered by the report. The report shall be delivered to the Agency on or before the tenth day of the month following the month covered by the report.

Section 710. Tax Covenants.

No Customer shall use or permit to be used any of the Lake Michigan Water acquired under this Contract or operate its Municipal System in any manner or for any purpose or

take any other action or omit to take any action which could, either alone or in conjunction with any other similar actions by that Customer or any other Customers, result in loss of the exclusion from gross income for federal income tax purposes of the interest on any Bond or Bonds or entitlement of Agency to a credit payment from the United States Treasury (such as, for example, was available to units of local government for “build America bonds”) in lieu of all or part of such exclusion from gross income (any of such advantages being “*Tax-Advantaged Status*”), or which could be issued in the future, as such Tax-Advantaged Status is governed by the federal income tax laws, as amended from time to time, including but not limited to, Section 141 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction (collectively, the “*Tax Laws*”).

## **ARTICLE VIII**

### **Additional Members or Participants**

SECTION 801. Contract Rate.

The Agency shall not supply Water except pursuant to a written contract. No Subsequent Contract shall provide to Additional Members or Participants rates, charges or terms lower or more favorable than those provided in this Contract to Charter Members. All subsequent Contracts with Participants shall conform to the requirements of and be governed by Section 6 of the Agreement.

SECTION 802. **(RESERVED).**

## **ARTICLE IX**

### **Miscellaneous Provisions**

SECTION 901. Force Majeure.

In case, by reason of Force Majeure, any part hereto shall be rendered unable, wholly or in part, to carry out its obligation under this Contract, then, if such party shall give notice and full particulars of such Force Majeure in writing to the other parties within a

reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure shall be suspended during the continuance of the inability then claimed, but for no longer period. Any party shall endeavor to remove or overcome such inability with all reasonable dispatch. The settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty. The above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of opposing parties when, in the judgment of the party having the difficulty, such settlement would be unfavorable to it. No Force Majeure which renders any of the parties unable to perform under this Contract shall relieve a Member of its obligation to make payments to the Agency as required under Article V.

SECTION 902. Agency Defaults.

The Agency's failure to deliver Water to a Member as required by this Contract or the Agency's failure to perform any other obligations under this Contract and the continuation of that failure to perform for thirty (30) days after written notice from such Member to the Agency of such failure shall be a default of the Agency under this Contract, unless any such failure is excused pursuant to Section 901.

SECTION 903. Member Remedies in Event of Agency Default.

In the event of a default by the Agency under this Contract, a Member may bring any action against the Agency, including an action in equity and actions for mandamus and specific performance, to the extent allowed by law, but in any event, whether or not there is Agency default, such Member shall have no right to cancel or rescind this Contract, no right to withhold payments due or to become due under this Contract, no right to recover amounts previously paid under this Contract, no right of reduction of or set off against amounts due or to become due under this Contract and no claim on any amounts in any fund or account of the Agency other than the surplus account of the Agency's water revenue fund, the bond anticipation note debt service fund, the general fund or the Member deposit funds. Election of any remedy shall not be a waiver of any other remedy. The Agency will issue its Bonds and take other actions in specific reliance on the limitations set forth in this Section.

SECTION 904. Amendment of this Contract.

Except for revisions and adjustments otherwise expressly provided for, this Contract may

not be changed or modified without the written consent of the Agency and of three-fourths ( $\frac{3}{4}$ ) of all the Members and the written consent of Members representing at least 80% of the total Maximum Quantity as established from time to time. Such consent must be evidenced by a Municipal Ordinance filed with the Secretary of the Agency. Such modification may be requested by any party. In such an event, a joint meeting of representatives of all governing bodies shall be called by the Agency and held not more than sixty (60) days after such request is made and not less than thirty (30) days after the giving of notice of such meeting. No such change or modification may (a) materially impair or adversely affect the ability or obligation under the Contract of any Member to make payments to the Agency at the times, in the amounts, and with the priority required in order for the Agency timely to meet its obligations under this Contract and the Bond Resolution, including by way of illustration and not limitation, the making of all deposits in various funds and accounts created under the Bond Resolution or (b) materially impair or adversely affect the ability of the holders of Bonds or a Trustee under the Contract or Bond Resolution to enforce the terms of the Contract or otherwise jeopardize the obligations of the Agency. No such change or modification which will affect the rights and interests of the holders of Bonds shall be made except as provided in and permitted by a Bond Resolution so long as such Bond Resolution is in effect. No such change or modification shall be effective which would cause a violation of any provisions of any Bond Resolution. If the Agency should pledge or assign any of its rights under this Contract to a Trustee in connection with the sale, issuance and payment of Bonds, then this Contract shall not be terminated, revoked, amended, or modified except as provided in an permitted by a Bond Resolution so long as such Bond Resolution is in effect. The provisions of this section are specifically made subject to Section 911.

SECTION 905. Notices.

Except in the case of an emergency, all notices, invoices and bills under this Contract shall be in writing and shall be delivered or mailed by First Class Mail to the:

- (a) Agency at: Central Lake County  
Joint Action Water Agency  
200 Rockland Road  
Lake Bluff, IL 60044  
Attn: Executive Director  
blenniss@clcjawa.com

(b) Members at: (See Exhibit A)

(c) Or such other address as either the Agency or a Member shall designate by notice to the other.

Notices shall be considered given when delivered or three (3) days after being deposited in the mail or e-mailed to the chief administrator or mayor or chairman.

SECTION 906. Non-Assignability.

Except to the extent hereinafter provided, no party shall assign or transfer this Contract or any rights or interest herein without the written consent of the Agency and of three-fourths ( $\frac{3}{4}$ ) of all the Members and the written consent of Members representing at least 80% of the total current Maximum Quantity.. Such consent must be evidenced by a Municipal Ordinance filed with the Secretary of the Agency. The right to receive all payments which are required to be made by the Members to the Agency in accordance with the provisions of this Contract may be assigned by the Agency to any Trustee, as provided in a Bond Resolution, to secure the payment of the principal of, premium on and interest on Bonds as those amounts come due, subject to the application of those payments as may be provided in a Bond Resolution. The Members will, upon written notice of assignment to any such Trustee, make all payments directly to such Trustee. The rights of the Agency to enforce the provisions of the Contract may be assigned to such Trustee and, in such event, such Trustee will have the right to enforce this Contract at law or in equity with or without the further consent or participation of the Agency. The Agency may also retain the right to enforce this Contract.

SECTION 907. Cooperation in Construction of System.

The Members shall cooperate with the Agency in the construction, maintenance and expansion of the System. Each Member shall grant, without charge to the Agency, any reasonably required construction easements and any easements necessary for portions of the System to be located on such Member's property, provided the Agency agrees to restore the easement property in a reasonable manner after construction. Each Member shall grant the Agency access to its property to the extent reasonably necessary to construct and install the points of delivery, appurtenant equipment and Devices.



SECTION 908. Cooperation in Issuance of Bonds.

Each Member shall cooperate with the Agency in the issuance of any Bonds authorized to be issued by the Board. In such connection, each Member and the Agency will comply with all reasonable requests of each other and will, upon request, do as follows:

- (a) Make available general and financial information about itself;
- (b) Consent to publication and distribution of its financial information;
- (c) Certify that general and financial information about it is accurate, does not contain an untrue statement of a material fact and does not omit to state a material fact necessary to make the statements in that information, in light of the circumstances under which they were made, not misleading;
- (d) Make available certified copies of official proceedings;
- (e) Provide reasonable certifications, including those necessary to establish the tax exempt status of interest of Bonds issued on a tax-exempt basis, to be used in a transcript of closing documents; and
- (f) Provide and pay for reasonable requested opinions of counsel as to the validity of its actions taken with respect to and the binding effect of this Contract, title to its Municipal System or the Systems, as applicable, pending or threatened litigation which could materially affect its performance hereunder and other reasonably related opinions.

SECTION 909. Regulatory Bodies.

The parties, through this Contract, seek to exercise and maintain all sovereign rights granted to them under and through the Constitution and laws of the State of Illinois. This Contract shall be subject to all valid rules, regulations, and laws applicable hereto passed or promulgated by the United States of America, the State of Illinois, any governmental body or agency having lawful jurisdiction, or any authorized representative or agency or any of them. However, this Section shall not be construed as waiving the right of any party to challenge the validity of such rule, regulation, or law on any basis, including the impairment of this Contract. In the event that the Agency shall ever be modified in its form by action of the State Legislature, an administrative body or through any action other than by a vote of the Members so that the Agency is not an entity composed of units of local government and the County of Lake under which each governmental body possesses one (1) vote cast by a representative selected by its Corporate Authorities, which are fully empowered to take all actions, then the decision of the Agency to issue Bonds, to serve any other Customers, to extend or abandon the System or any part thereof

or to provide other than Water shall be authorized only if approved in writing by Municipal Ordinances of those Members representing at least 75% of the current Maximum Quantity. This provision shall be contained within any Bond Resolution of the Agency and any purchaser of the Bonds shall do so in reliance upon the continued validity of this provision.

SECTION 910. Agency Cooperative Arrangements.

Notwithstanding any of the provisions of this Contract, the Agency is not prohibited by the Contract from entering into cooperative arrangements with other suppliers of Water to provide Water to each other to meet their water needs, provided that these arrangements do not interfere, except in emergencies, with the delivery of Water to the Members.

SECTION 911. Abandonment.

No portion of the Initial Project shall be abandoned without the consent of those Charter Members who would receive no Water from the Agency because of such an abandonment.

SECTION 912. Evidence of Actions.

Any action hereunder to be taken by the Agency or any Member may be evidenced by a copy of official proceedings (including pertinent minutes, motions, resolutions, or ordinances) duly certified by the Clerk of such Member or by the Secretary of the Agency.

SECTION 913. Severability.

Should any part, term, or provision of this Contract be determined by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected thereby.

SECTION 914. Governing Law; Superseder.

This Contract shall be construed exclusively under the applicable laws of the State of Illinois. This Contract shall supersede the Water Purchase and Sale Contract entered into in 1989.

SECTION 915. Execution in Counterparts.

This Contract may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same instrument. Any

such counterpart may be signed by one or more of the parties hereto so long as each of the parties hereto has signed one or more of such counterparts.

SECTION 916.           Effective Date.

This Agreement shall become effective on the date on which the Agency and the Corporate Authorities of at least three-fourths (3/4ths) of all the Members and Members representing at least 80% of the total Maximum Quantity at such date approve the Agreement, provided that date complies with the Resolution adopted by the Agency when it approved this Contract.

SECTION 917.           Initial and Amended Term.

The initial term of this contract commenced on March 20, 1989 and was to continue for 40 years. The amended term of this contract is for forty (40) years, which new and extended period shall commence on the date determined by Section 916.

IN WITNESS WHEREOF, the parties hereto have caused their respective corporate names to be subscribed hereto and their respective corporate seals to be hereto affixed and attested by their duly authorized officers, all on the date set opposite their respective corporate names.

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
County Clerk

The County of Lake,  
Illinois

By \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Grayslake,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Gurnee,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Lake Bluff,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Libertyville,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Round Lake,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Round Lake Beach,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Round Lake Heights,  
Lake County, Illinois

By \_\_\_\_\_  
President

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_

Village of Round Lake Park,  
Lake County, Illinois

By \_\_\_\_\_  
President

Village Clerk

Date: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Village Clerk

Village of Mundelein  
Lake County, Illinois

By \_\_\_\_\_

President

Date: \_\_\_\_\_  
Water

Attest:

By \_\_\_\_\_  
Secretary

Central Lake County Joint Action  
Water Agency, Lake County, IL

By \_\_\_\_\_

Chairman



**EXHIBIT A**

**MEMBER ADDRESS**  
**[FILL IN NEW ADDRESSES AND ANY CHANGED ADDRESSES]**

<b><u>MEMBER</u></b>	<b><u>ADDRESS</u></b>
County of Lake	18 North County Street Waukegan, IL 60085
Village of Grayslake	164 Hawley Street Grayslake, IL 60030
Village of Gurnee	325 North O'Plaine Road Gurnee, IL 60031
Village of Lake Bluff	40 East Center Avenue Lake Bluff, IL 60044
Village of Libertyville	200 East Cook Avenue Libertyville, IL 60048
Village of Mundelein	440 East Hawley Street Mundelein, IL 60060
Village of Round Lake	442 North Cedar Road Round Lake, IL 60073
Village of Round Lake Beach	1937 Municipal Way Round Lake Beach, IL 60073
Village of Round Lake Heights	629 Pontiac Court Round Lake Heights, IL 60073



Village of Round Lake Park

203 East Lake Shore Drive  
Round Lake Park, IL 60073

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# Exhibit C

## **ADMISSIONS AGREEMENT TO THE CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY**

THIS ADMISSIONS AGREEMENT (“Admissions Agreement” or “Agreement”) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by, between and among the Central Lake County Joint Action Water Agency (“Agency”), The County of Lake, Illinois (“County”), the Village of Lake Villa, Illinois, an Illinois municipal corporation (“Lake Villa”) and the Village of Lindenhurst, Illinois, an Illinois municipal corporation (“Lindenhurst”) (the Agency, County, Lake Villa and Lindenhurst sometimes referred to individually as a “Party” or collectively as the “Parties”) in consideration of the mutual promises and conditions stated in this Admissions Agreement.

### **ARTICLE 1. RECITALS.**

1.1 The Agency has been organized in accordance with the provisions of Article VII, Section 10 of the Illinois Constitution of 1970 and the statutes of the State of Illinois, including, without limitation, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, to provide and operate a joint waterworks and/or a water supply system to obtain Lake Michigan Water for the use of governmental units.

1.2 The Agency was organized as a municipal corporation and a public body politic and corporate by its Charter Members through the joint adoption of that certain “Central Lake County Joint Action Water Agency Agreement” in 1986, which has been amended from time to time. It has been amended and restated as the “Comprehensive Amendment to the Central Lake County Joint Action Water Agency Agreement” (the “Amended Agency Agreement”)<sup>1</sup> and is anticipated to be approved by the Agency and its members concurrently with this Agreement.

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<sup>1</sup> Capitalized terms used in this Admissions Agreement but not defined in this Agreement shall have the meanings set forth in the Amended Agency Agreement and the Amended Water Purchase and Sale Contract, unless the context otherwise requires.

1.3 Pursuant to the Agency Agreement, the Agency has previously adopted the “By-Laws of the Central Lake County Joint Action Water Agency,” which have been amended and restated as the “Amended By-Laws of the Central Lake County Joint Action Water Agency” (“Amended By-Laws”).

1.4 The Agency has designed and constructed and currently operates a water treatment and supply system to treat and deliver Lake Michigan Water (“Agency System”).

1.5 Under Section 5 of the Amended Agency Agreement, the addition of new Members is permitted “upon the adoption of an ordinance by the corporate authorities of the joining governmental unit determining so to become a member and upon the consent of the Board of Directors and of all of the then Members” with the consent of each of the existing Members to be made through the adoption of an ordinance by the corporate authorities of each consenting Member.

1.6 Section 5 of the Amended Agency Agreement further provides that the Board of Directors of the Agency may establish any reasonable conditions with respect to any governmental unit becoming a new Member (“Additional Member”), which may include, without limitation, the making of a contribution to the Agency and the assumption of all or a portion of contracts, debts and obligations of the Agency.

1.7 Lake Villa and Lindenhurst desire to become Additional Members of the Agency (Lake Villa and Lindenhurst to be collectively known as “Additional Members”).

1.8 The County wishes to expand its territory in the Agency to serve certain portions of unincorporated Lake County commonly known as Fox Lake Hills and Grandwood Park, to be defined as the Fox Lake Hills Service Area and Grandwood Park Service Area in Section 1.16 below (Lake Villa, Lindenhurst and the County in connection with the Fox Lake Hills Service Area and the Grandwood Park Service Area to be collectively known as the “North Group”).

1.9 The North Group desires to purchase Lake Michigan Water from the Agency and finds that it will be most cost effective and efficient to jointly pursue the design, construction and

installation of certain additional facilities necessary to enable the provision of Lake Michigan Water service to the North Group.

1.10 Lake Villa, Lindenhurst and the County for the Fox Lake Hills Service Area and Grandwood Park Service Area currently have in place water distribution systems for the delivery of well water to their retail water customers.

1.11 The Agency and its members have previously entered into a “Water Purchase and Sale Contract,” which has been amended and restated as the “First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract Between Central Lake County Joint Action Water Agency and Charter Members” (“Amended Water Purchase and Sale Contract”) and is anticipated to be approved concurrently with this Agreement.

1.12 Lake Villa, Lindenhurst and the County for the Fox Lake Hills Service Area and Grandwood Park Service Area have each obtained an allocation of Lake Michigan Water from the Illinois Department of Natural Resources through the year 2030.

1.13 By entering into this Admissions Agreement, the Parties intend to establish a process, and the related terms and conditions, by which Lake Villa and Lindenhurst will become members of the Agency and the County will be approved to serve the Fox Lake Hills Service Area and Grandwood Park Service Area through the Agency.

1.14 The County has proposed, in County Ordinance Number 13-0647, the establishment of its Special Service Area Number 16 (“SSA 16”) to provide improvements and extensions to the existing Agency water supply system to provide access to Lake Michigan Water for an area that includes all or portions of Lake Villa, Lindenhurst, the Fox Lake Hills Service Area and the Grandwood Park Service Area.

1.15 The County has formed Special Service Area Number 16 in County Ordinance Number 13-\_\_\_\_\_, with the consent of Lake Villa and Lindenhurst.

1.16 The unincorporated areas of the County to be served by Special Service Area Number 16 are legally described and depicted in Exhibit A to this Agreement.

1.17 This Admissions Agreement has been negotiated between the Agency and the North Group, and the Agency and the North Group do intend that it will bind all four Parties (the Agency, the County, Lake Villa and Lindenhurst sometimes collectively referred to as the “Parties”).

**ARTICLE 2. MEMBERSHIP; APPROVALS; RELATIONSHIPS OF THE PARTIES.**

2.1 Legislative Actions Required. The following legislative actions shall be required to allow Lake Villa and Lindenhurst to become members of the Agency, and to allow the County to serve the Fox Lake Hills Service Area and Grandwood Park Service Area:

A. The corporate authorities of Lake Villa and Lindenhurst shall each adopt and approve an ordinance determining that it shall join and become a member of the Agency under the terms of this Admissions Agreement, as well as approving this Admissions Agreement;

B. The corporate authorities of the County shall adopt an ordinance seeking consent to serve the additional service areas of Fox Lake Hills and Grandwood Park as well as to approve this Admissions Agreement; and

C. The Board of Directors of the Agency, and the corporate authorities of each of its Members, shall each adopt an ordinance and take all other legislative actions necessary to admit Lake Villa and Lindenhurst to membership in the Agency, and to authorize the County as a current Agency member to include Fox Lake Hills and Grandwood Park in its approved CLCJAWA service area, as well as to approve this Admissions Agreement.

2.2 Effective Date of Membership and Approvals. Upon the last date to occur of (i) the dates on which all of the ordinances and legislative actions described in Section 2.1 above are complete and in effect, and (ii) the date on which the Board of Directors of the Agency have approved one or more contracts for construction of components of the North Group Extension Facilities with a cumulative contract price of \$5,000,000.00 or more pursuant to Article 3, then:

A. the Additional Members shall become Members of the Agency and shall have the full rights of all other members; and

B. the County service areas of Grandwood Park and Fox Lake Hills shall be a part of the territory of the Agency.

Such date shall be the Membership Effective Date. Within fifteen (15) days after such Date, the Secretary of the Agency shall prepare and execute, before a notary public, a certificate of the Membership Effective Date, including in the certificate a recitation that each of these items have occurred and the dates on which they have occurred along with an executed copy of this Agreement, and shall deliver an executed original copy of the certificate to the following: Lake Villa, Lindenhurst and the County; the members of the Agency; the Illinois Secretary of State; and the County officials responsible for the extension of tax levies in the County.

2.3 Consent to West Group Additional Members. By entering into this Admissions Agreement, Lake Villa, Lindenhurst, and the County agree that they will consent to the admission of the Village of Volo and the Village of Wauconda, or either one individually (sometimes referred to collectively or individually as the "West Group") into membership in the Agency, if the Agency approves such membership on terms and conditions generally consistent with, and no more beneficial or advantageous to the West Group than, the terms and conditions of this Admissions Agreement as to: payment of one hundred percent (100%) of the cost of extension facilities for the Agency to provide Lake Michigan Water; payment of one hundred percent (100%) of the connection fees required by the Agency based on the formula contained in Section 4.5 of this Agreement; and recapture of costs of the extension facilities based on the formula contained in Section 4.6 of this Agreement. The obligation to provide consent pursuant to this Section shall be in effect for a period of five (5) years after the Membership Effective Date.

2.4 Acceptance of Agency Organizational and Binding Documents. Upon the Membership Effective Date, the Additional Members and the County, as to the Fox Lake Hills

and Grandwood Park service areas, shall be bound, not as Charter Members, but as Members subject to the terms and conditions and rights and obligations of:

- A. the Amended Agency Agreement;
- B. the Amended By-Laws; and
- C. the Amended Water Purchase and Sale Contract.

Unless this Admissions Agreement specifically states terms, conditions, rights or obligations of the North Group that are different from those of the Members under subsections A, B and C of this Section, any ambiguities shall be resolved in favor of the language which would apply under the documents listed in Subsections A, B and C. The intent of the Admissions Agreement is to specifically state the terms and conditions under which the North Group members are to be admitted to the Agency, which may differ from the terms and conditions applicable to the Charter Members.

2.5 North Group Status as Participants. Prior to the time that the Additional Members become full members of the Agency, the Additional Members shall be Participants in the Agency, as defined in the Agency Agreement, and representatives chosen by them shall have full participation and voting rights on any advisory board or technical committee which shall be established to make recommendations to the Executive Director of the Agency and where required to the Board of Directors of the Agency.

2.6 Technical Committee.

A. Role; Duties. The Agency has established a committee to be called the "Technical Committee," which has been designated to address technical, process and other related issues to be considered in the design, development and construction of the North Group Extension Facilities by the Agency as well as other similar facilities that may be under consideration by the Agency due to the addition of other municipalities as potential members of the Agency. Unless otherwise mutually agreed by the Parties, the Technical Committee shall meet not less than once per month until such time as the North Group Extension Facilities have

been fully constructed and finally accepted by the Agency, and shall also hold design workshops from time to time as necessary to address specific technical issues.

B. Members. Each of the Additional Members and the County as well as other potential members of the Agency shall have the right to appoint one member to the Technical Committee, who shall be a staff member of the Additional Member or the County. The Agency may designate such representatives to the Technical Committee as necessary to address concerns of the Agency. The Technical Committee shall elect a Chair, Vice-Chair and Secretary. The Agency shall arrange for the participation of such other persons and resources in meetings of the Technical Committee as may be necessary to allow the full discussion of the issues to be addressed by the Committee.

C. Reports and Recommendations. The Technical Committee shall submit reports and recommendations to the Agency Board of Directors from time to time on issues considered by the Committee. All actions and recommendations of the Technical Committee in this Agreement that are related to matters, the cost of which are to be paid by the North Group, shall be approved by a majority of those serving on the Technical Committee from the North Group and the Agency. Approvals, actions and recommendations from the Technical Committee shall be advisory only.

2.7 Process for Decisions. Because the North Group Extension Facilities will be owned and maintained by the Agency, the Parties understand and agree that it is important that the Agency have the final decision regarding all aspects of the Project. The Parties also understand and agree that because the North Group is paying for all costs associated with the North Group Extension Facilities, it is important that each aspect of the North Group Extension Facilities shall be considered, not only in relationship to the needs of the Agency and future Agency costs of administration and maintenance, but also the available amount of funds of the North Group and the practical aspects of the costs and benefits of various decisions. The process by which decisions will be made will in every instance provide the North Group with full



information, input and participation in the discussion, review, recommendation and approval process, including, without limitation, participation on the Technical Committee, and the ability to require, in specific cases, a decision to be made by the Board of Directors of the Agency which shall be final.

### **ARTICLE 3. DESIGN AND CONSTRUCTION OF PROJECT.**

#### **3.1 Preliminary Work.**

A. **Description of Preliminary Work.** The Agency and the North Group acknowledge and agree that, in order to determine whether the Agency can efficiently and cost-effectively provide Lake Michigan Water to the North Group at the North Group's desired points of delivery, the services of engineers and other consultants will be required to assist the Agency and the North Group. The tasks that will be necessary include, without limitation, the following, to be referred to as the "Preliminary Work":

i. obtain a preliminary engineering design report that includes preliminary design of, and materials to be utilized for, those mains, points of delivery and other necessary facilities and appurtenances, as well as estimates of costs and recommended packages for bidding and construction;

ii. conduct a route study to assist in determining the most appropriate route for transmission mains from the Agency System to the North Group;

iii. perform hydraulic and surge analysis on the Agency System;

iv. determining the most appropriate points of delivery of Water for connection of the North Group to the transmission mains and any other necessary facilities;

v. identify necessary interests in land for the most appropriate route for transmission mains, points of delivery and any other necessary facilities, including easements, licenses, and permits for the use of land (such as right-of-way permits);

vi. identify necessary regulatory permits for construction and operation of the North Group Extension Facilities; and

vii. initiate an application to the Illinois Environmental Protection Agency (“IEPA”) for loans from the state revolving fund for facilities to serve the North Group.

B. Performance of Preliminary Work. The Parties agree that it will be necessary to contract with engineers and other consultants required to assist the Agency and the North Group in the Preliminary Work. The Agency and the North Group agree that the out-of-pocket costs and expenses of the Preliminary Work will be the responsibility of the North Group. The Agency will enter into contracts for the Preliminary Work, except in those instances where the Parties mutually agree that the North Group may be authorized by the Agency to contract for certain items of the Preliminary Work and pay for those costs directly. The Parties agree that the following items are intended to be completed by the Agency within the number of days listed below after authorization by the Agency to perform the item:

<u>Item</u>	<u>Number of Days</u>
IEPA State Revolving Fund Application	Complete
Route Study	120
Preliminary Engineering Report	180

C. Review and Comment on Preliminary Work. All parts of the Preliminary Work, including costs associated with the Preliminary Work, shall be subject to review and comment by the North Group, and recommendation by the Technical Committee to the Agency, and to the Agency Board of Directors if Board action is required.

### 3.2 North Group Extension Facilities.

A. General. The mains, points of delivery and other necessary facilities and appurtenances necessary to provide Lake Michigan Water to the North Group are collectively referred to as the “North Group Extension Facilities.” The Agency shall contract for all design

and construction of the North Group Extension Facilities, and the Agency and the North Group agree that the out-of-pocket costs and expenses of the design and construction of, and the acquisition of necessary interests in land for, the North Group Extension Facilities will be the responsibility of the North Group (“North Group Extension Facilities Costs”). Upon completion, the Agency will own, operate and maintain the North Group Extension Facilities.

B. Design Segments and Phases. The Parties agree that the various components of the North Group Extension Facilities will be designed and constructed in several segments or groups, in such a manner as to make it logical, cost-effective and efficient to design and construct in a time frame that is consistent with the various suggested milestones established in this Agreement. All design work shall be completed in phases to allow sufficient time for review and comment by all Parties, and recommendation by the Technical Committee, before work commences on the next phase of design. The design phases shall be: preliminary engineering report (thirty percent design), sixty percent design, ninety percent design, and final bid package for bidding. The ninety percent design and final bid package for bidding shall include complete detailed plans, specifications, and bidding and contract documents. Final bid packages are intended to be completed and notice to bidders issued not later than twelve (12) months after the Agency authorizes commencement of sixty percent design plans and specifications.

C. Design Principles. The Parties agree that the following design principles shall apply to and govern the design of the North Group Extension Facilities:

i. The North Group shall permit to be installed, at key locations to be determined by the Parties, future connection points for possible looping and/or interconnections.

ii. The Parties agree that the water transmission mains installed as part of the North Group Extension Facilities will in each case be one size larger than would otherwise be required. This methodology was also used in the creation of the Agency System. Members of the North Group will receive recapture costs for this one size upgrade pursuant to Section 4.6 below.

iii. Each Additional Member and each of the Fox Lake Hills and Grandwood Park service areas will receive one delivery point for receipt of Water service from the Agency. Additional delivery points may be obtained, but each Member must pay the costs associated with each additional delivery point.

iv. Design of the water transmission main extensions shall meet the criteria established in the preliminary engineering report that is subject to review and comment by the Technical Committee pursuant to Section 3.2B of this Agreement.

D. Bidding and Award. Bidding and award of the construction contracts for the North Group Extension Facilities shall be subject to the following standards:

i. No bid package for any part of the North Group Extension Facilities may be released by the Agency for bidding without prior recommendation of the ninety percent design and bid package by the Technical Committee.

ii. The Agency shall release the bid packages for the North Group Extension Facilities in accordance with a schedule developed by the Parties to allow evaluation by all Parties of the entire cost of the North Group Extension Facilities, which shall include, without limitation, the date for release of each bid package, due dates for receipt of bids for each package, the minimum duration for which bidders must keep their bids valid and open, and the possible schedule for award of each contract. Such schedule and any subsequent modifications shall be mutually agreed by the Parties by each of the following or their respective designees: the Executive Director of the Agency, the County Administrator of the County, the Village Administrator of Lake Villa and the Village Manager of Lindenhurst.

In the event that the Parties cannot agree, then the following schedule shall apply:

The Agency shall release the bid packages for the North Group Extension Facilities with due dates for the receipt of bids in such a manner that bids for bid packages totaling not less than eighty percent (80%) of the cost of the Facilities will be received within a period of sixty (60) days of each other, and with bids for the balance of the facilities to be received within one

hundred and fifty (150) days thereafter, to allow evaluation by all Parties of the entire cost of the North Group Extension Facilities. All bid packages shall require that bids submitted to the Agency be valid for a period of not less than one hundred and twenty (120) days after the due date for bids.

iii. The Agency shall award a contract for each bid package to the lowest responsible bidder promptly following, but not prior to, review and recommendation of both the bid amount and bidder by the Technical Committee and deposit by the North Group of the funds or financial assurances required for construction pursuant to Article 4 of this Agreement. The Agency shall be the sole judge of the adequacy of the funds or financial assurances in a manner consistent with this Agreement.

E. Permitting for Construction and Operation. The Agency shall endeavor, within thirty-five (35) days after receipt of the Technical Committee recommendation of the ninety percent design for each bid package, to submit the completed documents for approval and permitting to the Illinois Environmental Protection Agency ("IEPA") and every other federal, state, or local governmental body having jurisdiction over any element of the Agency System and the construction and operation of the North Group Extension Facilities, and shall diligently pursue each such approval and permit until it is secured.

F. Construction. The Agency shall cause the commencement of construction of the facilities in each bid package promptly following the award of the contract for that bid package by the Agency Board of Directors, and diligently pursue construction to completion. The Agency shall endeavor to cause all construction of the North Group Extension Facilities to be complete and ready for the delivery of Lake Michigan Water not later than June 1, 2017.

G. Change Orders. The Parties acknowledge and agree that change orders to the contracts for construction of, or amendments to other contracts related to, the North Group Extension Facilities may be required from time to time during the activities governed by this

Agreement and that a process is necessary to handle such change orders and amendments in a prompt and efficient manner. To that end, the Parties agree as follows:

i. The Technical Committee shall develop and propose to the Agency a policy for change orders and amendments, which shall provide for the review, comment, and recommendation on, and approval of, such change orders and amendments by the Technical Committee and the consulting engineers, and, as necessary, the Agency Executive Director, Executive Committee and Board of Directors. The policy shall be consistent with state law, the Amended Agency Agreement and Amended By-Laws, and any applicable loan or bond requirements. The Agency agrees to promptly adopt such a policy.

ii. The processing of change orders and amendments will be pursuant to such the adopted policy and the Agency will provide the North Group with (a) full information about and, to the extent practicable for the particular change order or amendment, an opportunity for input and participation in the discussion, review, recommendation and approval process, including, without limitation, the Technical Committee, and (b) the ability to require, in cases involving specific change orders or amendments, a decision about the proper implementation of the policy to be made by the Board of Directors of the Agency which shall be final.

### 3.3 Rights in Land.

A. Conveyance of North Group Easements. Lake Villa, Lindenhurst and the County shall each grant to the Agency all necessary easements, licenses or rights of access to the Agency for the construction, installation, operation, maintenance, access to, and repair of the North Group Extension Facilities on real estate owned by each of them, in sufficient time to allow that construction to occur for which such interest is required, or by bill of sale grant to the Agency such other related items of personal property that may exist on said real estate. The North Group agrees to provide all such easements, licenses, bill of sale, or other rights to the Agency without cost. Such easements, licenses, bill of sale, or other rights shall be on reasonable terms, on forms usually required by the Agency from its Members, and shall not

otherwise authorize the Agency to disrupt the continued operations and purposes of the North Group.

B. Acquisition of Property. The Agency shall, immediately after the Effective Date of this Agreement, or as soon thereafter as practicable after the need is identified, commence all actions necessary to acquire all licenses, easements, bills of sale, permits or other rights to land or personal property or use of land not already held or owned by the Agency that are necessary for construction and operation of the North Group Extension Facilities. All such easements, licenses, permits, bills of sale and rights shall be obtained by the Agency at the North Group's expense, subject to review, comments and recommendation of the Technical Committee. Such documents shall be on forms usually required by the Agency from its Members. In addition to the requirements of Section 3.3A of this Agreement, the North Group agrees to reasonably assist with the acquisition of other easements, licenses, bills of sale, or rights within their respective boundaries, upon written request from the Agency that identifies a specific parcel of property.

3.4 Agency Facilities to be Constructed. The Agency shall proceed promptly with the construction of any other improvements to the Agency System necessary to the Agency's performance of its obligations under this Agreement and the Amended Water Purchase and Sale Contract.

#### **ARTICLE 4. PAYMENT OBLIGATIONS; FINANCING.**

##### 4.1. Payment for Costs of Preliminary Work.

A. North Group Obligation Generally. The Agency and the North Group agree that in the performance of the Preliminary Work, the Agency will incur various out-of-pocket costs where it is the contracting party, and that the North Group will provide the Agency with funds to be held in escrow by the Agency to pay those costs in the manner set forth in Section 4.3 of this Admissions Agreement. The Agency shall not be obligated to commit itself to any costs for

Preliminary Work without being satisfied that the payment of those costs will be covered by the North Group through funds placed in escrow. Any funds deposited by the North Group as required by this Section will only be utilized for out-of-pocket costs of Preliminary Work that have been authorized by the North Group. In the event that surplus funds have been contributed by Additional Members when all out-of-pocket costs of the Preliminary Work have been paid, the Agency shall return those portions of the surplus that were not paid or reimbursed from bond proceeds to the North Group in the proportion in which those funds were contributed by the members of the North Group, and any portions of the surplus that are bond proceeds to the County for deposit in the appropriate debt service or debt service reserve fund.

B. Proportionate Contributions of Lake Villa, Lindenhurst, and County. The Parties agree that those costs associated with the Preliminary Work that are not paid with bond proceeds, unless otherwise specified in this Agreement, shall be divided between Lake Villa, Lindenhurst, and the County based upon their respective proportionate share of the total equalized assessed valuation attributable to the territory to be included in the Agency determined as of February 21, 2013. The Parties agree that the proportionate amounts as of that date are:

- Lake Villa: 27%;
- Lindenhurst: 47%; and
- County: 26%.

4.2. Funding Sources for North Group Extension Facilities Costs.

A. Investigation of Sources of Funding. The North Group shall determine, and pay the costs necessary to determine, whether it is financially and otherwise feasible and beneficial for the North Group to obtain sufficient financing and sources of funding to pay for the North Group Extension Facilities Costs and other costs of membership in the Agency as described in this Agreement, except to the extent provided for in Section 4.1 [Preliminary Work] and Section 4.5 [Connection Fees]. As part of its investigation, the North Group has determined that it



anticipates that it will be able to obtain financing for such Costs through the County's issuance of bonds or other authorized debt instruments ("Bonds") for SSA 16.

B. Financing Plan Options. The North Group has identified several alternative plans for financing the North Group Extension Facilities Costs, and the Parties agree that they will discuss and address the specific terms of such financings from time to time. In addition, the Parties agree that the Agency will also apply for loans from the Illinois Environmental Protection Agency ("IEPA") in amounts up to \$46,000,000 for the North Group Extension Facilities and that an appropriate SSA 16 bond will be deemed by the Agency to be a suitable financial assurance under this Agreement. The Agency will cooperate with the North Group and shall endeavor to make the security for the IEPA loan payments from the North Group or SSA 16. The Parties agree that they will cooperate to complete the necessary documents and agreements therefor on mutually acceptable terms. Decisions made by the Agency Board of Directors regarding the entry into an IEPA loan agreement shall be final.

#### 4.3 Escrow Procedures.

A. Deposits. The North Group shall deposit with the Agency funds or other financial assurances from time to time in amounts sufficient to cover the anticipated North Group Extension Facilities Costs that are under contract or agreement from time to time. To the extent that these funds or financial assurances shall be from SSA 16 Bonds, the County shall deposit funds or provide financial assurances on behalf of the North Group with the consent of Lake Villa and Lindenhurst. Consent by each of Lake Villa and Lindenhurst shall be provided in the form of a written certificate signed by one of the following persons for that municipality: (i) the Village President or Mayor, (ii) the Village Manager or Village Administrator, or (iii) the Village Treasurer.

B. Purposes. Any amounts deposited shall be designated by the North Group for a particular contract or purpose and shall be used by the Agency only to pay costs associated with that designated contract or purpose. The Agency understands and agrees that all funds

and financial assurances deposited are to be held by the Agency in escrow and are to be drawn upon and used by the Agency to pay actual Costs incurred by the Agency in connection with the designated contract or purpose.

C. Initial Deposit and Supplemental Amounts. The initial deposit of cash or financial assurances or combination for each particular contract or purpose will be based on the Parties' best then-current estimate of the costs. If the Agency at any time determines that the deposit amount in the escrow account for any particular contract or purpose is, or is likely to become, insufficient to pay said actual costs, the Agency shall inform the North Group of that fact along with an explanation of why the insufficiency has occurred and the amount the Agency feels is necessary and sufficient to cover the foreseeable additional costs and the basis for the proposed amount. The Agency shall not be obligated to proceed with any contract or work regarding the North Group Extension Facilities when there are insufficient amounts in the escrow to provide sufficient cash flow to undertake or pay for such activities.

D. Withdrawals; Recordkeeping. The Agency shall maintain an accurate record of the actual costs, as defined above, incurred by it in connection with each particular contract or purpose. The Executive Director, with prior specific or general authorization from the Agency Board of Directors, shall, from time to time, draw funds from any escrow amount established under this Article 4 to pay such costs out of the escrow account. The Agency shall maintain an accurate record of all such draws of funds and provide notice of such draws within thirty (30) days after each draw or within seven (7) days after receiving a request for such information.

E. Final Accounting. As soon as reasonably feasible following completion of the work on each particular contract or purpose, the Agency shall cause a final accounting to be made of the escrow deposits made for such contract or purpose and the actual cost of the aforesaid Agency efforts and shall make a final charge of such costs against such escrow deposits. A copy of the accounting shall be promptly provided to the North Group. If the amount in the escrow is insufficient to pay the total actual costs, the Agency shall notify the

North Group of its request for payment of the balance due. If an unused balance remains in the escrow account after paying the total actual costs, any funds that are proceeds of Bonds shall be returned to the County for deposit into the Debt Service Fund of SSA 16 and any funds that are not proceeds of Bonds or reimbursed with proceeds of Bonds shall be returned to the North Group members according to their proportionate shares as stated in Section 4.1 above.

4.4 Date of Application of Property Tax Levy. As of the date of this Agreement, the Agency levies a property tax to pay the principal and interest associated with previously-issued general obligation bonds of the Agency, which levy is anticipated to continue to be imposed through the year 2019. The Agency shall notify the officials of Lake County to include the areas within Lake Villa, Lindenhurst and the service areas of Fox Lake Hills and Grandwood Park in the territory of the Agency for the purpose of such property tax for the tax year in which the Membership Effective Date occurs.

4.5 Connection Fees. Lake Villa, Lindenhurst and the County, on behalf of the Grandwood Park and Fox Lake Hills Service Areas, each agree to pay to the Agency the sum of Two Thousand Eight Hundred Dollars (\$2,800.00) per housing unit, based upon the number of housing units within their respective limits as identified in the 2010 Census. The Parties agree that the number of housing units and the amount of the fee owed by each is as follows:

<b>North Group Member or Service Area</b>	<b>2010 Federal Census Total Housing Units</b>	<b>Connection Fee Amount Per Unit</b>	<b>Total Connection Fees Due</b>
<b>Fox Lake Hills</b>	1,038	\$2,800	\$2,906,400
<b>Grandwood Park</b>	1,830	\$2,800	\$5,124,000
<b>Lake Villa</b>	3,179	\$2,800	\$8,901,200
<b>Lindenhurst</b>	5,215	\$2,800	\$14,602,000
<b>Totals</b>	11,262		\$31,533,600

The North Group shall have the option to pay these connection fees under one of the following methods:

A. The Agency agrees to issue revenue bonds to allow the staged payment of the connection fees in three lump sum amounts as stated below or, in the alternative, to apply for an

IEPA loan for capital improvements to the Agency System for which the Agency wishes to use the connection fees due from the North Group as a payment share, and shall charge additional water rates to the North Group to cover the cost of all expenses incurred by the Agency in the issuance and repayment of such bonds or IEPA loan up to the staged amounts below. Said additional water rates shall not be applicable to Agency members other than the North Group, as existing members shall not subsidize the repayment of said revenue bonds' principal and interest. The Agency may also seek to issue, as part of any such issue of revenue bonds, additional revenue bonds for Agency purposes at the Agency's cost and expense. The connection fee payment stages are:

- i. \$7,252,728.00, which is twenty-three percent (23%), due within six (6) months after the first day upon which the Agency supplies Lake Michigan Water to the North Group;
- ii. \$12,298,104.00, which is thirty-nine percent (39%), due in the year 2021, or when the Agency's peak demand hits 43.7 MGD, whichever event occurs first; and
- iii. \$11,982,768.00, which is thirty-eight percent (38%), due in the year 2032, or when the Agency's peak demand hits 47.5 MGD, whichever occurs first.

B. The Agency will grant a five percent (5%) reduction in connection fees owed by the North Group if ten percent (10%) of the connection fee amount is paid to the Agency at the time the preliminary cost escrow is established and funded as provided under Sections 4.1 and 4.3 of this Agreement and the remaining connection fees are paid within sixty (60) days after the North Group's Membership Effective Date. In the event that the remaining connection fees are not paid within sixty (60) days after the North Group's Membership Effective Date, in addition to taking an action seeking the payment of those funds as a breach of this Agreement, the Agency may choose to require the North Group to pay connection fees pursuant to Subsection A of this Section 4.5, with no reduction in the amount of connection fees due except for a credit of the amount of connection fees previously paid toward the total amount due. In that case, the Agency may charge additional water rates to the North Group to accumulate the balance of the

periodic sums due pursuant to Subsection A of this Section 4.5. Should the North Group not achieve membership status in the Agency, the Agency will refund to the North Group all connection fees paid.

C. Another method that is mutually agreed by the Parties, so long as the total amount of connection fees due from each North Group member shall not be reduced from the amount stated in this Section 4.5, which method may include, without limitation, modifications in the manner of financing, the financing vehicle selected for the financing, the timing of payments, the schedule for payments and other aspects of the payment of such fees. Any such method must be approved by the Agency Board of Directors and the corporate authorities of each of the County, Lake Villa and Lindenhurst.

4.6 Recapture for Oversized Mains. Recapture costs for oversized mains that are designed and constructed pursuant to the design principles in Section 3.2C(ii) of this Agreement for the North Group Extension Facilities will be paid to the North Group in the event that water capacity made available as a result of the one size larger principle is made available to a new Participant or new Member, or another new water purchaser with a contract for a period of ten years or more, not included in this Agreement. The amount of the recapture payment will be payable by that new Participant or new Member, or other new water purchaser with a contract for a period of ten years or more, and will be negotiated by the Agency, which can exercise reasonable discretion in the setting of the recapture amount and the time for payment. The intent of this provision is to allow the recapture of only the actual additional amount paid by the North Group for the incremental additional construction costs of the actual oversizing made available to the new Participant or new Member or other new water purchaser with a contract for a period of ten years or more. The amount must also be in a sum which would not adversely affect the ability of the Agency to attract either additional new Members or new Participants.

4.7 Unpaid Amounts. In the event that any member of the North Group should become delinquent in the payment of any connection fees or other amounts due to the Agency,

the Agency may choose, in addition to any other action it might take to recover such funds, to increase the cost of water to that North Group member that is delinquent in its payments in an amount sufficient to recover the unpaid costs and any costs of collection. The increase in charges shall only reflect then-delinquent payments.

#### **ARTICLE 5. WATER PURCHASE AND SALE; WATER SERVICE.**

5.1 Water Purchase and Sale Contract Applies. The Amended Water Purchase and Sale Contract shall govern the sale of Lake Michigan Water to the North Group and the purchase of Lake Michigan Water by the North Group, except as otherwise provided in this Admissions Agreement. The North Group has agreed in this Admissions Agreement to pay certain amounts to the Agency as a part of the admissions process. Other than these amounts, the North Group shall be charged the same rates and charges as Charter Members under the Water Purchase and Sale Contract.

5.2 Commencement of Service. The Agency shall commence the service of Lake Michigan Water to the North Group when it has determined that it can provide Lake Michigan Water in a safe and effective manner through the Project, which date is expected to be no later than June 1, 2017. The Agency shall not charge the North Group for water transmitted through the System and the North Group Extension Facilities prior to the date and time that it chooses to commence the sale of Lake Michigan Water to the North Group.

5.3 Amount of Water to be Provided by the Agency. The Agency shall provide to each of the North Group members or service areas not more than the amount of Lake Michigan Water provided in each member's or service area's allocation of Lake Michigan Water from IDNR from time to time multiplied by a peaking factor not to exceed 1.650 times that allocation amount. Based on projections by the Chicago Metropolitan Agency for Planning, the following maximum quantities of Lake Michigan Water will be provided for each member or service area,

expressed in millions of gallons per day (“MGD”), for their respective average and peak day levels, except as provided in Section 5.4 below:

<b>North Group Member or Service Area</b>	<b>Average Day MGD</b>	<b>Peaking Factor</b>	<b>Peak Day MGD</b>
<b>Lake Villa</b>	1.27	1.650	2.096
<b>Lindenhurst</b>	1.38	1.650	2.277
<b>Grandwood Park</b>	0.46	1.650	0.759
<b>Fox Lake Hills</b>	0.2	1.650	0.330

The Agency may, at its discretion, but has no duty to, provide Lake Michigan Water to each North Group member or service area beyond the amounts projected above, which shall constitute, for the entire term of this Agreement unless amended in this Agreement or the Water Purchase and Sale Contract from time to time, the Maximum Quantities that the Agency is obligated to provide under this Agreement.

5.4 Service to Contiguous Unincorporated Property.

A. Contiguous Property. The County shall have the right to extend service of Lake Michigan Water from the Agency to any unincorporated property contiguous to the Grandwood Park and Fox Lake Hills service areas, as depicted in attached Exhibit A, without requesting or obtaining permission from the Agency Board of Directors, unless a property is within an incorporated non-member municipality, in which case owners of such contiguous properties within an incorporated non-member municipality shall be required to request approval from the Agency Board of Directors for Lake Michigan Water service through the County service area. No additional payments of connection fees shall be required for the extension of Lake Michigan Water service from the Agency to such contiguous properties, except where:

- i. The properties receiving County service of Lake Michigan Water from the Agency were developed and existing prior to 2010; or
- ii. The properties are located within an incorporated non-member municipality.

The projected expansion of any such contiguous service areas shall be limited to 110% of projected water demand for each service area: (a) For Grandwood Park, the projected average day flow limit will be 0.506 MGD ((0.46 MGD (allocation) + 0.046 MGD (10% expansion)), and (b) For Fox Lake Hills, the projected average day flow limit will be 0.220 MGD ((0.200 (allocation) + 0.020 MGD (10% expansion))). The projected peak day flow limit for each shall be permitted at 1.650 times the average day flows.

B. Other County Service. The County has the right of first refusal to serve existing County ground water systems with Agency Lake Michigan Water if the Agency determines it has available capacity to accommodate additional customers in the future. The Agency shall notify the County in writing if such capacity exists and the Agency wishes to make such capacity available to a Participant or new Member. The County must commit to utilizing all or a portion of the excess capacity in writing within six (6) months after receipt of notice from the Agency or forfeit its rights to the capacity identified in that notice. Any such new areas to be served by this capacity shall be subject to connection charges. The County would be responsible for all costs associated with connection of the new area to Agency water mains. If the new area would be served in part through the water mains of Members, the permission of the Member must be evidenced by a written contract. The County must construct and install and begin using the necessary system to service the new area within twenty-four (24) months after exercising its right of first refusal or, at the option of the Agency, forfeit its right or begin paying for the full water needs of the new area, however, if the County has not commenced construction of the new system within such period, the Agency may deem the right of first refusal to be forfeited.

## **ARTICLE 6. DISPUTE RESOLUTION; MEDIATION; ENFORCEMENT.**

6.1. Dispute Resolution. The Parties desire to avoid and settle without litigation any future disputes that may arise between them relative to this Agreement. Accordingly, the Parties agree to engage in good faith negotiations to resolve any such dispute. If any Party has



a dispute about a violation, interpretation, or application of a provision of this Agreement, or a dispute regarding a Party's failure to comply with this Agreement, then that Party may serve on the other Party written notice, delivered as provided in Section 7.11 of this Agreement, setting forth in detail the dispute, the provisions of this Agreement to which the dispute is related, and all facts and circumstances pertinent to the dispute. The Parties then, within seven (7) days, shall schedule a date certain for representatives of the Parties to meet in a conference to resolve the dispute. Such conference shall be conducted within thirty (30) days after notice of the dispute has been delivered as provided herein.

6.2. Mediation. If the Parties are unable to resolve any disagreement between or among two or more Parties under this Article 6 through the dispute resolution process in Section 6.1 of this Agreement, the Parties agree to attempt to resolve any such disagreement under this Article 6 by non-binding mediation, which shall be conducted under the then current procedures of the American Arbitration Association or any other procedure upon which the Parties may agree.

A. The Parties further agree that their respective good faith participation in mediation is a condition precedent to pursuing any other available legal or equitable remedy, including litigation.

B. Any Party may commence the mediation process by providing to the other Parties written notice, setting forth the bases for the disagreement and the result requested. If the Parties cannot agree on a mediator, then a mediator shall be sought through the American Arbitration Association. Within ten (10) days after the receipt of the foregoing notice, the other Parties shall deliver a written response to the initiating Party's notice. The initial mediation session shall be held within thirty (30) days after the initial notice. The Parties agree to share the costs and expenses of the mediation with one-half paid by the Agency and one-half paid by the North Group (which shall not include the expenses incurred by each Party for its own legal representation in connection with the mediation).

C. The Parties further acknowledge and agree that mediation proceedings are settlement negotiations and that, to the extent allowed by applicable law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties or their agents shall be confidential and inadmissible in any other legal proceeding involving the Parties; provided, however, that evidence which is otherwise admissible or discoverable shall not be rendered inadmissible or non discoverable as a result of its use in the mediation.

D. At no time prior to the initial meeting shall any Party initiate any litigation relating to the disagreement under this Article 6. However, this limitation is inapplicable to a Party if another Party refuses to comply with the requirements of paragraphs A and B above.

E. All applicable statutes of limitation and defenses based on the passage of time shall be tolled while the procedures specified in paragraphs A and B above are pending and for fifteen (15) days thereafter. The Parties will take such action, if any, required to effectuate such tolling.

6.3 Enforcement. In the event that the dispute is not settled in meditation, then a lawsuit shall be filed in the venue of the Circuit Court of Lake County. The Agency and the Parties shall have the right to enforce, in law or equity, this Agreement, the Amended Agency Agreement, the Amended Water Purchase and Sale Contract, the Amended By-Laws or any agreement among or between the Agency and any one or more of the North Group members, against any Party to compel payment of amounts owed or rates, fees and charges as provided in this Agreement, the Amended Agency Agreement, the Amended Water Purchase and Sale Contract, the Amended By-Laws or any such other agreements. If suit is necessary to compel enforcement of provisions of this Agreement, the Amended Agency Agreement, the Amended Water Purchase and Sale Contract, the Amended By-Laws or any such other agreements or to compel payment of rates, fees and charges of the Agency, the defaulting Party shall pay the other Parties' reasonable legal fees and costs pertaining to the suit, in such amount as

determined by the court. Lawsuits may only be brought against the corporate entities that execute this Agreement and not against the officers, employees, agents or consultants of any contracting Party.

## **ARTICLE 7. GENERAL PROVISIONS.**

7.1 Agreement Effective Date. This Admissions Agreement shall become effective on the date when it is approved and executed by all of the Parties. Each Party shall notify the other Parties when it has (A) approved and executed this Agreement and (B) taken the actions described in Section 2.1 of this Agreement.

7.2 Execution in Counterparts. This Agreement may be executed in multiple identical counterparts, and all of said counterparts will, individually and taken together, constitute one and the same Agreement.

7.3 Entire Agreement. Except as referred to in this Agreement, there are no representations, covenants, promises, or obligations not contained in this Agreement that form any part of this Agreement or upon which any of the Parties is relying in entering into this Agreement.

7.4 Filing with Secretary of State. Within fifteen (15) days after the Membership Effective Date, the Secretary shall file a copy of the certificate required under Section 2.2 of this Agreement, along with a copy of this Agreement, with the Secretary of the State of Illinois.

7.5 Amendment. This Agreement may be amended only by written agreement of the Parties. An amendment is effective only when authorized by ordinances adopted by each Party's corporate authorities, certified copies of which must be filed with the Secretary of the Agency. Upon amendment of this Agreement, the Secretary of the Agency shall promptly cause a copy of the amendment to be filed in the office of the Secretary of State of Illinois.

7.6 Interpretation. If any part, term, or provision of this Agreement is held invalid by

a court of competent jurisdiction for any reason, the remainder of this Agreement shall be interpreted, applied and enforced as to achieve, as near as may be, the purpose and intent of this Agreement to the maximum extent possible.

7.7 Regulatory Bodies. This Agreement will be subject to all valid rules, regulations, and laws applicable hereto passed and promulgated by the United States of America, the State of Illinois, or any other governmental body or agency having lawful jurisdiction, or any authorized representative or agent of any of them; provided, however, that this Section will not be construed as waiving the right of any Party to challenge the validity of any such rules, regulations, or laws on any basis, including the impairment of this Agreement.

7.8 Governing Law. This Agreement shall be governed by, and enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois.

7.9 Non-Assignability. No Party shall assign or transfer this Agreement or any rights or interests herein.

7.10 No Third Party Beneficiaries. Nothing in this Agreement shall create, or be construed to create, any third party beneficiary rights.

7.11 Notice. All notices and other communications in connection with this Agreement shall be in writing and will be deemed delivered to the addressee thereof when delivered in person, by a reputable overnight courier, or by messenger at the address set forth below, or three business days after deposit thereof in any main or branch United States post office, certified or registered mail, return receipt requested, postage prepaid, properly addressed to the Parties, respectively, as follows:

Central Lake County  
Joint Action Water Agency  
200 Rockland Road  
Lake Bluff, IL 60044  
Attention: Executive Director

The County of Lake  
18 N. County St.  
10<sup>th</sup> Floor  
Waukegan, IL 60085  
Attention: County Administrator

Village of Lake Villa  
65 Cedar Avenue  
Lake Villa, IL 60046  
Attention: Village President

with a copy to:

The County of Lake  
650 W. Winchester Rd.  
Libertyville, IL 60048  
Attention: Director or Public Works

Village of Lindenhurst  
2301 East Sand Lake Road  
Lindenhurst, IL 60046  
Attention: Village Manager

Any Party may change its addressee and address for notice in this section pursuant to notice given under this section.

7.12 Exhibit. Exhibit A is incorporated in and made a part of this Agreement by this reference.

*[SIGNATURES ARE ON FOLLOWING PAGES]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written.

ATTEST:

**Central Lake County Joint Action Water Agency**, an Illinois municipal corporation and body politic and corporate

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

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

ATTEST:

**The County of Lake**, an Illinois body politic and corporate

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

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

ATTEST:

**Village of Lake Villa**, an Illinois municipal corporation

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

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

ATTEST:

**Village of Lindenhurst**, an Illinois municipal corporation

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

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

#23250207\_v17

EXHIBIT A

LEGAL DESCRIPTIONS AND DEPICTIONS OF  
FOX LAKE HILLS SERVICE AREA AND  
GRANDWOOD PARK SERVICE AREA

FOX LAKE HILLS SERVICE AREA

THAT PART OF SECTION 31 IN TOWNSHIP 46 NORTH, RANGE 10 EAST AND SECTION 36 IN TOWNSHIP 46 NORTH, RANGE 9 EAST AND SECTIONS 1 AND 12 IN TOWNSHIP 45 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF GOVERNMENT LOT 1 IN THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 45 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID POINT BEING A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 45 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER TO THE NORTHEAST CORNER OF ORCHARD GARDENS OF FOX LAKE HILLS UNIT NO. 3 ACCORDING TO THE PLAT RECORDED AUGUST 20, 1959 AS DOCUMENT NUMBER 1041966 IN BOOK 34 OF PLATS, PAGE 136; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID ORCHARD GARDENS OF FOX LAKE HILLS UNIT NO. 3 AND THE EAST LINE AND SOUTHERLY EXTENSION OF SAID EAST LINE OF FOX LAKE HILLS BUSSE AREA UNIT 1, ACCORDING TO THE PLAT RECORDED JUNE 16, 1954 AS DOCUMENT 827520 IN BOOK 33 OF PLATS, PAGE 7 TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH THE WEST LINE OF THE NORTH 469.50 FEET OF THE EAST 500.00 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 45 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHERLY ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF SAID NORTH 469.50 FEET OF THE EAST 500.00 FEET OF THE NORTHWEST QUARTER; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID NORTH 469.50 FEET OF THE EAST 500.00 FEET OF THE NORTHWEST QUARTER TO THE SOUTHEAST CORNER OF SAID NORTH 469.50 FEET OF THE EAST 500.00 FEET OF THE NORTHWEST QUARTER; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHWEST QUARTER TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 12 TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF ILLINOIS STATE ROUTE 59 AS MONUMENTED AND OCCUPIED; THENCE NORTHELY ALONG SAID EASTERLY LINE TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF LOT 1 IN MARILYN ACRE, ACCORDING TO THE PLAT RECORDED AUGUST 15, 1957 AS DOCUMENT NUMBER 96164, IN BOOK 1563 OF RECORDS, PAGE 244; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 1 TO THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 1 AND THE EAST LINE OF LOT 1 IN FIRST ADDITION TO MARILYN ACRE, ACCORDING TO THE PLAT RECORDED OCTOBER 30, 1957 AS DOCUMENT NUMBER 970537, IN BOOK 1582 OF RECORDS, PAGE 266 TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE

WESTERLY ALONG THE NORTH LINE OF SAID LOT 1 TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF ILLINOIS STATE ROUTE 59 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG SAID EASTERLY LINE TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF A DEED RECORDED DECEMBER 4, 1973 AS DOCUMENT NUMBER 1644918; THENCE SOUTHEASTERLY ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID DEED; THENCE NORTHERLY ALONG THE EAST LINE OF SAID DEED TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER; THENCE WESTERLY ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 1 TO THE NORTHEAST CORNER OF LOT 4 IN STRATTON'S SECOND SUBDIVISION, ACCORDING TO THE PLAT RECORDED OCTOBER 4, 1923 AS DOCUMENT NUMBER 230445 IN BOOK M OF PLATS, PAGE 19; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 4 TO THE SOUTHEAST CORNER OF SAID LOT 4, SAID POINT BEING A POINT ON THE NORTH LINE OF GRANT AVENUE; THENCE WESTERLY ALONG SAID NORTH LINE TO THE SOUTHWEST CORNER OF LOT 3 IN SAID STRATTON'S SECOND SUBDIVISION; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 3 AND THE WEST LINES OF LOTS 2 AND 1 IN SAID STRATTON'S SECOND SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 1, SAID POINT BEING A POINT ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 1; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH THE WEST LINE OF STANTON BAY PARK, ACCORDING TO SAID FOX LAKE HILLS BUSSE AREA UNIT 1; THENCE NORTHERLY ALONG THE WEST LINE OF SAID STANTON BAY PARK TO THE NORTHWEST CORNER OF SAID STANTON BAY PARK; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID STANTON BAY PARK TO THE SOUTHEAST CORNER OF LOT 25 IN NELSON'S 2ND SUBDIVISION ACCORDING TO THE PLAT RECORDED AUGUST 24, 1894 AS DOCUMENT NUMBER 59554 IN BOOK D OF PLATS, PAGE 8, SAID POINT BEING A POINT ON THE WEST LINE OF BAY SHORE DRIVE; THENCE NORTHWESTERLY ALONG SAID WEST LINE, SAID LINE BEING THE EAST LINE OF LOTS 25 THRU 20 IN SAID NELSON'S 2ND SUBDIVISION AND THE EAST LINE OF LOT 8 IN AULEHLA'S RESUBDIVISION, ACCORDING TO THE PLAT RECORDED JANUARY 9, 1918 AS DOCUMENT 175734 IN BOOK K OF PLATS, PAGE 7 TO THE NORTHEAST CORNER OF SAID LOT 8; THENCE NORTHEASTERLY ALONG SAID WEST LINE OF BAY SHORE DRIVE, SAID LINE BEING THE EAST LINE OF LOTS 7 THRU 2 IN SAID AULEHLA'S RESUBDIVISION TO THE NORTHEAST CORNER OF LOT 2 IN SAID AULEHLA'S RESUBDIVISION; THENCE NORTHWESTERLY ALONG THE WEST LINE OF SAID BAY SHORE DRIVE, SAID LINE BEING THE EAST LINE OF LOT 1 IN SAID AULEHLA'S RESUBDIVISION AND THE EAST LINE OF LOTS 11 THRU 2 IN SAID NELSON'S 2ND SUBDIVISION TO THE NORTHEAST CORNER OF LOT 2 IN SAID NELSON'S 2ND SUBDIVISION; THENCE NORTHEASTERLY ALONG THE WEST LINE OF BAY SHORE DRIVE, SAID LINE BEING THE EAST LINE OF LOT 1 IN SAID NELSON'S 2ND SUBDIVISION AND THE NORTHEASTERLY EXTENSION OF SAID EAST LINE TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF BUSSE LANE, SAID POINT ALSO BEING A POINT ON THE SOUTH LINE OF EAST SHORE GARDENS OF FOX LAKE, ACCORDING TO THE PLAT RECORDED JULY 7, 1926 AS DOCUMENT 282139 IN BOOK P OF PLATS, PAGE 88; THENCE EASTERLY ALONG THE NORTH LINE OF BUSSE LANE TO THE SOUTHWEST CORNER OF LOT 62 IN SAID EAST SHORE GARDENS OF FOX LAKE; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 62, A DISTANCE OF 133.2 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 62; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 62, A DISTANCE OF 50.00 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 62; THENCE SOUTHERLY ALONG THE



EAST LINE OF SAID LOT 62, A DISTANCE OF 133.2 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF SAID LOT 62, SAID POINT BEING A POINT ON SAID NORTH LINE OF BUSSE LANE; THENCE EASTERLY ALONG SAID NORTH LINE TO THE SOUTHWEST CORNER OF LOT 60 IN SAID EAST SHORE GARDENS OF FOX LAKE; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 60, A DISTANCE OF 155.5 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 60; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 60 AND THE NORTH LINE OF LOT 59 IN SAID EAST SHORE GARDENS OF FOX LAKE TO THE NORTHEAST CORNER OF SAID LOT 59; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 59, A DISTANCE OF 108.2 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF SAID LOT 59, SAID POINT BEING A POINT ON THE WEST LINE OF ILLINOIS STATE ROUTE 59; THENCE NORTHEASTERLY ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 57 IN SAID EAST SHORE GARDENS OF FOX LAKE; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 57, A DISTANCE OF 67.4 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 57; THENCE NORTHERLY AND EASTERLY ALONG THE WEST AND NORTH LINE AND THE EASTERLY EXTENSION OF SAID NORTH LINE TO THE POINT OF INTERSECTION WITH THE WEST LINE OF SAID ILLINOIS STATE ROUTE 59; THENCE NORTHEASTERLY ALONG SAID WEST LINE TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF BALD EAGLE ROAD; THENCE WESTERLY ALONG THE SAID NORTH LINE TO THE POINT OF INTERSECTION WITH THE WEST LINE OF AMBER WAY; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 16 IN AMBER SHORES SUBDIVISION, ACCORDING TO THE PLAT RECORDED JANUARY 5, 2005 AS DOCUMENT NUMBER 5711938; THENCE SOUTHWESTERLY ALONG A SOUTHERLY LINE OF SAID LOT 16, A DISTANCE OF 61.85 FEET MORE OR LESS TO A BEND POINT IN SAID LOT 16; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 16, A DISTANCE OF 56.79 FEET TO THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTHERLY ALONG THE WEST LINE OF LOTS 16 THRU 23 IN SAID AMBER SHORES SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 23; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 23, A DISTANCE OF 115.38 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 23, SAID POINT BEING A POINT ON THE WEST LINE OF SAID AMBER WAY; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 24 IN SAID AMBER SHORES SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 24, A DISTANCE OF 111.63 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 24; THENCE NORTHERLY ALONG THE WEST LINE OF LOTS 24 THRU 27 IN SAID AMBER SHORES SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 27; THENCE SOUTHEASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 27, A DISTANCE OF 108.5 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 27, SAID POINT BEING A POINT ON THE WEST LINE OF SAID AMBER WAY; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 28 IN SAID AMBER SHORES SUBDIVISION; THENCE NORTHWESTERLY ALONG THE SOUTH LINE OF SAID LOT 28 TO THE SOUTHWEST CORNER OF SAID LOT 28; THENCE NORTHERLY ALONG THE WEST LINES OF LOTS 28 THRU 31 IN SAID AMBER SHORES SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 31; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 31, A DISTANCE OF 108.5 FEET MORE OR LESS TO THE NORTHEAST CORNER OF SAID LOT 31, SAID POINT BEING A POINT ON THE WEST LINE OF SAID AMBER WAY; THENCE NORTHEASTERLY ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF OUTLOT "E" IN SAID AMBER SHORES SUBDIVISION; THENCE NORTHEASTERLY ALONG THE WEST LINE OF SAID OUTLOT "E", A DISTANCE OF 110.24 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID OUTLOT "E", SAID POINT BEING THE NORTHEAST CORNER OF OUTLOT "A" IN SAID AMBER SHORES

SUBDIVISION; THENCE WESTERLY ALONG THE NORTH LINE OF SAID OUTLOT "A" TO THE NORTHWEST CORNER OF SAID OUTLOT "A"; THENCE SOUTHERLY ALONG A WEST LINE OF SAID OUTLOT "A" TO THE SOUTHEAST CORNER OF LOT 12 IN STRATTEN'S SUBDIVISION, ACCORDING TO THE PLAT RECORDED OCTOBER 7, 1921 AS DOCUMENT NUMBER 205994 IN BOOK K OF PLATS, PAGE 84; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 12, A DISTANCE OF 130.00 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 12, A DISTANCE OF 50.1 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 12; THENCE WESTERLY TO THE SOUTHEAST CORNER OF LOT 6 IN SAID STRATTEN'S SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 6 AND THE SOUTH LINE AND WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 1 IN SAID STRATTEN'S SUBDIVISION TO THE POINT OF INTERSECTION WITH THE WEST LINE OF DELABY ROAD, SAID POINT BEING A POINT ON THE EAST LINE OF LOT 1 IN FRANK DELABY'S MARSHFIELD GUN CLUB SUBDIVISION, ACCORDING TO THE PLAT RECORDED FEBRUARY 21, 1921 AS DOCUMENT NUMBER 199626, IN BOOK K OF PLATS, PAGE 54; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SAID LOT 1; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 70.00 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 90.00 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE WESTERLY ALONG THE NORTH LINE OF LOT 2 IN SAID FRANK DELABY'S MARSHFIELD GUN CLUB SUBDIVISION, A DISTANCE OF 70.00 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 90.00 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE WESTERLY ALONG THE SOUTH LINE OF LOT 3 IN SAID FRANK DELABY'S MARSHFIELD GUN CLUB SUBDIVISION, A DISTANCE OF 260.00 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF SAID LOT 3; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 3, A DISTANCE OF 90.00 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 3; THENCE WESTERLY ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 3 TO THE POINT OF INTERSECTION WITH THE WATERS EDGE OF FOX LAKE; THENCE NORTHERLY ALONG SAID WATERS EDGE TO THE SOUTHWEST CORNER OF LOT 1, IN BLOCK A IN FOX LAKE HILLS CHESNEY AREA UNIT 1; THENCE NORTHERLY ALONG THE WATERS EDGE OF FOX LAKE AS IT TWIST AND TURNS, SAID EDGE BEING THE WEST LINE OF SAID FOX LAKE HILLS CHESNEY AREA UNIT 1 TO THE NORTHWEST CORNER OF LOT 39 IN BLOCK B IN SAID FOX LAKE HILLS CHESNEY AREA UNIT 1; THENCE EASTERLY ALONG THE NORTH LINE OF SAID FOX LAKE HILLS CHESNEY AREA UNIT 1 TO THE SOUTHWEST CORNER OF LOT 1 IN FITZGERALD'S RESUBDIVISION OF SUNSET HOMESITES, ACCORDING TO THE PLAT RECORDED JUNE 6, 1942 AS DOCUMENT NUMBER 514036 IN BOOK 8 OF PLATS, PAGE 84; THENCE NORTHERLY ALONG THE WEST LINE AND NORTHERLY EXTENSION OF SAID WEST LINE OF LOT 1 TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF SUNSET LANE AS MONUMENTED AND OCCUPIED; THENCE EASTERLY ALONG THE NORTH LINE OF SAID SUNSET LANE TO THE POINT OF INTERSECTION WITH THE WEST LINE OF ILLINOIS STATE ROUTE 59 AS MONUMENTED AND OCCUPIED; THENCE NORTHEASTERLY ALONG SAID WEST LINE TO THE NORTH LINE OF LOT 1 IN BLOCK 1 IN BUENA PARK SUBDIVISION, ACCORDING TO THE PLAT RECORDED JANUARY 4, 1893 AS DOCUMENT NUMBER 52267 IN BOOK C OF PLATS, PAGE 51; THENCE WESTERLY ALONG THE NORTH LINE OF SAID BUENA PARK SUBDIVISION TO THE POINT OF INTERSECTION WITH THE WEST LINE OF NORTH COLUMBIA BAY ROAD AS MONUMENTED AND OCCUPIED; THENCE NORTHWESTERLY ALONG SAID WEST LINE TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF

WEST COLUMBIA BAY ROAD; THENCE EASTERLY ALONG THE NORTH LINE OF SAID WEST COLUMBIA BAY ROAD AS MONUMENTED AND OCCUPIED TO THE NORTHEAST CORNER OF THE FINAL PLAT OF WARREN H. FALES COLUMBIA BAY ESTATES, ACCORDING TO THE PLAT RECORDED MARCH 15, 2000 AS DOCUMENT NUMBER 4502324; THENCE SOUTHWESTERLY ALONG AN EASTERLY LINE OF SAID FINAL PLAT OF WARREN H. FALES COLUMBIA BAY ESTATES, A DISTANCE OF 423.37 FEET MORE OR LESS TO AN EASTERLY CORNER IN SAID FINAL PLAT OF WARREN H. FALES COLUMBIA BAY ESTATES; THENCE SOUTHEASTERLY ALONG A NORTHERLY LINE OF SAID FINAL PLAT OF WARREN H. FALES COLUMBIA BAY ESTATES TO THE POINT OF INTERSECTION WITH THE WEST LINE OF ILLINOIS STATE ROUTE 59 AS MONUMENTED AND OCCUPIED; THENCE NORTHEASTERLY ALONG SAID WEST LINE TO THE POINT OF INTERSECTION WITH A LINE PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 31 TOWNSHIP 46 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN AND 1,972.91 FEET SOUTH OF SAID NORTH LINE AS MEASURED ALONG THE CENTERLINE OF ILLINOIS STATE ROUTE 59; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A POINT THAT IS 660.00 FEET EAST OF THE CENTERLINE OF SAID ILLINOIS STATE ROUTE 59 AS MEASURED ALONG SAID PARALLEL LINE; THENCE NORTHEASTERLY ALONG A LINE PARALLEL WITH SAID CENTERLINE TO THE POINT OF INTERSECTION WITH THE SOUTH LINE GILLIAM'S LAKEVIEW SUBDIVISION UNIT 1, ACCORDING TO THE PLAT RECORDED AUGUST 31, 1956 AS DOCUMENT NUMBER 921600 IN BOOK 1477 OF RECORDS, PAGE 184; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID GILLIAM'S LAKEVIEW SUBDIVISION UNIT 1 TO THE SOUTHEAST CORNER OF SAID GILLIAM'S LAKEVIEW SUBDIVISION UNIT 1; THENCE NORTHEASTERLY ALONG THE EAST LINE OF SAID GILLIAM'S LAKEVIEW SUBDIVISION UNIT 1 AND THE EAST LINE OF GILLIAM'S LAKEVIEW SUBDIVISION UNIT 2, ACCORDING TO THE PLAT RECORDED AUGUST 16, 1957 AS DOCUMENT 961680 IN BOOK 1563 OF RECORDS, PAGE 271 AND THE NORTHERLY EXTENSION OF THE EAST LINE OF SAID GILLIAM'S LAKEVIEW SUBDIVISION UNIT 2 TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE NORTH 508.2 FEET OF SAID NORTHWEST QUARTER OF SECTION 31; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH THE EAST LINE OF THE WEST 154.00 FEET OF THE EAST 640.00 OF THE NORTH 508.20 FEET OF SAID NORTHWEST QUARTER OF SECTION 31; THENCE NORTHERLY ALONG SAID EAST LINE TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF THE NORTH 210 FEET OF SAID NORTHWEST QUARTER; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH A LINE 66.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF PETITE LAKE ROAD AS MONUMENTED AND OCCUPIED; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTHWEST CORNER OF CEDAR VALLEY SUBDIVISION, ACCORDING TO THE PLAT RECORDED APRIL 1, 1985 AS DOCUMENT 2346328; THENCE WESTERLY ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID NORTHWEST QUARTER TO THE NORTHWEST CORNER OF THE EAST 10 ACRES OF SAID SOUTHEAST QUARTER; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID EAST 10 ACRES TO THE SOUTHWEST CORNER OF SAID EAST 10 ACRES; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 46 NORTH, RANGE 10 EAST TO THE EASTERLY LINE OF A FIVE ACRE PARCEL DESCRIBED IN DOCUMENT 2478393 RECORDED SEPTEMBER 3, 1986, SAID LINE BEING WEST OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID NORTHWEST QUARTER OF SECTION 31; THENCE NORTHERLY

ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID FIVE ACRE PARCEL; THENCE WESTERLY ALONG THE NORTH LINE OF SAID FIVE ACRE PARCEL TO THE EAST LINE OF SAID ILLINOIS STATE ROUTE 59 AS MONUMENTED AND OCCUPIED; THENCE SOUTHWESTERLY ALONG SAID EAST LINE OF ILLINOIS STATE ROUTE 59 TO THE INTERSECTION WITH THE NORTH LINE OF LOT "A" OF SCHAMBERGER'S SUBDIVISION EXTENDED WESTERLY; THENCE EASTERLY ALONG SAID WESTERLY EXTENSION AND NORTH LINE TO THE NORTHEAST CORNER OF SAID LOT "A" OF SCHAMBERGER'S SUBDIVISION; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID SCHAMBERGER'S SUBDIVISION TO THE SOUTHEAST CORNER OF LOT "C" IN SAID SCHAMBERGER'S SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT "C" TO THE NORTHEAST CORNER OF LOT "D" IN SAID SCHAMBERGER'S SUBDIVISION; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT "D" TO THE SOUTHEAST CORNER OF SAID LOT "D"; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT "D" TO THE NORTHEAST CORNER OF LOT "E" IN SAID SCHAMBERGER'S SUBDIVISION; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT "E" EXTENDED SOUTHERLY TO THE INTERSECTION WITH THE SOUTH LINE OF GRAND AVENUE; THENCE EASTERLY ALONG SAID SOUTH LINE OF GRAND AVENUE TO THE INTERSECTION WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1; THENCE SOUTHERLY ALONG SAID EAST LINE OF THE NORTHEAST QUARTER OF SECTION 1 TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

(EXCEPTING THEREFROM THE FOLLOWING DESCRIBED LANDS:)

ALSO:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 45 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH LIES EAST OF THE CENTERLINE STATE AID ROUTE 59 DESCRIBED AS FOLLOWS, TO-WIT: COMMENCING AT THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE ROUTE 59 (FORMERLY KNOWN AS ANTIOCH-FOX LAKE ROAD) AND THE NORTH LINE OF THE JOHN STRATTON SUBDIVISION (DOCUMENT 947798), SAID POINT BEING 854.00 FEET, MORE OR LESS, NORTH OF THE SOUTH LINE OF THE SAID NORTHEAST QUARTER OF SAID FRACTIONAL SECTION 1, AS MEASURED ALONG THE CENTERLINE OF SAID STATE ROUTE NO. 59; THENCE EAST ALONG THE NORTH LINE OF SAID JOHN STRATTON SUBDIVISION, A DISTANCE OF 320.00 FEET TO THE NORTHEAST CORNER OF SAID JOHN STRATTON SUBDIVISION AND THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE NORTH LINE OF SAID SUBDIVISION AS EXTENDED EASTERLY, A DISTANCE OF 627.00 FEET; THENCE NORTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, A DISTANCE OF 656.39 FEET TO A POINT WHICH IS 140.86 FEET NORTH OF THE SOUTH LINE OF GOVERNMENT LOT 2 IN SAID NORTHEAST QUARTER; THENCE WESTERLY ALONG A LINE WHICH IS 140.86 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID GOVERNMENT LOT 2, A DISTANCE OF 381.92 FEET, TO A POINT WHICH IS 320.00 FEET EASTERLY OF THE CENTERLINE OF SAID STATE ROUTE 59; THENCE SOUTHWESTERLY ALONG A LINE WHICH IS 320.00 FEET EASTERLY OF AND PARALLEL TO THE CENTER LINE OF SAID STATE ROUTE 59, TO THE NORTHEAST CORNER OF SAID JOHN STRATTON SUBDIVISION AND THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

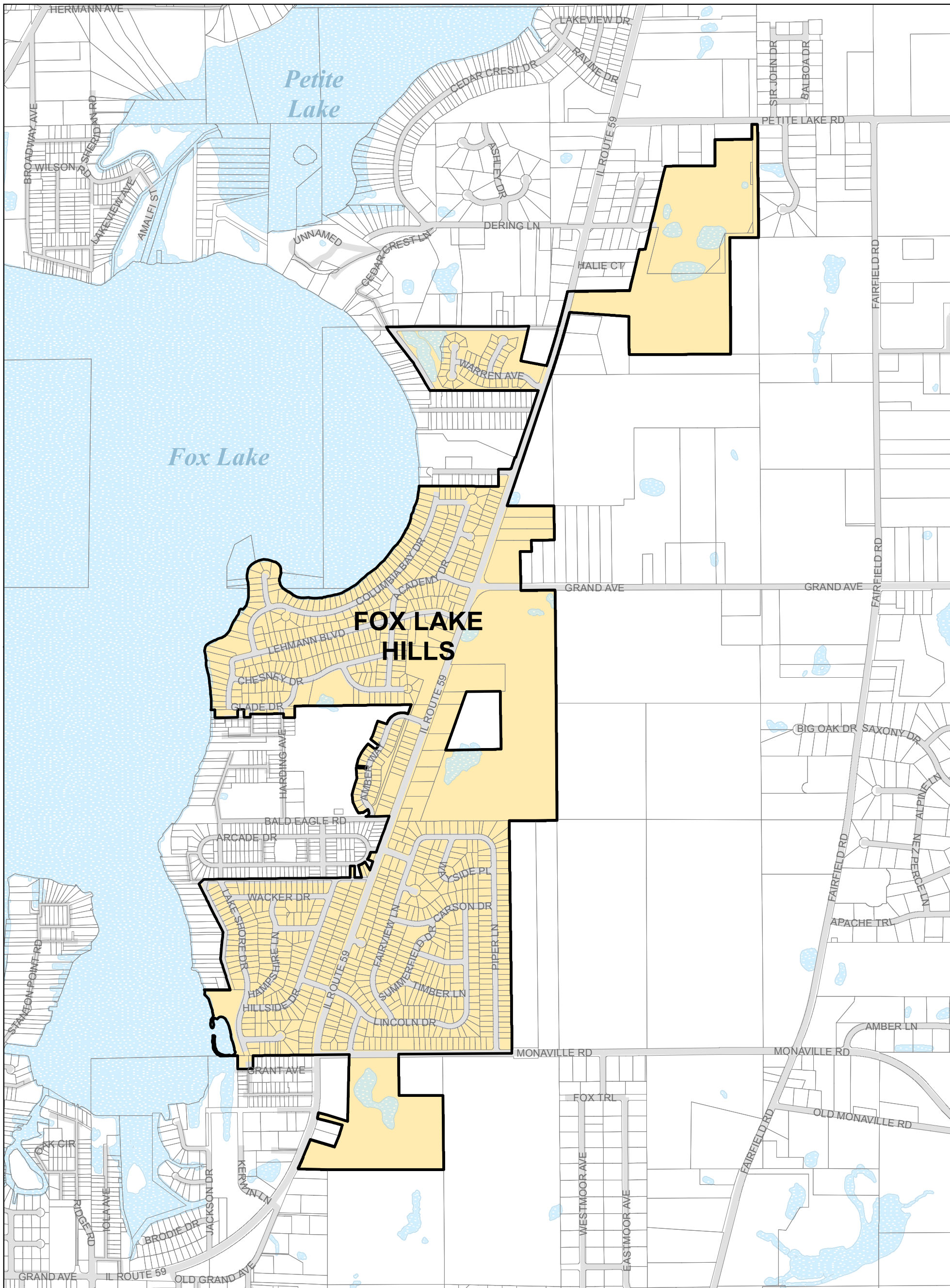
GRANDWOOD PARK SERVICE AREA

THAT PART OF SECTIONS 5 THRU 8 IN TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT "C" IN DEERPATH UNIT 3, ACCORDING TO THE PLAT RECORDED APRIL 21, 1999 AS DOCUMENT NUMBER 4341282; THENCE EASTERLY ALONG THE NORTHERLY LINE OF DEERPATH UNIT 3, TO A BEND POINT IN SAID NORTH LINE; THENCE SOUTHERLY ALONG SAID NORTH LINE, 125.35 FEET, MORE OR LESS, TO A BEND POINT IN SAID NORTH LINE; THENCE EASTERLY ALONG SAID NORTH LINE TO THE NORTHWESTERLY CORNER OF OUTLOT "B" IN DEERPATH UNIT 2, ACCORDING TO THE PLAT RECORDED NOVEMBER 18, 1996 AS DOCUMENT NUMBER 3901526; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID DEERPATH UNIT 2 TO THE NORTHEASTERLY CORNER OF LOT 14 IN SAID DEERPATH UNIT 2; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID DEERPATH UNIT 2 TO THE SOUTHEASTERLY CORNER OF LOT 27 IN SAID DEERPATH UNIT 2; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID DEERPATH UNIT 2, TO THE NORTHEAST CORNER OF LOT 73 IN DEERPATH SUBDIVISION, ACCORDING TO THE PLAT RECORDED JULY 31, 1995 AS DOCUMENT NUMBER 3701793; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID DEERPATH SUBDIVISION TO THE NORTHWEST CORNER OF LOT 20, BLOCK 16 IN GRANDWOOD PARK UNIT 4, ACCORDING TO THE PLAT RECORDED DECEMBER 20, 1962 AS DOCUMENT NUMBER 1171983 IN BOOK 37 OF PLATS, PAGES 62 AND 63; THENCE EASTERLY ALONG THE NORTH LINE OF SAID GRANDWOOD PARK UNIT 4 AND THE EASTERLY EXTENSION THEREOF TO THE POINT OF INTERSECTION WITH THE CENTER LINE OF HUTCHINS ROAD; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE TO THE POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTHERLY LINE OF RESUBDIVISION OF LOT 84 AND OUTLOT-A, ACCORDING TO THE PLAT RECORDED OCTOBER 07, 1993 AS DOCUMENT NUMBER 3411248; THENCE EASTERLY ALONG SAID WESTERLY EXTENSION AND NORTHERLY LINE OF SAID RESUBDIVISION OF LOT 84 AND OUTLOT-A, TO THE NORTHWESTERLY CORNER OF LOT 82 IN MILL CREEK CROSSING, ACCORDING TO THE PLAT RECORDED JUNE 6, 1988 AS DOCUMENT NUMBER 2688934; THENCE EASTERLY ALONG THE NORTH LINE OF SAID MILL CREEK CROSSING TO A BEND POINT IN SAID LOT 82; THENCE NORTHEASTERLY ALONG SAID NORTH LINE 65.29 FEET, MORE OR LESS, TO A BEND POINT; THENCE SOUTHEASTERLY ALONG SAID NORTH LINE 186.19 FEET, MORE OR LESS, TO A BEND POINT; THENCE NORTHEASTERLY ALONG SAID NORTH LINE 16.49 FEET, MORE OR LESS, TO A BEND POINT; THENCE SOUTHEASTERLY ALONG SAID NORTH LINE, 253.33 FEET, MORE OR LESS, TO THE WESTERLY CORNER OF OUTLOT B IN SAID MILL CREEK CROSSING; THENCE NORTHEASTERLY ALONG THE WEST LINE OF SAID OUTLOT B, 360.91 FEET MORE OR LESS TO A BEND POINT IN SAID WEST LINE; THENCE NORTHERLY ALONG SAID WEST LINE, 40.92 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID OUTLOT B; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID OUTLOT B TO THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF HUNT CLUB FARMS UNIT II, ACCORDING TO THE PLAT RECORDED AUGUST 25, 1987 AS DOCUMENT NUMBER 2604904; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID HUNT CLUB FARMS UNIT II AND THE NORTHERLY EXTENSION THEREOF, TO THE POINT OF INTERSECTION WITH THE NORTHERLY LINE OF STEARNS SCHOOL ROAD AS MONUMENTED AND OCCUPIED; THENCE NORTHWESTERLY ALONG THE NORTHERLY LINE OF SAID STEARNS SCHOOL ROAD, TO THE SOUTHWESTERLY CORNER OF MILL CREEK ESTATES, ACCORDING TO THE

PLAT RECORDED OCTOBER 23, 2007 AS DOCUMENT NUMBER 6259977; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID MILL CREEK ESTATES TO THE NORTHWESTERLY CORNER OF OUTLOT B IN SAID MILL CREEK ESTATES; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID MILL CREEK ESTATES TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE NORTH ALONG THE WEST LINE OF SAID NORTHEAST QUARTER TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAND LAKE ROAD AS MONUMENTED AND OCCUPIED; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE POINT OF INTERSECTION WITH THE EAST LINE OF SAID NORTHEAST QUARTER; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHEAST QUARTER TO THE NORTHEAST CORNER OF OUTLOT C IN SAID MILL CREEK ESTATES; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID MILL CREEK ESTATES, A DISTANCE OF 1327.96 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER, BEING ALSO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SECTION 8, IN TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHWEST QUARTER, 1315.67 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID STEARNS SCHOOL ROAD AS MONUMENTED AND OCCUPIED; THENCE NORTHWESTERLY ALONG THE NORTHERLY LINE OF SAID STEARNS SCHOOL ROAD TO THE EASTERLY LINE OF MILL CREEK DRIVE, AS MONUMENTED AND OCCUPIED; THENCE SOUTHERLY TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF STEARNS SCHOOL ROAD AS MONUMENTED AND OCCUPIED AND SAID EASTERLY LINE OF MILL CREEK DRIVE; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID MILL CREEK DRIVE TO THE EASTERLY LINE OF SAID MILL CREEK CROSSING; THENCE SOUTHERLY ALONG SAID EASTERLY LINE, TO THE NORTHWEST CORNER OF LOT 12 IN BROOKSIDE, PHASE 1, ACCORDING TO THE PLAT RECORDED OCTOBER 31, 1988 AS DOCUMENT 2735811; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID BROOKSIDE, PHASE 1 TO THE NORTHEASTERLY CORNER OF LOT 65 IN SAID BROOKSIDE, PHASE 1; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID BROOKSIDE PHASE 1 AND THE SOUTHERLY EXTENSION OF SAID LINE TO THE POINT OF INTERSECTION WITH THE CENTER LINE OF GRAND AVENUE; THENCE WESTERLY ALONG THE CENTER LINE OF SAID GRAND AVENUE, AS MONUMENTED AND OCCUPIED, TO THE POINT OF INTERSECTION WITH THE EAST LINE OF US ROUTE 45 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG SAID EAST LINE TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF THE SOUTH 200 FEET OF THE WEST 185 FEET OF THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EASTERLY ALONG SAID NORTH LINE TO THE POINT OF INTERSECTION WITH THE EAST LINE OF THE WEST 185 FEET OF SAID SOUTHWEST QUARTER; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF GRAND AVENUE AS MONUMENTED AND OCCUPIED; THENCE EASTERLY ALONG SAID NORTH LINE TO THE POINT OF INTERSECTION WITH A LINE OF BEING 335.0 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SOUTHWEST QUARTER; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO A POINT 2293.06 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST QUARTER 400.0 FEET; THENCE SOUTHERLY PARALLEL WITH WEST LINE OF SAID SOUTHWEST QUARTER TO THE NORTH LINE OF GRAND AVENUE AS MONUMENTED AND OCCUPIED; THENCE EASTERLY ALONG SAID NORTH LINE TO THE EAST LINE OF THE WEST HALF OF GOVERNMENT LOT 2 IN SAID SOUTHWEST QUARTER; THENCE NORTHERLY ALONG SAID EAST LINE, TO THE SOUTHEAST

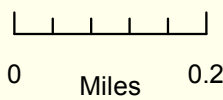
CORNER OF LOT 5 IN GUSTAFSON'S FIRST ADDITION TO WARREN TOWNSHIP, ACCORDING TO THE PLAT RECORDED SEPTEMBER 24, 1957 AS DOCUMENT NUMBER 966167; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 5 TO THE EAST LINE OF US ROUTE 45 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG SAID EAST LINE TO THE NORTH LINE OF SAID LOT 5; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 5 TO SAID EAST LINE OF THE WEST HALF OF GOVERNMENT LOT 2; THENCE NORTHERLY ALONG SAID EAST LINE, TO THE SOUTHEAST CORNER OF OUTLOT C IN THE SHIRES OF CAMBRIDGE, ACCORDING TO THE PLAT RECORDED DECEMBER 01, 2003 AS DOCUMENT NUMBER 5443825; THENCE WESTERLY ALONG A SOUTHERLY LINE OF SAID SHIRES OF CAMBRIDGE TO THE EAST LINE OF SAID US ROUTE 45 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG SAID EAST LINE TO THE NORTH LINE OF LOT 2 IN SAID GUSTAFSON'S FIRST ADDITION TO WARREN TOWNSHIP; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 2 TO THE WEST LINE OF SAID SHIRES OF CAMBRIDGE; THENCE NORTHERLY ALONG SAID WEST LINE, TO THE SOUTHERLY LINE OF STRATTON OAKS SUBDIVISION, ACCORDING TO THE PLAT RECORDED AUGUST 26, 2003 AS DOCUMENT NUMBER 5345749; THENCE WESTERLY ALONG SAID SOUTHERLY LINE TO THE EAST LINE OF SAID US ROUTE 45 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID U.S. ROUTE 45 SAID LINE ALSO BEING THE WEST LINE OF SAID STRATTON OAKS SUBDIVISION AND THE WEST LINE OF DEERPATH SUBDIVISION TO THE INTERSECTION WITH THE SOUTH LINE OF THE NORTH 342 FEET OF THE SOUTH 990 FEET OF THE WEST 200 FEET OF LOT 2 IN THE SOUTHWEST QUARTER OF SAID SECTION 6, TOWNSHIP 45 NORTH, RANGE 11 EAST, SAID SECTION LINE ALSO BEING THE NORTH LINE OF DEERPATH DRIVE PER DOCUMENT 3701793; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE INTERSECTION WITH THE EASTERLY LINE OF SAID WEST 200 FEET SAID POINT OF INTERSECTION ALSO BEING THE SOUTHWEST CORNER OF LOT "A" IN SAID DEERPATH UNIT 3; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID WEST 200 FEET AND THE WESTERLY LINE OF SAID LOT "A" TO THE SOUTHEAST CORNER OF SAID LOT "C" IN SAID DEERPATH UNIT 3; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT "C" IN DEERPATH UNIT 3 TO SAID EAST LINE OF US ROUTE 45 AS MONUMENTED AND OCCUPIED; THENCE NORTHERLY ALONG SAID EAST LINE OF ROUTE 45 TO THE POINT OF BEGINNING , IN LAKE COUNTY, ILLINOIS.



**SSA# 16 For North Group Water Extension to CLCJAWA System**

**Fox Lake Hills**

EXHIBIT A  
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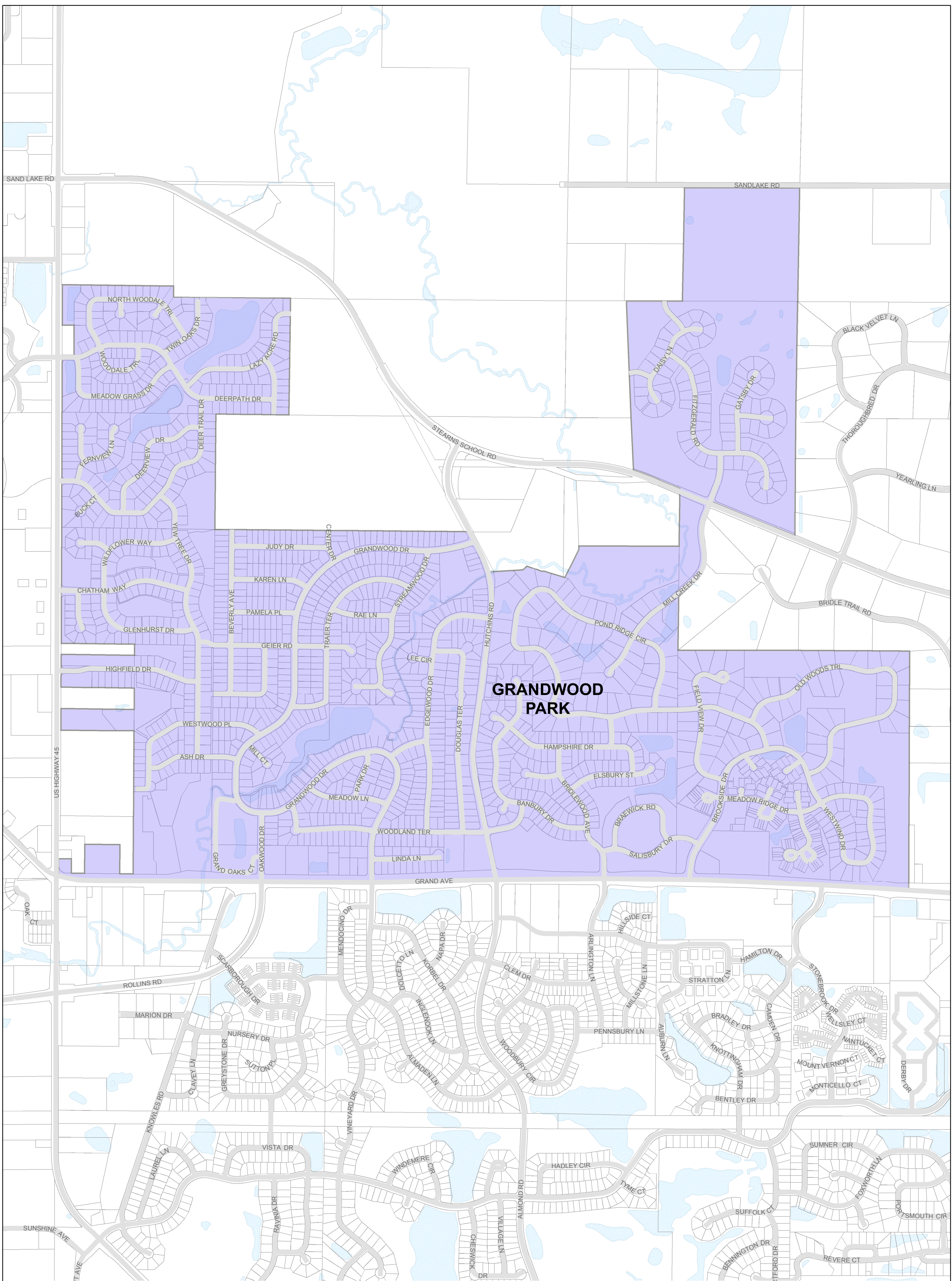
Oct 07, 2013

Map ID: 2292



Lake County- Fox Lake Hills Parcels





**SSA# 16 For North Group Water Extension to CLCJAWA System**

**Grandwood Park**

 Lake County- Grandwood Park Parcels

EXHIBIT A  
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May 06, 2013  
Map ID: 2291



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