

**FIRST AMENDMENT TO REGIONAL I/I
FACILITIES INTERGOVERNMENTAL AGREEMENT**

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

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

SECTION 1: Recitals.

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

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

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

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

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

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

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

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

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

SECTION 2: Term; User Fee. The term of this Agreement is for a period beginning on November 9, 2010 (the "**Effective Date**") and extending to the 30th anniversary of the final repayment of the Advancements as provided below (the "**Term**"), or such lesser term as may be established by judicial decree pursuant to the requirements of applicable law. The County shall pay to the District a "**Base User Fee**" of \$1.00 for the Term. In addition to the Base User Fee, the County shall, as additional consideration, advance funds not to exceed \$24,000 to the District throughout the 12 months following the Effective Date (the "**Advancements**") to fund certain services in order to allow the District to continue to operate (the "**Eligible Services**"). The District may use the Advancements solely to fund Eligible Services, which include, and are limited to, (i) payment of Trustees' salaries and expenses, and (ii) payment of fees to attorneys, consultants, or administrative personnel, which firms or individuals shall have first received pre-approval by the County. Absent written approval by the County, any consultant services or expenditures shall not be deemed Eligible Services, and the Advancements may not be used as a source of funding for such services. A portion of the District's Funds are to be repaid to the District through the settlement of the Litigation (the "**Settlement Payments**"), and the District will reimburse the County through the delivery of four annual payments of \$5,000.00 and a final payment of \$4,000.00 (the "**Repayments**"), which Repayments shall be made to the County within 30 days after the District receives the Settlement Payments.

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

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

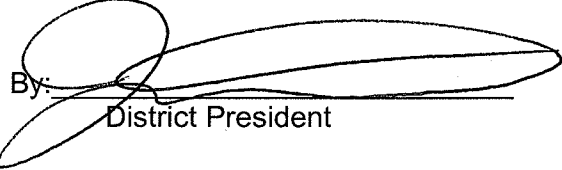
SECTION 4: Continued Effect. Except as expressly provided in this Amendment, the Agreement shall remain in full force and effect.

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

[Signature page to follow.]

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

ROUND LAKE SANITARY DISTRICT

By: 
District President

ATTEST:


District Clerk

COUNTY OF LAKE

By: _____
County Board Chair

ATTEST:

Secretary

Round Lake Sanitary District

Resolution 12-01

Authorizing the Execution of a First Amendment to the Regional I/I Facilities Intergovernmental Agreement

RESOLUTION

WHEREAS, the Round Lake Sanitary District (District) and the County of Lake County (County) entered into an agreement in 1977 in which the District agreed to lease the District's property located at Hawthorne Drive and Sunset Drive in Round Lake Beach (Property) to the County; and

WHEREAS, since 1977, the County has operated and maintained the Property as storage lagoons for excess inflow and infiltration; and

WHEREAS, the District and the County authorized and executed a Regional I/I Facilities Intergovernmental Agreement on November 16, 2010 after the 1977 Agreement expired; and

WHEREAS, Litigation was filed relating to purported Property Transfers by a prior Board of the District, as well as purported transfers of the District's funds; and

WHEREAS, the County made certain Advancements to the District in the amount of \$24,000.00, which Advancements were to be repaid from any funds that the district recovered from the Litigation; and

WHEREAS, a settlement of the litigation has been reached between the Villages, the County, and the District, that result in \$85,000.00 being returned to the District over the next five years; and

WHEREAS, pursuant to the Agreement and the Sewer Agreements, the County is planning to use the property to develop a regional inflow/infiltration facilities; and

WHEREAS, the District and the County desire to assist in the cash flow for the District and to assist the County with its financing of the Regional Improvements as set forth in the attached First Amended Agreement.

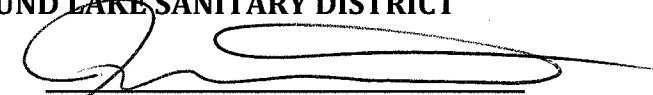
NOW, THEREFORE, BE IT RESOLVED, by this Board of the Round Lake Sanitary District, State of Illinois, that the President and District Manager (Clerk) are hereby authorized and directed to execute the First Amendment to the regional I/I Facilities Intergovernmental Agreement with the County in substantially to the same form as attached.

DATED, at Round Lake Beach, Lake County, Illinois, on this 5th day of April, A.D., 2011.

At the regular meeting of the Round Lake Sanitary District on April 5, 2012, a motion was made by Trustee Bartolain, seconded by Trustee Guthrie that this resolution be adopted. The motion passed.

ROUND LAKE SANITARY DISTRICT

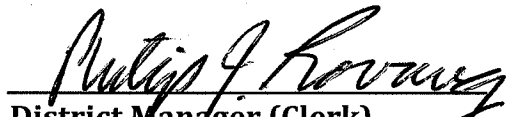
By:


District President


District Board Member

District Board Member (Vacant)

ATTEST:


District Manager (Clerk)