

**AGREEMENT BETWEEN
CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY
("CLCJAWA") AND ITS MEMBER, THE COUNTY OF LAKE
REGARDING THE PAYMENT OF CONNECTION FEES**

WHEREAS, The County of Lake ("Lake County") is a long-standing Member of the Central Lake County Joint Action Water Agency ("Agency"), and the County recently added the Fox Lake Hills and Grandwood Park service areas to its approved service areas in the Agency pursuant to the "Admissions Agreement to the Central Lake County Joint Action Water Agency" between the Agency, The County of Lake, the Village of Lake Villa and the Village of Lindenhurst dated December 10, 2013 ("Admissions Agreement"); and

WHEREAS, one of the financial obligations of the County due to the addition of the Fox Lake Hills and Grandwood Park service areas to the Agency is the payment of connection fees to the Agency in previously-agreed amounts which will allow the two new County service areas to join the prior Members of the Agency in paying a proportional part of the original and subsequent costs associated with the capital improvements of the Agency ("Capital Improvement Buy-In Payment"); and

WHEREAS, the County's Fox Lake Hills and Grandwood Park service areas are treated in the same manner as new Members in that they are also obligated to make other payments to the Agency in order to allow the Agency to construct new capital facilities necessary to serve the new service areas; and

WHEREAS, pursuant to Section 4.5 of the Admissions Agreement, Lake County is required to pay a Capital Improvement Buy-In Payment in the amount of \$2,800 per housing unit as established in the Admissions Agreement, for a total amount of \$8,030,400.00 to satisfy Lake County's obligations to pay such connection fees and capital facility costs, which Buy-In Payment is also referred to herein as the "connection fee" or "Connection Fees"; and

WHEREAS, Section 4.5 of the Admissions Agreement provided two agreed-upon ways in which Lake County could pay its connection fee, and also allowed a third methodology that could be mutually agreed by the parties; and

WHEREAS, Lake County has connected to the Agency's system and has been receiving water from the Agency prior to the Effective Date of this Agreement; and

WHEREAS, negotiations have taken place between the Agency and Lake County to develop a methodology under which such connection fee payments would be made; and

WHEREAS, subject to making such connection, Lake County and the Agency have agreed that Lake County will pay various amounts in each fiscal year from year 2021 to 2050 for a combined total of \$8,030,400.00; and

WHEREAS, the parties wish to memorialize this understanding in the form of a written agreement that will be binding on both parties;

THEREFORE, THE COUNTY OF LAKE AND THE CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY, both governmental bodies in the State of Illinois, do agree as follows:

SECTION 1. Recitals. The “Whereas” clauses to this Agreement are hereby incorporated into and made a part of this Agreement as Section 1 as if they were written hereafter.

SECTION 2. Payment Schedule. The Agency will accept payment from Lake County in accordance with this Agreement to satisfy Lake County's obligation under the Admissions Agreement to pay connection fees in a total amount of \$8,030,400.00 (“Connection Fees”). Lake County will pay the Connection Fees in the amounts specified for each year listed in Exhibit A attached to and made a part of this Agreement by this reference, commencing in the Agency’s fiscal year 2020-2021 and continuing through the Agency’s fiscal year 2049-2050. The annual

connection fee amount listed in Exhibit A for each Agency fiscal year shall be paid not later than the last day of the Agency's fiscal year, which is April 30.

Subject to Lake County's payment of the Connection Fees in accordance with this Agreement, no other connection fees or tap-on fees shall be owed to the Agency for the delivery of water to existing retail customers served by Lake County as of the Effective Date of this Agreement.

SECTION 3. Obligation to Appropriate or Budget Payments of Connection Fees. In each of Lake County's fiscal years, the corporate authorities of Lake County shall, either by appropriation or budget ordinance or such other equivalent legal method then in effect, indicate that it will, in that Lake County fiscal year, expend the sum shown for that Agency fiscal year in Exhibit A in fulfillment of its contractual liability to pay the Connection Fees as part of a total amount of \$8,030,400.00 to the Agency. In the event that the Agency fiscal year and the Lake County fiscal year are not concurrent, then Lake County shall indicate in its appropriation or budget ordinance for each of its fiscal years that it will expend a total that is equivalent to the sum of the pro rata amounts shown in Exhibit A for the two Agency fiscal years across which the Lake County fiscal year occurs.

SECTION 4. Responsibility Under Agency Agreements. In accordance with the provisions of the Amended Central Lake County Joint Action Water Agency Agreement, the Amended By-Laws of the Agency, the Agency's First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract, and the Admissions Agreement, Lake County will be responsible for the payment of the Connection Fees subject to the effects and conditions relating to non-payments to the Agency by Agency members as provided for within those documents. Each party shall have the rights available under those documents in the event of

a breach of this Agreement. Lake County acknowledges that the Agency may, if it chooses, issue bonds to borrow a portion or all of the funds associated with Lake County's payments of Connection Fees in immediately useable sums through the bond proceeds. Such bonds may be an obligation of the Agency or be based upon the contractual obligation of Lake County to make the total payment of Connection Fees provided in Section 2 above. In the event that Lake County is in any way delinquent in its obligation to pay under this Agreement, its obligation to pay the Agency will result in larger amounts being payable as is provided for within the previously mentioned documents of the Agency.

SECTION 5. Multi-Year Payment Schedule. By agreeing to receive funds over a period of years from 2021 to 2050, the Agency, in the absence of a default, cannot require, under the terms and conditions of this Agreement, any escalation of the obligation of Lake County to pay the annual amount due for future not-yet-payable years. The parties intend in entering into this Agreement to establish a contractual obligation for multi-year payments which can be relied upon by both parties in making financial projections. Lake County can, at its election, prepay any annual amounts, but no discount to the total amount of Connection Fees will be provided. The parties by an amendment to this Agreement, mutually approved, can change the schedule of payments.

SECTION 6. Effective Date. This Agreement shall be in full force and effect after it is approved and executed by the last to execute of the Corporate Authorities of Lake County and the Board of Directors of the Central Lake County Joint Action Water Agency.

[signatures on following page]

**CENTRAL LAKE COUNTY JOINT
ACTION WATER AGENCY**

THE COUNTY OF LAKE

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

ATTEST:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

EXHIBIT A

CLCJAWA Lake County Connection Fee Schedule			
Fiscal Year Ending	Grandwood Park Share	Fox Lake Hills Share	Total Lake County Connection Fees
2021	\$107,484.00	\$30,316.00	\$137,800.00
2022	\$160,023.24	\$45,134.76	\$205,158.00
2023	\$160,023.24	\$45,134.76	\$205,158.00
2024	\$160,023.24	\$45,134.76	\$205,158.00
2025	\$160,023.24	\$45,134.76	\$205,158.00
2026	\$160,023.24	\$45,134.76	\$205,158.00
2027	\$160,023.24	\$45,134.76	\$205,158.00
2028	\$160,023.24	\$45,134.76	\$205,158.00
2029	\$160,023.24	\$45,134.76	\$205,158.00
2030	\$197,121.60	\$55,598.40	\$252,720.00
2031	\$197,121.60	\$55,598.40	\$252,720.00
2032	\$197,121.60	\$55,598.40	\$252,720.00
2033	\$239,304.00	\$67,496.00	\$306,800.00
2034	\$239,304.00	\$67,496.00	\$306,800.00
2035	\$239,304.00	\$67,496.00	\$306,800.00
2036	\$239,304.00	\$67,496.00	\$306,800.00
2037	\$239,304.00	\$67,496.00	\$306,800.00
2038	\$239,304.00	\$67,496.00	\$306,800.00
2039	\$239,304.00	\$67,496.00	\$306,800.00
2040	\$239,304.00	\$67,496.00	\$306,800.00
2041	\$239,304.00	\$67,496.00	\$306,800.00
2042	\$239,304.00	\$67,496.00	\$306,800.00
2043	\$239,304.00	\$67,496.00	\$306,800.00
2044	\$239,304.00	\$67,496.00	\$306,800.00
2045	\$239,304.00	\$67,496.00	\$306,800.00
2046	\$239,304.00	\$67,496.00	\$306,800.00
2047	\$239,304.00	\$67,496.00	\$306,800.00
2048	\$239,304.00	\$67,496.00	\$306,800.00
2049	\$239,304.00	\$67,496.00	\$306,800.00
2050	\$216,509.28	\$61,066.72	\$277,576.00
Total	\$6,263,712.00	\$1,766,688.00	\$8,030,400.00