

2 of 2

Exh. 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")¹ and is anticipated to be approved by the Agency and its members concurrently with this Agreement.

¹ 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:

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

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

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

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

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

with a copy to:

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

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 NORTHERLY 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.

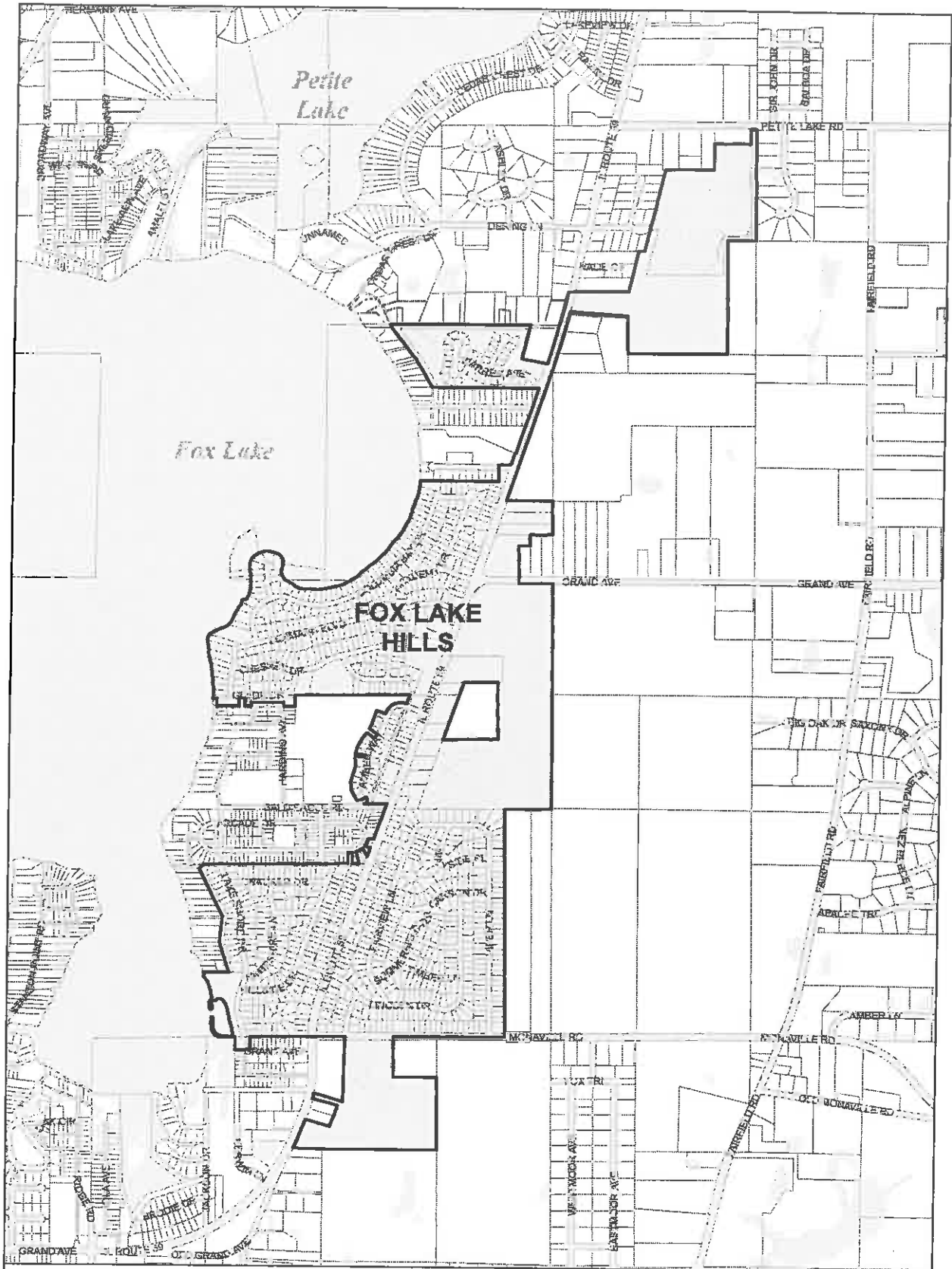
GRANDWOOD PARK SERVICE AREA

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
Page 10 of 11



 Lake County- Fox Lake Hills Parcels



Oct 07, 2013

Map ID: 2292



SSA# 16 For North Group Water Extension to CLCJAWA System

Grandwood Park


LakeCounty
 Department of Public Works
 650 West Winchester Road
 Libertyville, Illinois 60048
 (847) 377-7500
 (847) 377-1173 FAX

 Lake County- Grandwood Park Parcels

EXHIBIT A
 Page 11 of 11

May 06, 2013
 Map ID: 2291

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

GENERAL CERTIFICATE

We, the undersigned, do hereby certify that as of the date hereof we are the officers of the Village of _____, Lake County, Illinois (the "*Village*"), whose names and offices are, respectively, as follows:

NAME OF OFFICER	OFFICE HELD
_____	President
_____	Village Clerk
_____	Director of Finance
	Village Treasurer

As such officials, we do further certify as follows:

PART A. ORGANIZATION, INCUMBENCY, GENERAL INFORMATION.

1. The Village was organized and incorporated in _____ under and pursuant to the provisions of the general laws of the State of Illinois providing for the organization of cities and villages. Since its date of incorporation, the Village has continuously operated pursuant to and in accordance with the provisions of the general laws of the State of Illinois, and its governing body consists of a President and Board of Trustees (the "*Corporate Authorities*") who are hereinafter specifically named. The Village has not changed its form of government during the last five (5) years, and the Village is presently operated in accordance with and pursuant to the provisions of the Illinois Municipal Code, and all acts amendatory thereof and supplementary thereto (the "*Code*").
2. The Village is wholly located in The County of Lake, Illinois.

3. The Village has not adopted and is not now operating under the provisions of Article 4 of the Code providing for “The Commission Form of Village Government”; and has not adopted and is not now operating under the provisions of Article 5 of the Code providing for “The Managerial Form of Village Government.”

4. The governing body of the Village for the period beginning October 1, 2013, and ending the date hereof, was and is composed of a duly qualified and elected President and six (6) Trustees, and additional officers include a Village Clerk, a Village Treasurer, [a Director of Finance, a Village Manager]* and a Village Attorney (appointive or elective as the case may be), all of whose names are as shown on Schedule A to this Certificate, attached hereto and incorporated herein at all places when referred to by this reference (“*Schedule A*”).

5. All of said officers of the Village as hereinabove described have been duly elected and qualified or appointed and qualified for their respective offices, and all of said officers held and hold (as applicable) lawful incumbency of their respective offices.

6. The regular meetings of the Corporate Authorities are held on the dates and at the location (the “*Village Hall*”) and address as shown on *Schedule A*, which is properly located within the Village. The Corporate Authorities duly gave public notice of said schedule of regular meetings stating the regular dates, times, and place of said meetings for the current year by posting a copy of said public notice at the Village Hall, which is and has been the principal office of the Corporate Authorities, on or before the beginning of the current calendar or applicable fiscal year of the Village, and by supplying copies of said public notice on or before the last-mentioned date to all of the local newspapers, radio or television stations, and other news media that filed a request for such notice, as hereinafter named; and the Corporate Authorities made said schedule available to the public.

* Indicate proper officer titles.

7. All of the newspapers, radio or television stations and other news media that filed a request in the year 2013 as hereinabove described for notice of the meetings of the Corporate Authorities pursuant to the Open Meetings Act of the State of Illinois, as amended (the "*Open Meetings Act*"), are as shown on *Schedule A*.

8. The Village maintains a website at www._____. The website is [not] maintained by a full-time staff person of the Village.

9. The Village has no procedural ordinance, resolution, rule, bylaw, custom or standing order, whether incorporated into its Village Code or otherwise, which alters or amends the provisions of the Code insofar as such pertain to any of the following:

- (a) the calling and holding of special meetings of the Corporate Authorities;
- (b) the introduction and adoption of ordinances or resolutions; or
- (c) incurring of obligations of the Village payable from the revenues of the Water System (as hereinafter defined).

PART B. CERTAIN DOCUMENTS RELATING TO THE WATER SYSTEM

1. The "*Water System*" is hereby defined as the municipal water system of the Village.

2. The Village has entered into a Comprehensive Amendment to Central Lake County Joint Action Water Agency Agreement, dated as of _____, 2013 (the "*Amended Agency Agreement*") with the Agency and the other parties named therein. Attached hereto is a true, correct and complete copy of the Amended Agency Agreement.

3. The Village has entered into a First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract Between Central Lake County Joint Action Water Agency and Charter Members, dated as of _____, 2013 (the "*Water Contract*") with the Central Lake County Joint Action Water Agency (the "*Agency*") and the other parties named therein, providing for a supply of water from the Agency to the Village for distribution in the Water

System. The Water Contract constitutes one source of security for and payment of the currently outstanding water revenue bonds of the Agency and of water revenue bonds of the Agency which may be issued in the future. Attached hereto is a true, correct and complete copy of the Water Contract.

3. The persons signatory to the Water Contract and the Amended Agency Agreement (collectively, the "*Water Documents*") were on the dates of the execution of each of said Water Documents, respectively, the duly elected and qualified incumbents of the offices of the Village as set forth therein.

4. The Village has by ordinance provided consent, subject to the terms of an Admissions Agreement (the "*Admissions Agreement*"), by which the Agency may admit the Villages of Lake Villa and Lindenhurst, Illinois, as members of the Agency and, further, by which the Agency is permitted to serve said Villages and two additional service areas of The County of Lake, Illinois, with Lake Michigan water.

5. The Village has duly authorized, executed, and delivered by all necessary action the Water Documents, and, as of the date hereof, each of the Water Documents is in full force and effect and constitutes a valid, binding and enforceable obligation of the Village in accordance with its terms, and the Village is entitled to the benefits of the same. The Village has authorized by all necessary action the execution, delivery, receipt, and due performance of the Water Documents and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Village in order to carry out, give effect to, and consummate the transactions contemplated by the Water Documents.

6. The proceedings of the Village authorizing and directing execution of the Water Documents and providing the aforesaid consents, subject to the terms of the Admissions Agreement, including specifically the ordinance entitled:

AN ORDINANCE OF THE VILLAGE OF _____, LAKE COUNTY, 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

were duly adopted by the Corporate Authorities on _____, 2013 (the "*Ordinance*"), and such proceedings are in full force and effect, have not been revoked, rescinded or amended and were adopted in compliance with the Code, the Open Meetings Act, and applicable ordinances and resolutions of the Village governing the proceedings of the Corporate Authorities. Within two (2) days after its passage, the Ordinance was published in pamphlet form, and a true, correct and complete copy of the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at the office of the Village Clerk.

PART C. NO CONFLICTS OF INTEREST.

No officer of the Village or any spouse of such officer is presently employed by the Central Lake County Joint Action Water Agency or by the Villages of Lindenhurst or Lake Villa or by The County of Lake.

PART D. NO LITIGATION, NO BREACH OF OBLIGATION, AND NO DEFAULT.

1. There is no litigation of any nature now pending or to our knowledge threatened seeking to restrain or enjoin the execution or delivery of the Water Documents, the performance of any of the covenants contained in the Water Documents, or in any manner affecting the Water

Documents; no litigation of any nature is now pending or to our knowledge threatened, questioning, contesting, or in any matter relating to or affecting the right or authority of the Village to carry out the terms and provisions of the Water Documents, the authority or proceedings pursuant to which the Water Documents have been authorized, the validity of the Water Documents, the right of the Village to levy taxes for corporate purposes or to fix or collect fees, rates, charges and revenues for the Water System services, or the ownership or any aspect of the operation by the Village of the Water System; neither the corporate organization or existence of the Village nor the titles of the officers, as hereinabove described, of the Village to their respective offices are being contested; no authority or proceeding relating to the Water Documents or the consents provided pursuant to the Admissions Agreement has been repealed, revoked, or rescinded; and there are no actions at law, in equity, or before any administrative body pending, nor to the knowledge of the Village, threatened against the Village affecting in any manner whatsoever the transactions contemplated by the Water Documents or the consents provided pursuant to the Admissions Agreement .

2. The execution and delivery of the Water Documents, and the compliance by the Village with the provisions thereof, will not conflict with or constitute on the part of the Village a breach of or a default under any existing law, court or administrative regulation, decree, or order, or any agreement or other instrument to which the Village is subject or by which it or its properties is or may be bound.

3. The Village is not in default with respect to any order of any court, governmental authority or arbitration board or tribunal or under any agreement, indenture, mortgage, lease, contract or other instrument to which it is a party or by which it is bound.

PART E. OTHER REPRESENTATIONS.

1. To the best of our knowledge and after consultation with our legal counsel, the Village has good title to all material operating components of the Water System for the Village to operate and maintain the Water System.

2. The most recently passed rate ordinance of the Village for water supply and service is in full force and effect; and such rates have not been reduced since those in effect as of the time of the last audit of the Village.

3. All of the representations contained herein are true and correct and are given in anticipation of the preparation, execution and sale of future Water System Bonds by said Agency in due course, and further, in anticipation of the preparation, execution and sale of certain Special Service Area Number 16 Bonds by said County. Furthermore, we acknowledge that with the ultimate delivery of any series of such bonds of the Agency or the County, we will provide a brief and summary down date of this Certificate.

4. The Village has received an allocation of Lake Michigan water from the State of Illinois Department of Natural Resources and is entitled to be served with Lake Michigan Water in accordance with the terms of the Water Contract.

5. We are on the date hereof the duly elected and qualified incumbents of the offices of the Village as set forth herein; and the signatures appearing at the right of our respective names at the end of this certificate are our genuine signatures.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the seal of the Village of _____, Lake County, Illinois this ____ day of _____ 2013 as appearing below.

NAME	OFFICE	SIGNATURE
_____	President	_____
_____	Village Clerk	_____
_____	[Director of Finance]* Village Treasurer	_____

[SEAL]

* Indicate proper officer.

**SCHEDULE A
TO
PRELIMINARY AND GENERAL CERTIFICATE
GENERAL INFORMATION AND INCUMBENCY**

RESPONSIVE TO PART A, PARAGRAPH 4:

Insert information. Any vacancies should be noted and explained.

OFFICE	INCUMBENT
President	_____
Trustee	_____
Trustee	_____
Trustee	_____
Trustee	_____
Trustee	_____
Trustee	_____
Village Clerk	_____
[Director of Finance]	_____
Village Treasurer	_____
[Village Manager]	_____
Village Attorney[s]	_____

RESPONSIVE TO PART A, PARAGRAPH 6:

Regular Meetings in 2013 are held as follows:

On the ____ day of each month.

At (time) __: __.m.

Address:

RESPONSIVE TO PART A, PARAGRAPH 7:

Names of media requesting in 2013:

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

**CERTIFICATE OF OUTSTANDING OBLIGATIONS PAYABLE
FROM WATER SYSTEM REVENUES**

We, the undersigned, do hereby certify that we are the duly qualified and acting Director of Finance [Treasurer] and Village Clerk, respectively, of the Village of _____, Lake County Lake, Illinois (the “*Village*”), and as such officials we do further certify that we have reviewed the books, records and documents of the Village in our care and custody and that from such books, records and documents, it appears that there are no bonds, judgments, notes, pledges, charges or certificates of indebtedness of any kind or character whatsoever which are payable from the revenues to be derived from the operation of the existing water system, which is operated for financial purpose on a stand-alone basis (the “*Water System*”) and which is owned and presently operated by the Village in and for the Village and for the benefit of the inhabitants thereof, except as follows:

1. Salaries and routine accounts payable for maintenance and operation of the Water System.
2. Contracts for long-term supply of water to the Water System:

First Comprehensive Amendment and Restatement
to the Water Purchase and Sale Contract Between
Central Lake County Joint Action Water Agency
and Charter Members

entered into on _____, 2013, between the Village and the other parties named therein (the “*Water Contract*”).

3. Bonds of the following series payable from the revenues of the Water System as they become due (*including* any revenue bonds and alternate revenue bonds payable from the Village Water System):

Here list such Bonds or attach a schedule and so indicate.

BOND SERIES DESIGNATION (IF ANY)	BONDS DATED	AMOUNT OF BONDS OUTSTANDING (\$)
--	----------------	--

4. All other obligations: If none, so state.

We do further certify that the Village has never failed to make prompt payment when due on all bonds, both principal and interest, payable from the revenues of the Water System. Further, we do certify that payments due under the Water Contract are operation and maintenance account payments and that there are no obligations of any kind having a prior lien on Water System revenues.

We do further certify that all of the representations contained herein are true and correct and are given in consideration of delivery by the Central Lake County Joint Action Water Agency of the Water Contract and anticipation of the preparation, execution and sale of various future series of Water Revenue Bonds to be issued by the Agency in due course. Furthermore, we acknowledge that with the ultimate delivery of any series of such Water Revenue Bonds, we will provide a brief and summary down date of this Certificate.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the seal of the Village of _____, Lake County, Illinois, this ____ day of _____ 2013.

NAME	OFFICE	SIGNATURE
_____	[Director of Finance]* Village Treasurer	_____
_____	Village Clerk	_____

[SEAL]

* Indicate proper officer.

On Letterhead of Attorney [Firm of Attorneys]

_____, 2013

Central Lake County Joint Action Water Agency
200 Rockland Road
Lake Bluff, Illinois 60044

Chapman and Cutler LLP
111 West Monroe
Chicago, Illinois 60603

Re: Village of _____, Lake County, Illinois
Validity of Certain Actions Taken with respect to
the Central Lake County Joint Action Water Agency

Ladies and Gentlemen:

You have requested my opinion as attorney* for the Village of _____, Lake County, Illinois (the "*Village*"), as to the validity of (i) the actions taken by the Village to approve the First Amendment to the Central Lake County Joint Action Water Agency Agreement ("*Amended Agency Agreement*"), (ii) the First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract Between Central Lake County Joint Action Water Agency and Charter Members, dated _____, 2013 (the "*Water Contract*"), (iii) providing consent by ordinance to the admission of the Villages of Lake Villa and Lindenhurst, Illinois, as members of the Agency, and consent to providing Lake Michigan water to such Villages and two additional service areas of the The County of Lake pursuant to the Admissions Agreement in form as presented to the Village (the "*Admissions Agreement*"), and (iv) proceedings of the Village relating to the approval of the Amended Agency Agreement, the Water Contract, and provision of such consents. I have examined such records, documents or laws as I have deemed relevant, appropriate or necessary for purposes of the opinion set forth herein and I am of the opinion that:

1. The Village is a political subdivision and municipal corporation of the State of Illinois and fully authorized and empowered under the laws of the State of Illinois to provide the aforesaid consents, subject to the terms of the Admissions Agreement, and to authorize the execution and delivery of the Water Contract and the Amended Agency Agreement (collectively, the Water Contract and the Amended Agency Agreement, the "*Water Documents*") and to perform its obligations thereunder.

* Appropriate revisions to be made throughout if delivered by a firm of attorneys.

2. On _____, 2013, the President and Board of Trustees (the "Corporate Authorities") of the Village adopted Ordinance Number _____, being entitled:

AN ORDINANCE OF THE VILLAGE OF _____, LAKE COUNTY, 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

(the "Ordinance"). The Ordinance is presently in full force and effect and has not been repealed, rescinded or amended; and the Corporate Authorities of the Village have not adopted any other ordinance, resolution or other proceeding affecting in any manner the execution of the Agreement.

3. The proceedings relating to passage of the Ordinance or otherwise relating to the providing of the aforesaid consents, subject to the terms of the Admissions Agreement, and the authorization to execute and deliver the Water Documents were all held in accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Illinois Municipal Code, as supplemented or amended, and with the Village's own procedural rules and requirements.

4. I have reviewed the General Certificate, dated _____, 2013, executed by the President, Clerk and Treasurer [Director of Finance]* of the Village, which has been provided in connection with the execution and delivery of the Water Documents, and I have no reason to believe that the statements made by said officers therein are not true; and, based upon my knowledge and after due investigation, there is no action, suit or proceeding at law or in equity or by or before any court, administrative agency, governmental instrumentality or other agency pending or threatened against or affecting the Village's title to its water system.

* State appropriate officers.

5. Payments by the Village under the Water Contract will constitute proper expenses of operation and maintenance of the water system of the Village under those ordinances, if any and as applicable, providing for and authorizing the issuance of the Village's outstanding water revenue bonds, subject to the qualification that I express no opinion as to whether payments due from the Village during substantial interruption or following permanent termination (as defined in the Water Contract) would constitute operation and maintenance expenses; I am of the opinion, however, that payments due upon any such occurrence would continue to be payable from revenues of the Village's water system.

6. Based upon my knowledge and after due investigation, no consent, order, waiver or any other action by any person, board or body, public or private, was required as of the date of execution of the Water Documents by the Village for the Village to enter into the Water Documents and to perform its obligations thereunder.

7. The Village has taken all action necessary to be taken by it to authorize the execution, delivery and performance of the Water Documents, and each of the Water Documents is presently in full force and effect and has not been repealed or rescinded or amended.

8. Based upon my knowledge and after due investigation, there is no action, suit or proceeding at law or in equity or by or before any court, administrative agency, governmental instrumentality or other agency pending or threatened against or affecting the Village or its water system which seeks to prohibit, restrain or enjoin the Village from entering into or complying with its obligations contained in the Water Documents, including payment of obligations to said Agency, or in any way affects or questions the validity or enforceability of the Water Documents, or in any way might materially adversely affect the Village's ability to carry out the transactions contemplated by the Water Documents.

9. Each of the Water Documents has been duly and validly authorized, executed and delivered by the Village and constitutes a legal, valid and binding obligation of the Village enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general applicability relating to the rights and remedies of creditors.

10. The execution and delivery of the Water Documents and compliance by the Village with the terms contained therein will not conflict with, or constitute on the part of the Village a breach of or a default under any existing statute, law, governmental rule, regulation, decree, resolution, ordinance, charter or order, or any agreement, indenture, mortgage, lease or instrument to which the Village is subject or by which it is or its properties are or may be bound.

Very truly yours,

[Attorney or Firm]

TAX EXEMPTION CERTIFICATE AND AGREEMENT

The Central Lake County Joint Action Water Agency, located in The County of Lake, Illinois (the “Agency”), an Illinois unit of local government and joint action water agency organized and existing under the laws of the State of Illinois, has in the past and intends in the future to issue one or more series of its Water Revenue Bonds (collectively, the “Agency Bonds”). Further, The County of Lake, Illinois (the “County”), will in the future issue several series of its Special Service Area Number 16 Bonds (collectively, the “SSA Bonds” and, together with the Agency Bonds, the “Lake Michigan Water Bonds”).

The Village of _____, Lake County, Illinois (the “Village”), is an Illinois municipal corporation duly organized and existing under the laws of the State of Illinois. The Village and Agency have executed an intergovernmental agreement for the purchase and sale of water, entitled the First Comprehensive Amendment and Restatement to the Water Purchase and Sale Contract Between Central Lake County Joint Action Water Agency and Charter Members (the “Water Contract”), providing for the Agency to serve the water needs of the Village and calling for the Village’s cooperation in the Agency’s water system revenue financings, including executing this Tax Exemption Certificate and Agreement (the “Tax Agreement”) which is provided for and on behalf of the Agency and the County in connection with the issuance of Lake Michigan Water Bonds.

Proceeds of the Lake Michigan Water Bonds have been or will be used to construct system improvements to the water system of the Agency (collectively, the “Projects”), which system improvements will, in part, serve the needs of the Village by providing water to the water distribution system (the “Village Water System”) of the Village, or such proceeds have been or will be used to refund prior series of Lake Michigan Water Bonds.

The Village, as a party to the Water Contract, makes and enters into this Tax Agreement. The undersigned is a duly qualified and authorized officer of the Village.

Section 1. Expectations. The certifications set forth various facts regarding the use of the Village Water System and of certain funds held within the Village Water System.

Section 2. Payments under the Water Contract. The Village will make all payments required under the Water Contract as an operations and maintenance expense of the Village Water System for the cost of the purchased water.

Section 3. Internal Revenue Service Audits. The Internal Revenue Service has not contacted the Village regarding any obligations issued by or on behalf of the Village in connection with the Village Water System, and no such obligations are currently under examination by the Internal Revenue Service.

Section 4. Funds and Accounts. (a) Other than the amount held in the Water Fund of the Village reasonably required and budgeted to meet operation and maintenance expenses of the Village Water System as the same come due (such amount so described is herein defined as being held in the “O&M Account”), no funds or accounts have been or are expected to be

established and no moneys or property have been or are expected to be pledged or otherwise restricted by the Village (no matter where held or the source thereof) that are expected to be used or available to be used to pay, directly or indirectly, payments to be made to the Agency by the Village pursuant to the Water Contract. Any such funds or accounts, regardless of where held or the source thereof, will be established only if the establishment of such fund or account does not adversely affect the interest on the Lake Michigan Water Bonds, and the Village and Agency or the County, as may be affected, receive an opinion to that effect from nationally recognized bond counsel. The Village does not and will not have any credit enhancement or liquidity device relating to its payment obligations under the Water Contract. No particular amount in the O&M Account has been or will be earmarked or otherwise restricted to make, directly or indirectly, the payments described above, and there are no assurances that adequate amounts will be on deposit in the O&M Account to be used to make, directly or indirectly, the payments described above because amounts in the O&M Account can be used for any lawful water system purpose. The Village will not establish any subaccount of the O&M Account or any other segregated fund from which the Village will reasonably expect to make such payments.

(b) Neither the Village nor any agency, department or division of the Village has on hand any funds which could legally and practically be used for the purposes for which any series of Lake Michigan Water Bonds are being issued that are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Since no such funds exist, accordingly, neither the Agency nor the County will use proceeds of the Lake Michigan Water Bonds, directly or indirectly, to replace funds of the Village or any agency, department or division of the Village that could be used for the purposes for which the Lake Michigan Water Bonds are being issued. Since no such funds exist, accordingly, neither the Agency nor the County will use proceeds of Lake Michigan Water Bonds to replace any proceeds of any prior issuance of obligations by the Village or any agency, department or division of the Village.

(c) No portion of the payments to be made to the Agency by the Village pursuant to the Water Contract is or will be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Section 5. Private Use Test. (a) The Village recognizes that because of the Water Contract it maintains with the Agency, the Village is a user of certain bond financed facilities of the Agency. The Village represents that it did not enter into the Water Contract for a principal purpose of providing water to any particular non-governmental person or to the United States of America. The Village agrees not to enter into any arrangement that causes any other entity to be a user of more than three percent of the facilities that the Agency uses to provide water to the Village under the Water Contract. In particular, the Village will not resell more than three percent of the water purchased under the Water Contract *except*:

(i) To retail water customers under published rates and charges, without any special contract;

(ii) Under a contract negotiated at arm's length with a duration of three years or less (including all renewal options) and provides for compensation at fair market value or is based on generally applicable and uniformly applied rates;

(iii) A retail requirements contract; *provided, however*, such retail requirements contract is only allowed if it meets the conditions specified in (b) below;

(iv) A wholesale requirements contract covering no more than five percent of the water purchased under the Water Contract so long as such requirements contract has a term, including all renewal options, of no longer than the lesser of five years or 30 percent of the term of the Water Contract and only upon notice of such by the Village to Agency;

(v) A contract that annually provides directly or indirectly payments of less than one percent of the portion of the amount payable by the Village under the Water Contract that has been designated for interest or principal on the Bonds;

(vi) A contract for which a nationally recognized bond counsel has provided an opinion to the Agency that the contract does not create private use of any facilities owned by the Agency. Such opinion must be acceptable to the Agency, but may include such disclaimers as may be appropriate so that the opinion will not be classified as a state or local bond opinion, or a covered opinion under rules related to practice before the Internal Revenue Service; or

(vii) Any Contract approved in writing by the Agency. The Village acknowledges that approval by the Agency may depend on a payment to the Agency or other contractual commitments to the Agency.

(b) A contract otherwise permitted under the provisions of (a)(iii) or (a)(iv) above is nevertheless not permitted if:

(i) The contract is properly characterized as a lease for Federal income tax purposes;

(ii) The contract contains any terms that obligate the purchaser to make payments that are not contingent on the water requirements of the purchaser; or

(iii) The contract contains any terms that require the purchaser to have water requirements.

Section 6. Allocation of Water. To the extent that, at any time in the future, the Village should begin to receive water from the Agency and water from another source (such as from another water supplier or from its own wells), any allocation of water sold to particular purchasers or class of purchasers to sources of water from the Agency and other sources must be reasonable under all the facts and circumstances. Any such allocation will take into account the extent to which it is physically possible to deliver output to or from a particular user, facility or system. The terms of any arrangement for use of water allocated to a source of water other than from the Agency will be based solely on market conditions and will have no relationship with the Village's obligations with the Agency. No such arrangement is being entered into in connection with or as a result of the Village agreeing to purchase water from the Agency.

Section 7. Purchase of Lake Michigan Water Bonds by Village. The Village will not purchase any Lake Michigan Water Bonds.

Section 8. Records Retention. The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Lake Michigan Water Bonds from federal income taxation and to demonstrate compliance with the covenants in this Tax Agreement. Such records shall include, but are not limited to, basic records relating to the Lake Michigan Water Bond transactions (including this Tax Agreement); documentation evidencing the use of Lake Michigan Water Bond-financed property by public and private entities (including, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Lake Michigan Water Bonds; or any contract relating to the water to be supplied from the Agency to the Village. Such records shall be kept for as long as the Lake Michigan Water Bonds are outstanding, plus the period ending three years after the latest of the final payment date of the Lake Michigan Water Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Lake Michigan Water Bonds. The Village acknowledges that the period of time that this covenant could require such records retention may be for the term of the Water Contract (40 years) plus and additional three years.

Such records will be furnished to Agency or the County on request. In the event of an examination of the Lake Michigan Water Bonds, the Village agrees to cooperate with Agency or the County, or both, at the Village's expense so that Agency or the County, or both, may reasonably respond to any inquiry of the Internal Revenue Service.

Section 9. Future Events. (a) The Village covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of proceeds of the Lake Michigan Water Bonds or of the facilities financed therewith) if taking, permitting or omitting to take such action would cause any Lake Michigan Water Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Lake Michigan Water Bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

(b) The Village agrees that it will cooperate with Agency or the County, or both, in responding to any inquiries from the Internal Revenue Service in connection with an examination of the Lake Michigan Water Bonds.

Section 10. Reliance by Agency and County. The Village acknowledges that the representations and covenants set forth in this Tax Agreement may be relied upon by Agency and the County in connection with its future issuance of the Lake Michigan Water Bonds in due course. Furthermore, the Village acknowledges that with the ultimate delivery of the Lake Michigan Water Bonds, duly qualified officers of the Village will provide a down date of this Tax Agreement.

If the Village has any questions regarding its responsibilities under these covenants, it will contact the Agency or the County, as may be appropriate, and request clarification or additional guidance.

Dated: _____, 2013.

VILLAGE OF _____,
LAKE COUNTY, ILLINOIS

By: _____
Its:

STATE OF ILLINOIS)
)SS
COUNTY OF LAKE)

BRING-DOWN AND CLOSING CERTIFICATE*

We, the undersigned, do hereby certify that as of the date hereof we are the duly qualified and acting President, Village Clerk and Director of Finance [Treasurer], respectively, of the Village of _____, Lake County, Illinois (the “*Village*”), as indicated by the titles appended to our respective signatures. We acknowledge that this Certificate is given as part of the transcript of proceedings of the Central Lake County Joint Action Water Agency, Lake County, Illinois (“*Agency*”) in connection with the issuance by Agency of its \$ _____ Bonds, Series 20__ (the “*Bonds*”), and this Certificate is delivered pursuant to the following documents relating to the Bonds:

1. Tax Exemption Certificate and Agreement, dated _____, 2013 (the “*Tax Agreement*”);
 2. General Certificate, dated _____, 2013 (the “*General Certificate*”);
- and
3. Certificate of Outstanding Obligations Payable from Water System Revenues, dated _____, 2013 (the “*Revenue Certificate*”).

As such officials, we do further certify as follows:

PART A. BRING DOWN.

All provisions of the Tax Agreement, the General Certificate and the Revenue Certificate, including all representations, warranties, expectations and covenants of the Village contained in the Tax Agreement, the General Certificate and the Revenue Certificate, are true, complete and

* This is a form for possible future use. Not to be executed at this time.

correct as of the date of this Certificate and are herein reiterated and set forth in full. There has been no repeal of any of the proceedings of the Village as described in the General Certificate.

PART B. COMFORT.

1. We have reviewed the Preliminary Official Statement dated _____ 20__, the cover page of which is attached hereto as *Appendix A*, pertaining to the Bonds.

2. The information concerning the Village in the Preliminary Official Statement was as of its date and is as of the date hereof accurate. The Preliminary Official Statement does not contain, with respect to information pertaining to the Village, an untrue statement of a material fact and did not and does not omit to state a material fact necessary in order to make the statements in those documents pertaining to the Village, in the light of the circumstances under which they were made, not misleading.

3. Except as described in the Preliminary Official Statement, since the dates as of which information regarding the Village and the Water System (as defined in the General Certificate) was given in the Preliminary Official Statement, the Village has not incurred any material financial liability, direct or contingent, with respect to the Village or the Water System or entered into any transaction having a material adverse effect upon the Village or the Water System and there has not been any adverse change in the condition, whether financial or otherwise, or operations of the Village or the Water System or any material development that would, or is likely to, materially and adversely affect the ability of the Village to meet its obligations under the Agreement (as defined in the General Certificate).

PART C. NO DEFAULT; CONTINUING DISCLOSURE.

1. Upon the issuance of the Bonds, no "default" exists with respect to the Village under the Agreement nor does an event which with notice or with lapse of time or both would become a default with respect to the Village under the Agreement.

2. Pursuant to the provisions of the Agreement, the Village undertakes to perform any continuing disclosure obligations as required by Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such obligations are fully set forth in *Appendix B* attached hereto and made a part hereof.

PART D. OTHER REPRESENTATIONS.

1. All of the representations contained herein are true and correct and are given in connection with the delivery and closing of the Bonds.

2. We are on the date hereof the duly elected and qualified incumbents of the offices of the Village as set forth herein; and the signatures appearing at the right of our respective names at the end of this Certificate are our genuine signatures.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the seal of the Village this ____ day of _____ 20__ as appearing below.

NAME	OFFICE	SIGNATURE
_____	President	_____
_____	Village Clerk	_____
_____	Director of Finance [Treasurer]	_____

SEAL

**APPENDIX A
TO
BRING-DOWN AND CLOSING CERTIFICATE**

Cover page of Preliminary Official Statement

**APPENDIX B
TO
BRING-DOWN AND CLOSING CERTIFICATE**

STATEMENT OF CONTINUING DISCLOSURE

To be provided



VILLAGE OF ROUND LAKE
AGENDA ITEM SUMMARY

TITLE: ADOPT A RESOLUTION TO AUTHORIZE THE CONFIGURING, COMPLETING OF OUR 2014 1.5 TON DUMP TRUCK BY MONROE TRUCK EQUIPMENT CO.

Item **5.4**

Executive Summary:

1. The Current Fiscal Year Capital Improvement Program (CIP) Vehicle Replacement Fund Budget includes purchase of a 1.5 Ton Dump Truck as a replacement for a 2002 1 Ton Dump Truck. The Budgeted amount is \$70,000.
2. The Chassis (F-550 Ford Dump Truck) was purchased under the Illinois State Contract as this was confirmed to be the most economical way to proceed. The Purchased Price was \$42,099.00. At time of ordering, the Truck Industry was transitioning to the 2014 Model Year which extended the availability of the Truck to last week.
3. In the Interim we developed a Specification for configuring the Truck (Dump Body, Plow, Salt Spreader, Warning Lights, etc. Bids were solicited from the Ford Dealer that has the State contract (Riding Fleet Sales, Taylorville, Bonnell Industries, Dixon Il and Monroe Truck Equipment, Monroe, WI. Only Bonnell & Monroe submitted Bids (attached).
4. The low bidder is Monroe at \$33,639.00 inclusive of two upgrade options.
5. As configured, this truck will be much much better suited for both Winter Operations and Summer Hauling.
6. The final total cost will be \$75,738.00 which is \$5,738.00 over the estimated total cost. Funding is available from cost avoidances on the Vactor Truck Purchase as well as foregoing of the purchase of a used trailer.

Recommended Action:

Adopt a Resolution to authorize the expenditure of \$33,639.00 to have Monroe Truck Equipment Co, Monroe, WI to Configure, Complete our 2014 F-550 Dump Truck

Committee: PW/ENGR/FAC		Meeting Date: November 4, 2013, November 18, 2013	
Lead Department: Public Works		Presenter: Ron Kroop	
Item Budgeted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA			
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account No(s):	Budget:	Expenditures
	60-60-80-88004	\$70,000.00	\$42,099.00
	This Request		\$33,639.00
	Total:	\$70,000.00	\$75,738.00
	Request is over/under budget:		
Under	-		
Over			\$5,738.00

Resolution 13-R-__

**A Resolution Authorizing the Purchase and Installation of Equipment
for the 2014 F-550 Dump Truck**

BE IT RESOLVED by the Village President and Board of Trustees of the Village of Round

Lake as follows:

1. The purchase and installation of equipment for the 2014 F-550 Dump Truck at a price not to exceed \$33,639.00 from Monroe Truck Equipment is hereby approved.
2. The Mayor or his designee is authorized to execute all necessary documents to carry out the purposes of this resolution.

APPROVED:

Daniel A. MacGillis, Village President

ATTEST:

Patricia C. Blauvelt, Village Clerk

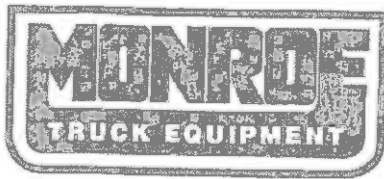
PASSED:

APPROVED:

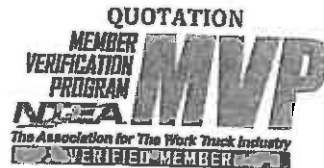
AYES:

NAYS:

ABSENT:



Monroe Truck Equipment
 1051 W 7th Street
 Monroe, WI 53566
 Phone: 608-329-8103
 Fax: 608-329-8521
 Email: bsmith@monroetruck.com
www.monroetruck.com



366890
 Customer: ROUND LAKE, VILL OF
 442 CEDAR LAKE RD
 ROUND LAKE IL 60073-2852

Contact
 Phone: 847-546-5400
 Fax:
 Email:

Quote Number: 9BES000501-1
 Job Order Number:
 Quote Date: 10/31/2013
 Quote valid until: 11/30/2013
 Terms: NET 30
 Salesperson: SCHWAB, JEFF (MUNI)
 Quoted By: Bob Smith

Comments:

Monroe Truck Equipment, Inc. is pleased to offer the following quote for your review:

DESCRIPTION	AMOUNT
MTEZ DUMP BODY	
- 50,000 PSI YIELD HIGH-STRENGTH STEEL CONSTRUCTION	
- HEAVY DUTY FRONT BULKHEAD WITH INTEGRAL 12" TAPERED CABSHIELD AND TAPERED LASER CUT WINDOW	
- INTERNAL DIRT SHEDDING TOP RAILS AND TAILGATE	
- WESTERN-STYLE UNDERSTRUCTURE WITH 10 GAUGE LONGMEMBERS	
- SINGLE-LEVER RELEASE, QUICK DROP TAILGATE	
- FMVSS108 LIGHTS AND REFLECTORS WITH WEATHER-RESISTANT WIRING HARNESS	
- RUBBER REAR FLAPS	
- UNDERCOATED AND 100% DURABLE POWDER COATED FORD RED	
MTEZ 9' RIGID BODY, 3-4 YARD, 10 GA. FLOOR, 12 GA. SIDES & ENDS, 16" H SIDES, 22" H TAILGATE	
CRYSTEEL DAVID LESS HYDRAULICS HOIST	
1/2 PLATE WITH PINTLE BALL COMBO TOW HITCH	
BACKUP ALARM	
7 WAY RV STYLE TRAILER RECEPTACLE	
CLEAR L.E.D. WORK LIGHT FOR SPREADER	
(4) WHELEN LED MINI STROBES , 2 IN THE REAR CORNERPOSTS AND 2 IN THE GRILLE AREA	
WHELEN LED MINI LIGHT BAR MOUNTED ON SELF LEVELING BRACKET ON CABSHIELD	
HYDRAULICS PKG TO OPERATE HOIST AND SPREADER	
STANDARD EQUIPMENT:	
ELECTRIC VALVE ASSY'	
- 13 GALLON CAPACITY FILTER HYDRAULIC RESERVOIR/ENCLOSURE WITH INTERNAL FILTER	
- FILLER/BREATHER CAP, LEVEL/TEMP SIGHT GLASS, 3/4" MAGNETIC PLUG,	
- 60 P.S.I. CONDITION INDICATOR	
- WEATHER TIGHT COVER	
- RESERVOIR	
- HYDRAULIC RESERVOIR/ENCLOSURE WILL BE MOUNTED ON FRAME RAIL	
- POWDER COATED BLACK	
- FORCE 5100EX GROUND BASED SPREADER CONTROL	

DESCRIPTION

AMOUNT

- IN DASH SWITCH TO OPERATE HOIST
- PTO AND PUMP
- MANIFOLD PLATE AT REAR FOR SPREADER ATTACHMENT

MISCELLANEOUS HOSES & FITTINGS
INSTALLED

MONROE UNDER-TAILGATE SPREADER

STANDARD EQUIPMENT:

- GEAR BOX DRIVE
- REVERSE FLIGHTED
- 201 STAINLESS STEEL CONSTRUCTION
- 7 GA. TROUGH
- 1/4" END PLATES
- FULL OPENING TOP AND BOTTOM CLEAN-OUT DOORS
- 6" AUGER DIAMETER
- QUICK DETACH MOUNTING BRACKETS
- TAILGATE SHIELDS
- BARE STAINLESS STEEL FINISH
- INSTALLED

STAINLESS STEEL SPINNER WITH POLY DISC

- SELF LEVELING

L.E.D. STOP TAIL TURN LIGHTS ON REAR OF SPREADER

READING STEEL BACKPACK

- POWDERCOATED WHITE OR RED ONLY
- I-PACK STYLE WITH TOP AND BOTTOM DOORS
- INSTALLED BETWEEN CAB AND BODY
- REQUIRES 24 OF CA

WESTERN WIDE OUT 8' TO 10' STEEL PLOW

- ADJUSTABLE WIDTH FROM 8' TO 10'
- SELF CONTAINED ELECTRIC HYDRAULIC SYSTEM
- WESTERN HAND HELD CONTROL
- THIS PLOW WILL NOT BE POWERED FORM THE MTE HYD SYSTEM

Quote Total: \$31,364.00

Additional Options:

DESCRIPTION

AMOUNT

ADD TO QUOTE

UPCHARGE FOR STAILESS STEEL DUMP BODY

\$1,863.00

Yes / No

ADD FOR 10' BOSS V-DXT PLOW ILO WESTERN WIDE OUT PLOW

BOSS POWER-V-DXT SNOWPLOW

STANDARD EQUIPMENT:

- STEEL MOLDBOARD
- HIGH PERFORMANCE HYDRAULIC PACKAGE
- ENCLOSED HYDRAULICS
- CHAINLESS HYDRAULIC CYLINDER LIFTING SYSTEM
- DUAL-TRIP DESIGN
- FLARED WINGS
- REINFORCED MOLDBOARD
- HEAVY-DUTY PUSH FRAME AND QUADRANT
- INSTALLED
- TWO-YEAR LIMITED WARRANTY

\$412.00

Yes / No

Notes:

Customer must fill out the information below before the order can be processed...

Year: 2014		Make: FORD	Model: F-550
Single/Dual: DRW		Cab-to-Axle: 84.0	Wheelbase: 141.0
Cab Type: REGULAR	Chassis Color:	F.O. Number #:	Vin:
Dealer Code:		P.O. number:	
Accepted by:		Date:	

- ◆ Terms are Due Upon Receipt unless prior credit arrangements are made at the time of order.
- ◆ Please note if chassis is furnished, It is as a convenience and terms are Net Due on Receipt of Chassis.
- ◆ State and Federal taxes will be added where applicable.



VILLAGE OF ROUND LAKE
AGENDA ITEM SUMMARY

TITLE: ESTIMATED 2013 TAX LEVY

Agenda Item No. 5.5

Executive Summary

Per 35 ILCS 200/18-60 not less than 20 days prior to the adoption of the aggregate levy, the corporate authorities of each taxing district shall determine the amounts of money estimated to be necessary to be raised by taxation for that year upon the taxable property in its district. The growth in a taxing district's aggregate extension is limited to 5 percent or the rate of inflation, whichever is less. The inflationary increase is equal to the percentage change in the Consumer Price Index (CPI). The 2013 tax levy CPI is 1.7%.

Excluding any new property equalized assessed valuation (EAV), the maximum extension for 2013 is estimated to be \$58,181 over the 2012 tax extension of \$3,422,388. For the current tax levy estimated calculation, for every \$250,000 in new property the maximum allowable extension would increase by approximately \$3,500. Estimates include a 10.0% decrease for existing property EAV and a new construction amount of \$1.5 million.

Staff is recommending an estimated levy of \$3,578,052 to capture the entire benefit of the CIP growth and new construction EAV, however, the limiting allowable extension is estimated at \$3,501,654. It should be noted that the Police Pension levy which is included in the overall corporate levy, but monies received in a separate Police Pension Fund, increased by \$69,683.

Finally, due to the overall 2013 estimated levy increasing only 4.55% over last year's extension, a public hearing is not necessary. Per 35 ILCS 200/18-70, a public hearing must be held if the estimated levy increased 5.0% or greater from the previous year's final extension.

Recommended Action

Adopt a Resolution Approving the Estimated 2013 Tax Levy in the Amount of \$3,578,052.

Committee: Human Resources & Finance		Meeting Date: 11/4 & 11/18/13																														
Lead Department: Administration		Presenter: Finance Director, Steve Shields																														
Item Budgeted: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Account(s)</th> <th style="text-align: center;">Budget</th> <th style="text-align: center;">Expenditure</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Item Requested</td> <td></td> <td></td> </tr> <tr> <td>All Other Items</td> <td></td> <td></td> </tr> <tr> <td>Y-T-D Actual</td> <td></td> <td></td> </tr> <tr> <td>Amount Encumbered</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">Total:</td> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$0.00</td> </tr> <tr> <td colspan="3">Request is over/under budget:</td> </tr> <tr> <td style="text-align: right;">Under</td> <td colspan="2">-</td> </tr> <tr> <td style="text-align: right;">Over</td> <td colspan="2">-</td> </tr> </tbody> </table>	Account(s)	Budget	Expenditure	-	-	-	Item Requested			All Other Items			Y-T-D Actual			Amount Encumbered			Total:	\$0.00	\$0.00	Request is over/under budget:			Under	-		Over	-		
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Amount Encumbered																																
Total:	\$0.00	\$0.00																														
Request is over/under budget:																																
Under	-																															
Over	-																															

13-R-XX

A Resolution Approving the Estimated 2013 Tax Levy

WHEREAS, at least 20 days prior to its adoption, the Village is required to determine the amount of the annual tax levy in accord with the Truth in Taxation Act;

NOW, THEREFORE, BE IT RESOLVED by the Village President and Board of Trustees of the Village of Round Lake as follows:

The attached Village of Round Lake Estimated 2013 Tax Levy in the Amount of \$3,578,052 is hereby approved.

APPROVED:

Daniel A. MacGillis, Village President

ATTEST:

Patricia C. Blauvelt, Village Clerk

PASSED:

APPROVED:

AYES:

NAYS:

ABSENT:

Village of Round Lake - Estimated 2013 Tax Levy

Collected in Fiscal Year 2014-2015

Estimated Tax Levy

	2012	2013	Information	Increase	%	Notes
New Property EAV	\$806,734	\$1,500,000		\$693,266	85.93%	Based on a review of permits issued & value of such
Existing Property EAV	\$274,304,861	\$247,600,436		(\$26,704,426)	(9.74%)	Lowered 10.0% from the total \$275,111,595
Total EAV	\$275,111,595	\$249,100,436		(\$26,011,160)	(9.45%)	
Consumer Price Index (CIP)	3.00%	1.70%				

Description	2012		2013		Limiting Rates	Maximum Amount	Estimated Rates	2012 Year Rates	Notes
	Actual Extension	Estimated Levy	Adjusted Levy	2013 Rates					
Police Pension	\$429,174	\$498,857	\$498,857	N/A	N/A	N/A	0.2003	0.1560	Actuarial valuation amount
IMRF	\$121,049	\$109,150	\$109,150	N/A	N/A	N/A	0.0438	0.0440	General Fund budget of \$109,150
Police Protection	\$929,877	\$1,104,877	\$1,104,877	1,494,603	0.60000	1,494,603	0.4435	0.3380	Increased by \$175,000
Street & Bridge (3)	\$52,271	\$156,813	\$80,415	249,100	0.10000	249,100	0.0630	0.0190	Tripled last year's extension (will be cut in 1/2)
Garbage	\$346,641	\$348,277	\$348,277	498,201	0.20000	498,201	0.1398	0.1260	Budget of \$895,277 less \$547,000 user fees: \$348,277
Working Cash	\$8,253	\$0	\$0	124,550	0.05000	124,550	0.0000	0.0030	Eliminated
Civil Defense	\$5,502	\$4,572	\$4,572	4,572	\$2.5 * Pop	4,572	0.0018	0.0020	Population of 18,289 x \$0.25
Liability Insurance	\$101,791	\$119,631	\$119,631	N/A	N/A	N/A	0.0480	0.0370	General Fund budget of \$119,631
Audit	\$22,009	\$20,625	\$20,625	N/A	N/A	N/A	0.0083	0.0080	General Fund budget of \$20,625
Social Security	\$214,587	\$215,250	\$215,250	N/A	N/A	N/A	0.0864	0.0780	General Fund budget of \$215,250
General Corporate	\$1,191,233	\$1,000,000	\$1,000,000	1,089,814	0.43750	1,089,814	0.4014	0.4330	Lowered due to limiting rate
	\$3,422,388	\$3,578,052	\$3,501,654				1.4364	1.2440	

Estimate to Adjusted (\$76,398) (equals adjustment needed)

Estimated Levy Dollar Increase:	\$155,663.95	2013 Est. Limiting Rate (2):	1.4057	0.1617	Estimated Rate Change from Prior Year
Percent Increase (1):	4.55%	Max. Allowable Ext. (4):	\$3,501,655	\$79,266	Dollar change between max allowed & last years extension
		Est. Adjustment needed (4):	(\$76,398)		2.32% Estimated 2013 levy from 2012 extension percent change

- (1) Public Hearing Required if greater than 5%.
- (2) Limiting rate calculation: (Last Years Extension * Inflation) / (Total EAV - New Property - Annexations + Disconnections).
- (3) Due to county calculations the final actual extension for Street & Bridge tax is typically 1/2 the levy amount.
- (4) Estimated levy higher than the maximum allowable to capture all revenues. Adjustments to levy are done when county completes preliminary estimated extensions.

Fund	2012 Actual	2013 Adjusted	Dollar Change	2013 Levy		2014/15 Forecast	Difference
				Percent Change	Estimated Collections		
General Fund	\$2,984,961	\$3,002,797	\$17,836	0.60%	\$2,972,769	\$2,955,396	\$17,373
Police Pension	\$429,174	\$498,857	\$69,683	16.24%	\$493,868	\$493,868	\$0
Working Cash	\$8,253	\$0	(\$8,253)	(100.00%)	\$0	\$6,375	(\$6,375)
Total	\$3,422,388	\$3,501,654	\$79,266	2.32%	\$3,466,637	\$3,455,639	\$10,998

MEMORANDUM

#SS 12-13

Date: October 30, 2013
From: Steven Shields, Finance Director
Subject: 2013 Estimated Tax Levy

Per 35 ILCS 200/18-60 not less than 20 days prior to the adoption of the aggregate levy, the corporate authorities of each taxing district shall determine the amounts of money estimated to be necessary to be raised by taxation for that year upon the taxable property in its district. As such, attached is a 2013 estimated tax levy calculation.

The growth in a taxing district's aggregate extension is limited to 5 percent or the rate of inflation, whichever is less. The inflationary increase is equal to the percentage change in the Consumer Price Index (CPI), with the table below listing the CPI for the last ten years.

<u>Fiscal</u> <u>Year End</u>	<u>CPI</u> <u>Year</u>	<u>Tax Levy</u> <u>Year</u>	<u>CPI For</u> <u>Tax Levy</u> <u>Dec. thru</u> <u>Dec. CPI</u>
2006	2003	2004	1.90%
2007	2004	2005	3.30%
2008	2005	2006	3.40%
2009	2006	2007	2.50%
2010	2007	2008	4.10%
2011	2008	2009	0.10%
2012	2009	2010	2.70%
2013	2010	2011	1.50%
2014	2011	2012	3.00%
2015	2012	2013	1.70%

The average consumer price index over the last ten years is 2.42%. The 2008 4.10% CPI was the highest increase and the 2009 0.10% CPI the lowest increase since the Property Tax Extension Limitation Law (PTELL) was originally passed in 1991. The 2013 tax levy CPI of 1.70% is below the average over the past ten years.

Excluding any new property equalized assessed valuation (EAV), the maximum extension for 2013 is estimated to be only \$58,181 over the 2012 tax extension of \$3,422,388. However, an estimated amount for new property needs to be added to the overall EAV to be sure that the estimated tax levy captures all revenues that are allowable. Under PTELL, taxing districts receive an additional allowance in proportion to the new property in the district.

New property includes the assessed value of new improvements or additions to existing improvements on any parcel of real property that increased the assessed value of that real property during the levy year. For the current tax levy estimated calculation, for every \$250,000 in new property the maximum allowable extension would increase by slightly over \$3,500. Using an estimate of \$1,500,000 for new property, the increase related to growth would be \$21,086.

The CPI limits the aggregate extension to 1.7% of the prior year's extension while other assumptions used for the estimated tax levy have little impact on the overall 2013 allowable extension; they do have an impact on the estimated overall limiting rate and individual levy estimated rates. The limiting rate is the district's maximum aggregate tax rate for funds under PTELL, which is the sum of all tax rates for the individual levies subject to the PTELL.

Exception to Prior Year's Extension

As noted previously, the CPI limits the aggregate extension to 1.7% of the prior year's extension. However, 35 ILCS 200/18/-185 specifically states, "For those taxing districts that reduced their aggregate extension for the last preceding levy year, the highest aggregate extension in any if the last preceding levy years shall be used for computing the limiting rate." In other words, the prior three years are considered only if last year's extension was below the extension for the year before.

The Village of Round Lake falls under the above rule. Using the above rule, the maximum estimated extension would be \$3,707,300, \$284,911 8.32% over the 2012 actual extension. To be consistent with previous estimated tax levies presented to the Village Board, staff used the CPI of 1.7% of the prior year's extension (2012- \$3,422,388) versus the 2010 extension of \$3,623,378 that could have been used to arrive at the maximum allowable extension.

Equalized Assessed Valuation (EAV):

A 10.0% decrease was used for existing property EAV. The percent decrease Avon Township had for the Village owned Goodnow Avenue lot parcels was 7.3%; therefore, the overall estimate was round up to 10.0%. The table below lists the EAV with dollar and percent changes for the previous five tax extensions and the 2013 estimate.

Levy Year	Dollar Amount	Dollar Change	Percent Change
2008	\$421,556,835	\$13,853,597	3.40%
2009	\$404,464,351	(\$17,092,484)	(4.05%)
2010	\$363,428,091	(\$41,036,260)	(10.15%)
2011	\$321,967,538	(\$41,460,553)	(11.41%)
2012	\$275,111,595	(\$46,855,943)	(14.55%)
2013	\$247,600,436	(\$27,511,160)	(10.00%)

New Construction

The 2012 new construction amount of \$806,734 was increased to \$1,500,000 for the 2013 estimated tax levy based on an increase in permit activity in calendar year 2011 and 2012. The new construction amount has significantly decreased since the high of \$57,068,520 for tax levy year 2005. The table below lists the new construction with dollar and percent changes for the previous five tax extensions and the 2013 estimate.

Levy Year	Dollar Amount	Dollar Change	Percent Change
2008	\$3,153,583	(\$11,378,726)	(78.30%)
2009	\$2,548,079	(\$605,504)	(19.20%)
2010	\$1,329,445	(\$1,218,634)	(47.83%)
2011	\$969,459	(\$359,986)	(27.08%)
2012	\$806,734	(\$162,725)	(16.79%)
2013	\$1,500,000	\$693,266	85.93%

Due to the slow down of new development, the tax levy increase related to new growth has significantly decreased since the high of \$445,590 for tax levy year 2004. The table below lists the changes for the previous five tax extensions and the 2013 estimate.

Levy Year	Dollar Extension	Portion of Increase from CPI	Portion of Increase from Growth	Total Dollar Change	Percent Change
2008	\$3,486,275	\$136,212	\$27,831	\$164,042	4.94%
2009	\$3,514,795	\$3,486	\$25,034	\$28,520	0.82%
2010	\$3,623,378	\$94,899	\$13,683	\$108,583	3.09%
2011	\$3,448,272	-	-	(\$175,106)	(4.83%)
2012	\$3,422,388	-	-	(\$25,884)	(0.75%)
2013	\$3,501,655	\$58,181	\$21,086	\$79,267	2.32%

Estimated Individual Tax Levy Assumptions

Police Pension	Actuarial valuation amount
IMRF	General Fund budget of \$109,150
Police Protection	Increased by \$175,000
Street & Bridge	Tripled last year's extension (will be cut in half)
Garbage	Budget of \$895,277 less \$547,000 user fees: \$348,277
Working Cash	Eliminated
Civil Defense	Population x \$0.25
Liability Insurance	General Fund budget of \$119,631
Audit	General Fund budget of \$20,625
Social Security	General Fund budget of \$215,250
General Corporate	Lowered due to limiting rate

Tax Rates

Based on the EAV estimated reduction and to continue to capture all the revenue possible for the village, the table below lists the tax rates and changes for the previous five tax extensions and the 2013 estimate.

Levy Year	Rate	Rate Change	Percent Change
2008	0.827	0.003	0.36%
2009	0.869	0.042	5.08%
2010	0.997	0.128	14.73%
2011	1.071	0.074	7.42%
2012	1.244	0.173	16.15%
2013	1.406	0.162	13.00%

Police Pension Levy

The Police Pension levy included in the general corporate tax levy has increased \$334,092, 202.77% over the last ten years. The table below lists the annual Police Pension Fund extension with dollar and percent changes.

Levy Year	Dollar Amount	Dollar Change	Percent Change
2004	\$164,765	(\$6,974)	(4.06%)
2005	\$223,427	\$58,662	35.60%
2006	\$245,322	\$21,895	9.80%
2007	\$276,631	\$31,309	12.76%
2008	\$240,291	(\$36,340)	(13.14%)
2009	\$297,715	\$57,424	23.90%
2010	\$316,182	\$18,467	6.20%
2011	\$396,020	\$79,838	25.25%
2012	\$429,174	\$33,154	8.37%
2013	\$498,857	\$69,683	16.24%

The Police Pension extension increases impact the overall dollars to the General Fund. Since levy year 2009, the first year of a General extension decrease, the dollars collected for general government services decreased \$243,186. In the same time frame, the Police Pension Fund collected \$258,566 more dollars.

Levy Year	<u>GENERAL LEVY</u>		<u>POLICE PENSION LEVY</u>	
	Dollar Amount	Dollar Change	Dollar Amount	Dollar Change
2009	\$3,217,080	(\$28,904)	\$297,715	\$57,424
2010	\$3,307,196	\$90,116	\$316,182	\$18,467
2011	\$3,052,252	(\$254,944)	\$396,020	\$79,838
2012	\$2,993,214	(\$59,038)	\$429,174	\$33,154
2013	\$3,002,798	\$9,584	\$498,857	\$69,683
		<u>(\$243,186)</u>		<u>\$258,566</u>

Levy Reduction Impact

Both the 2011 and 2012 estimated levies were not at the maximum amount that could be extended. The table below shows the financial impact, \$563,357 over a two year tax levy process.

Levy Year	Maximum Extension Amount	Actual Extension Amount	Amount Not Captured
2011	\$3,689,748	\$3,448,272	\$241,476
2012	\$3,744,269	\$3,422,388	\$321,881
			<u>\$563,357</u>

Impact on Financial Forecast

The 2013 tax levy amount approved is collected in the following fiscal year, fiscal year end 2014/15. Currently, in the five-year financial forecast, fiscal year end 2014/15, the estimated amount to be collected from property taxes is \$2,955,396. The table below lists the amount that would be collected using the maximum levy amount with the estimated new growth, compared to currently what is in the financial forecast.

Maximum Levy Amount	\$3,501,654
Less: Police Pension Levy	\$498,857
General Fund Levy	\$3,002,797
Budgeted Collection Rate	99.00%
Estimated 2014/15 Collections	\$2,972,769
Financial Forecast Amount	\$2,955,396
Difference	<u>\$17,373</u>

Impacts of No Tax Levy Rate or Extension Increase

The 2012 tax rate is 1.244. If the rate was kept the same as the prior year, the revenue loss would be approximately \$402,845 for the 2013 tax levy year. The significant decrease is due to the 10% estimated decline in the EAV.

The 2012 extension is \$3,448,272. If the extension was the same as last year the revenue loss would be \$148,949 for general funds.

Finally, due to the overall 2013 estimated levy increasing only 4.55% over last year's extension, a public hearing is not necessary. Per 35 ILCS 200/18-70, a public hearing must be held if the estimated levy increased 5.0% or greater from the previous year's final extension.

Steven J. Shields

Steven J. Shields
Finance Director