

**AGREEMENT FOR CONNECTION TO
VILLAGE WATER SUPPLY**

THIS AGREEMENT FOR CONNECTION TO VILLAGE WATER SUPPLY (“Agreement”) is entered into as of this _____ day of _____, 2021 (“Effective Date”), by and between OAK LAWN MHP LLC, a DELAWARE LLC, (“Oak Lawn Estates”) and the VILLAGE OF POPLAR GROVE, an Illinois municipal corporation, (the “Village”).

RECITALS:

WHEREAS, Oak Lawn Estates is the owner of real property commonly known as 13150 IL Route 76, Poplar Grove, IL and with PIN 03-26-300-018 (the “Property”); and

WHEREAS, the Property is improved with a mobile home park commonly known as the Oak Lawn Estates Mobile Home Park; and

WHEREAS, water service for the mobile home park is currently provided for by a private well located on the Property; and

WHEREAS, Oak Lawn Estates has expressed a desire to have water service for the mobile home park be provided for by the Village’s public water system; and

WHEREAS, Village and Oak Lawn Estates have reached an accord as to the terms and conditions upon which Oak Lawn Estates will connect the mobile home park to the Village’s water system; and

WHEREAS, the Village and Oak Lawn Estates have memorialized such terms and conditions herein.

NOW THEREFORE, in consideration of the covenants, agreements, mutual promises and other provisions herein contained and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The above recitals are incorporated herein and made a part hereof.
2. Connection to Village Water System. Oak Lawn Estates shall connect to the Village’s water system within two years of the date of this Agreement. Oak Lawn Estates shall be responsible for completing any necessary work required to connect to the Village’s water system and for the costs of such work. Oak Lawn Estates shall obtain any and all necessary permits and approvals required to connect to the Village’s water system, including but not limited to, IEPA and Village approval.
3. Connection Fees. Oak Lawn Estates shall be obligated to pay water connection fees (as set forth herein) for connection of the mobile home park to the Village’s water system (i.e. 189 mobile home units). The parties hereto agree that the connection fees for 189 units

shall be a total of \$391,842.23 (the "Connection Fee"). The Connection Fee shall be paid in equal annual installments over a term of ten years and shall be interest free (i.e. \$39,184.22 per year) with the first installment payment being due and payable after the Property is connected to the Village water system and yearly thereafter. The Connection Fee was calculated as shown in Exhibit A, attached hereto and incorporated herein.

4. Special Service Area. As a mechanism to collect the annual installment payments on the Connection Fee, the Village will go through the statutory process to establish a Special Service Area over the Property which will allow the annual installment payments to be paid as a part of property tax bill for the Property. The ordinance creating the Special Service Area will not be filed with the County Clerk until after the Property is connected to the Village water system. In the event Oak Lawn Estates desires to sell the Property prior to the Connection Fee being paid in full, any balance owed on the Connection Fee shall be paid off in full at the time of the closing on the sale of the Property. Such payment may be from the proceeds of the sale.

The parties hereto acknowledge that the formation of a Special Services Area may be objected to and that if a petition objecting to the formation of the Special Service Area, signed by at least 51% of the owners of record of the land included within the boundaries of the Special Service Area and 51% of the electors residing within the Special Service Area, is filed with the Village Clerk, the Special Services Area shall not be established.

Oak Lawn Estates, as the owner of record of all the land proposed to be within the Special Services Area, agrees not to object to the establishment of the Special Service Area. Further, Oak Lawn Estates shall take steps to provide notice of the Special Service Area to the residents of the mobile home park and inform them of the purpose for and the benefits of the Special Services Area in an effort to minimize objection by electors residing within the Special Service Area.

In the event a Special Service Area cannot be established, Oak Lawn Estates agrees to make the required annual payments directly to the Village, on or before January 1st of each year until such time as the Connection Fee has been paid in full. The Village shall have the right to record a lien against the Property evidencing Oak Lawn Estates obligation to pay the Connection Fee. Upon full payment of the Connection Fee, the Village shall release such lien.

5. Easement. Concurrent with the execution of this Agreement, Oak Lawn Estates agrees to grant to the Village a permanent easement to locate, install, access, maintain, repair, and/or replace a metering manhole and a new meter on the sanitary sewer lift station on the Property. Said permanent easement will be approximately 625 square feet in area. Oak Lawn Estates further agrees to grant the Village a temporary construction easement so that

the Village can get equipment to the permanent easement area. The Village will create the necessary easement documents effectuating the grant of the easements and showing their location and size. All of the work to install the manhole and the meter will be the responsibility of the Village, as well as the costs thereof. Any areas of the Property disturbed by construction activity will be reasonably restored by the Village, including new topsoil, seeding, fertilizer and erosion control blanket.

6. Term. The term of this Agreement shall be from the Effective Date until full payment of the Connection Fee.
7. Acceleration. Oak Lawn Estates may accelerate the payments on the Connection Fees at any time. The Village may not assess any prepayment penalties or fees.
8. Assignment. This Agreement shall be deemed to be exclusive between Village and Oak Lawn Estates. This Agreement shall not be assigned without first obtaining permission in writing from the Village.
9. Insurance. Upon execution of this Agreement, and prior to Oak Lawn Estates commencing any work or services under this Agreement, Oak Lawn Estates shall obtain and maintain during the term of this Agreement, commercial general liability insurance and umbrella liability insurance on ISO form CG 00 01 10 01 (or a substitute form providing equivalent coverage) and Oak Lawn Estates shall provide the Village with a Certificate of Insurance and Additional Insured Endorsement on ISO form CG 20 10 11 85 (or substitute form providing equivalent coverage) or on the combination of ISO forms CG 20 10 10 01 and CG 20 37 10 01 (or substitute forms providing equivalent coverage) naming the Village as additional Insured thereunder. Additional insured coverage shall apply as primary insurance and be noncontributory with respect to any other insurance afforded to the Village. All coverage shall be placed with an insurance company duly admitted in the State of Illinois and shall be reasonably acceptable to the Village. All vendor insurance carriers must maintain an A.M. Best rating of "A" or better. Coverage shall be afforded to the additional insured whether or not a claim is in litigation.

The insurance coverage required above shall be of sufficient type, scope and duration to ensure coverage for the Village for all liability concerns related to any manifestation date within the applicable statutes of limitation and/or repose which pertain to any work performed by, or on behalf of the Village, in relation to the contract. The following insurance requirements shall apply to Oak Lawn Estates for the duration of this Agreement unless explicitly waived by the Village:

- Commercial General Liability. The coverage available to the Village, as Additional Insured, shall not be less than \$1 million each occurrence, \$2 million general aggregate (subject to a per project general aggregate provision applicable to the project), \$1 million products/completed operations aggregate and \$1 million

personal injury limits. Such insurance shall cover liability arising from premises, operations, independent vendors, products-completed operations, personal injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

- Umbrella or Excess Liability Insurance: Oak Lawn Estates shall maintain umbrella or excess liability insurance coverage in an amount not less than \$2 million.

Oak Lawn Estates shall provide the Village with a Certificate of Insurance evidencing compliance with this paragraph. Each Certificate of Insurance shall provide that the insurer must give the Village at least thirty (30) days prior written notice of cancellation or termination of Oak Lawn Estates's coverage thereunder.

10. Indemnification. To the fullest extent permitted by law, each Party (the "Indemnifying Party") shall pay, indemnify, defend and hold harmless the other, and their respective officers, representatives, elected and appointed officials, agents, employees, volunteers, sponsors, and vendors, ("Indemnified Parties") from and against any and all third party claims, causes of action, loss, expense, liability, damage or cost (including, without limitation, judgments, attorneys' fees and costs, court costs and the cost of appellate proceedings), (collectively referred to as "Losses"), whether known or unknown, foreseen or unforeseen, presently asserted or otherwise, actual, contingent or otherwise, direct or indirect, which any of the Indemnified Parties incur because of injury to or death of any person or on account of damage to property belonging to a third-party, and for which the Indemnifying Party is liable as a result of the negligent or willful act or omission of the Indemnified Party or its employees, agents or subcontractors in connection with or as a consequence of the Equipment operated in connection with this Agreement. Notwithstanding anything provided however, that if such Losses arises in whole or in part from an Indemnified Party's negligence, gross negligence or intentional misconduct or inaction, then the amount of the Losses subject to indemnification shall be reduced by an amount in proportion to the percentage of the Indemnified Party's responsibilities for such Loss.
11. Default and Remedies. If either party fails to perform its obligations as required by this Agreement or otherwise defaults under this Agreement, the non-defaulting Party may, in its sole discretion and in addition to any other rights at law or in equity, (1) send notice of the default; or (2) cancel this Agreement by notice to the defaulting party. In the event of a default and/or litigation arising out of enforcement of this Agreement, the Parties hereto acknowledge and agree that, to the extent permitted by law, the prevailing party shall be entitled to recover all reasonable costs, charges, expenses, and their reasonable attorneys' fees arising as a result thereof.
12. Notices. All notices, demands, requests, consents, approvals or other instruments required

or permitted to be given under this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be given by any of the following means (i) personal service; (ii) telecopy or facsimile; (iii) overnight courier; or (iv) registered or certified mail, return receipt requested:

To Oak Lawn Estates: Oak Lawn Estates
Attn: Christopher Howard
4181 Rose Crescent
West Vancouver, B.C. V7V 2N6
Canada

With Copy To: N/A

To Village: Village of Poplar Grove
Attn: Village President
200 N. Hill Street
Poplar Grove, Illinois 61065

With Copy To: Sosnowski Szeto, LLP
Attn: Aaron N. Szeto
6735 Vistagreen Way, Suite 300
Rockford, Illinois 61107

- 13. Entirety and Binding Effect: This Agreement represents the entirety of the Agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.
- 14. Survival of Provisions: If any of the provisions of this Agreement are invalid with any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, but the remainder of this instrument and any other application of such provision shall not be affected thereby.
- 15. Use of Headings: The clause headings appearing in this agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.
- 16. Amendments and Modifications: Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.

17. Counterparts: This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.
18. Previous Agreements: The foregoing is the agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.
19. Miscellaneous. No failure of Village or Oak Lawn Estates to enforce the terms of this Agreement shall constitute a waiver by Village or Oak Lawn Estates of any contractual right under this Agreement. The rights and duties arising under this Agreement shall be governed by the law of the State of Illinois. Any action against Oak Lawn Estates or the Village shall be brought in Circuit Court of the 17th Judicial Circuit, Boone County, Illinois.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have set their hand as of the date first referenced above.

OAK LAWN MHP, LLC

VILLAGE OF POPLAR
GROVE, ILLINOIS

By: 
12BA0EEF53B3467...
Christopher Howard

By: _____
Don Sattler

Its: President

Its: Village President

ATTEST:

Karri Anderberg, Village Clerk

EXHIBIT A

In 2020, the average day consumption for Oak Lawn was 25,252 gallons and it was found that there were 174 units in service during the year. One ERU is defined as 350 gallons per day. Dividing the number of gallons per day (25,252) by the number of gallons per ERU (350) yields 72.15 ERUs. Dividing the number of ERU's by the number of units in service provides for an ERU for the park of 0.414648 ERU/Unit. The connection fee is then calculated by multiplying the total number of potential units in the park (189) times the number of ERUs per unit (0.414648) times the base connection fee of \$5,000/ERU which totals \$391,842.23.

One Equivalent Residential Unit (ERU):	350 Gallons/Day
Poplar Grove's Connection Fee/ERU	\$5,000.00
Total number of Gallons Used in in Oak Lawn Mobile Home Park in 2020	9217000
Average Use Per Day in 2020	25252.05
Average ERUs in 2020	72.15
Number of Units in Service in 2020	174
ERU/Unit	0.414648
Total Number of Units in the Park	189
Connection Fee	\$391,842.23