

IN THE CIRCUIT COURT OF THE  
 FIFTEENTH JUDICIAL CIRCUIT  
 OGLE COUNTY, ILLINOIS

ILLINOIS  
 COMMERCE COMMISSION  
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ILLINOIS COMMERCE COMMISSION, )  
 an Illinois State Agency )  
 Petitioner, )  
 vs. )  
 NEW LANDING UTILITY, INC., )  
 an Illinois Corporation )  
 Respondent )  
 and )  
 ILLINOIS RURAL WATER ASSOCIATION, )  
 Receiver )  
 vs. )  
 GENE L. ARMSTRONG, )  
 Respondent to the Petitions )  
 For Compensatory Damages )

**FILED**

DEC 14 2007

*Maite Tjorn*  
 CLERK OF THE CIRCUIT COURT  
 OGLE COUNTY

Case No. 05-CH-93

COPY

**AGREED SETTLEMENT ORDER**

This matter comes to Court upon agreement of the parties, the Petitioner, Illinois Commerce Commission ("ICC"), the Respondent, New Landing Utility, Inc. ("NLU"), the Receiver, Illinois Rural Water Association ("IRWA"), and the Respondent to the Petitions for Compensatory Damages in this case, Gene L. Armstrong ("Armstrong").

- A. Being fully advised in the premises, **the Court finds** that:
1. Lost Lake Utility District ("LLUD") has entered into a contract to purchase the assets of NLU and to assume the responsibility of providing water and sewer service to the residents currently served by NLU.

2. The contract referred to above and the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order has been approved by this Court in Ogle County lawsuit, Docket Number, 00 CH 97 on November 5, 2007.
3. The Petitioner in this case, the ICC, and the Receiver in this case, IRWA, have agreed that, upon the closing of the sale of the NLU assets to LLUD and the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order, the Petitions for Compensatory Damages filed in this case would be dismissed with prejudice.
4. Armstrong has agreed that, upon the closing of said sale of the NLU assets to LLUD and the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order, the counterclaims Armstrong filed against NLU as part of his answer and response to the Petitions for Compensatory Damages would be dismissed with prejudice.
5. The ICC and NLU have agreed that, upon the closing of the sale of the NLU plant assets to LLUD and the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order, (a) the right and obligation of NLU to provide any utility services within its certificated service territory or to file any annual report with the ICC would end, (b) the ICC will not pursue any judicial or administrative action against the affiliated interests identified in the Commission Order of July 19, 2005, in Ill.C.C. Docket No. 04-0610 or in the Commission Order of July 6, 2005, in Ill.C.C. Docket No. 04-0666, or against any member of Gene Armstrong's family for any matter related, directly or indirectly, to NLU, (c) Gene Armstrong, NLU, DAME Co., Gene L. Armstrong & Associates, P.C. and CAM

Properties will not pursue any judicial or administrative action against the Illinois Commerce Commission, the Attorney General of Illinois, their assistants or employees for any matter related, directly or indirectly, to NLU, (d) NLU will move to voluntarily dismiss its appeal of the Commission orders in Ill. C.C. Docket 04-0610, pending in the Illinois Appellate Court, Second Judicial District, Docket No. 2-05-1042, (e) NLU's Certificate of Public Convenience and Necessity would be considered abandoned, (f) the Commission may revoke said Certificate of NLU without further notice to NLU, its directors, officers, agents, stockholders, and owners and without an opportunity to be heard by NLU, its directors, officers, agents, stockholders, and owners, and (g) after revocation, NLU's obligation to comply or conform with any regulatory requirement imposed by the ICC or the Illinois Public Utilities Act would end.

6. The ICC, IRWA, NLU and Armstrong have agreed that, upon the closing of said sale of the NLU assets to LLUD, the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order, and the approval of this Court of IRWA's final accounting as Receiver, the ICC will ask this Court to end the receivership over NLU. Thereupon,
  - a) IRWA will, within thirty (30) days of closing of the sale of the NLU plant assets to LLUD, file its final accounting of its activities as receiver.
  - b) Upon the Court's approval of the final accounting and the payment of NLU's outstanding obligations as approved by the Court in the final accounting, including the payment of the 2007 Public Utility Fund ("PUF") tax and an outstanding PUF tax penalty, IRWA will thereafter

deliver to NLU (or as directed by NLU through its President, Armstrong)  
any and all non-plant assets or property of NLU that remains in the  
Receiver's possession.

7. The ICC and IRWA have also agreed that, upon approval of the final accounting of the Receiver by the Court, this case will be voluntarily dismissed with prejudice.

B. Accordingly, **the Court orders:**

1. That this Order shall be effective on and as of the date and time of closing of the sale of the NLU assets to LLUD and the payment of NLU's outstanding obligations contained in Schedule C of the Sale Order.
2. That, as of the effective date of this Order, the Petitions for Compensatory Damages (including the Petition filed by the ICC for and on behalf of the first receiver, Environmental Management Corporation, and the pending Petition, as adopted and/or amended by IRWA, are hereby dismissed with prejudice.
3. That, as of the effective date of this Order, the counterclaims Armstrong filed as part of his response to said Petitions are hereby dismissed with prejudice.
4. That, as of the effective date of this Order, any pending motions not voluntarily withdrawn by the party who filed the motion will be deemed denied in order to fully effect the purpose and intent of this Order and the objectives of the parties, to wit, the dismissal of this case.
5. That each and all parties shall bear their own costs of this suit and attorneys' fees incurred in respect to this suit.

6. That Armstrong shall provide an authenticated copy of this Order to the escrow agent engaged to effect the escrow closing of said sale.
7. That Armstrong shall file with this Court confirmation of the time and date of said closing within ten (10) days after said closing.
8. That, as of the effective date of this Order
  - a) the right and obligation of NLU to provide any utility services within its certificated service territory or to file any annual report with the ICC shall end,
  - b) any right of the Commission to bring a judicial or an administrative action against the affiliated interests identified in the Commission Order of July 19, 2005, in Ill.C.C. Docket No. 04-0610 or in the Commission Order of July 6, 2005, in Ill.C.C. Docket No. 04-0666, or against any member of Gene Armstrong's family for any matter related, directly or indirectly, to NLU shall end,
  - c) Gene Armstrong, NLU, DAME Co., Gene L. Armstrong & Associates, P.C. and CAM Properties will not pursue any judicial or administrative action against the Illinois Commerce Commission, the Attorney General of Illinois, their assistants or employees for any matter related, directly or indirectly, to NLU,
  - d) any right of NLU to pursue its appeal of the Commission orders in Ill. C.C. Docket 04-0610, pending in the Illinois Appellate Court, Second Judicial District, Docket No. 2-05-1042, shall end and NLU shall promptly file a Motion to Dismiss said appeal,

- e) the Certificate of Public Convenience and Necessity issued to NLU shall be considered abandoned,
  - f) the Commission is authorized to revoke said Certificate of NLU without further notice to NLU, its directors, officers, agents, stockholders, and owners and without an opportunity to be heard by NLU, its directors, officers, agents, stockholders, and owners, and
  - g) after revocation, NLU's obligation to comply or conform with any regulatory requirement imposed by the ICC or the Illinois Public Utilities Act shall expire.
9. After the effective date of this Order, this Court retains jurisdiction of this matter solely to receive the final accounting of the Receiver, to rule on any objections or claims in respect thereto, and to enter such orders as may be appropriate and necessary to release the receiver from any further obligations in respect to this matter.
10. That the Receiver, IRWA, shall, within thirty (30) days of the date and time of closing of the sale of the NLU assets to LLUD, file its final accounting of its activities as Receiver, or as soon possible after 30 days as allowed by the Court.
11. That a status hearing will be set within fifteen (15) days of the filing of the final accounting to consider approval of the final accounting of IRWA as Receiver. Upon approval of the final accounting by the Court,
- a) the Receiver, IRWA, shall deliver to NLU (or as directed by NLU through its President, Armstrong) any and all non-plant assets or property of NLU that remains in the possession of IRWA after the execution of sale of

NLU's assets to LLUD and the payment of NLU's outstanding obligations  
as approved by the Court, and

- b) thereafter the Receiver, IRWA, is released from any further obligations in  
respect to this matter.

Date: December 14, 2007

ENTER



Judge