

**FILED**

**IN THE CIRCUIT COURT OF THE NINETEENTH JUDICIAL CIRCUIT  
LAKE COUNTY, ILLINOIS  
CHANCERY DIVISION**

**Erin Cartwright Weinstein  
Clerk of the Court  
Lake County, Illinois**

PEOPLE OF THE STATE OF ILLINOIS, )  
*ex rel.* KWAME RAOUL, Attorney General )  
of the State of Illinois, and )  
*ex rel.* ERIC RINEHART, )  
State's Attorney of Lake County, )  
Illinois, )

Plaintiff, )

v. )

Case No. 2024CH00000121

V COVINGTON REALTY, LLC )  
a Delaware limited liability company, )

V COVINGTON, LLC /d/b/a )  
LAKE BEHAVIORAL HOSPITAL, )  
a Delaware limited liability company, )

REED ILLINOIS CORPORATION )  
d/b/a REED CONSTRUCTION, )  
an Illinois corporation, )

K.L.F. ENTERPRISES, INC., )  
an Illinois corporation, )

and )

ALLIANCE ENVIRONMENTAL )  
CONTROL, INC. )  
an Illinois corporation, )

Defendants. )

**AGREED IMMEDIATE AND PRELIMINARY INJUNCTION ORDER**  
**WITH DEFENDANTS V COVINGTON REALTY, LLC AND V COVINGTON, LLC**  
**ONLY**

This cause coming before the Court on Plaintiff's, PEOPLE OF THE STATE OF ILLINOIS, *ex rel.* Kwame Raoul, Attorney General of the State of Illinois, and *ex rel.* Eric Rinehart, State's Attorney of Lake County, Illinois, Motion for Immediate and Preliminary

Injunction, due notice having been given, the Court having jurisdiction over the parties and the subject matter herein, venue being proper, and the Court otherwise being duly advised in the premises;

NOW THEREFORE, the Plaintiff having alleged pursuant to Section 43(a) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/43(a) (2022), that a substantial danger to the environment or to the health and welfare of persons exists pursuant to the Act, 415 ILCS 5/1 *et seq.* (2022); and having also alleged the Defendants V COVINGTON REALTY, LLC (“Covington Realty”), V COVINGTON, LLC d/b/a LAKE BEHAVIORAL HOSPITAL (“Covington”), REED ILLINOIS CORPORATION d/b/a REED CONSTRUCTION (“Reed”), K.L.F. ENTERPRISES (“K.L.F.”), and ALLIANCE ENVIRONMENTAL CONTROL (“Alliance”) (referred to collectively as “the Defendants”) have violated the Illinois Environmental Protection Act (“Act”), the Illinois Pollution Control Board (“Board”) regulations, and the National Emission Standards for Hazardous Air Pollutants regulating asbestos, codified at 40 C.F.R. Part 61, Subpart M (“Asbestos NESHAP”), and that an immediate and preliminary injunction should issue pursuant to Sections 43(a) and 42(e) of the Act, 415 ILCS 5/43(a) and 42(e) (2022), to address the violations; and Covington Realty and Covington (“Participating Defendants”) and the Plaintiff having mutually agreed to the entry of this Agreed Immediate and Preliminary Injunction Order (“Agreed Order”), the Court enters the following immediate and preliminary injunction pursuant to Sections 43(a) and 42(e) of the Act, 415 ILCS 5/43(a) and 42(e) (2022), which shall remain in effect until further order of this Court.

## **I. BACKGROUND**

1. The Plaintiff incorporates by reference herein the allegations in its Verified Complaint for Injunctive Relief and Civil Penalties filed on June 13, 2024 (“Complaint”).

2. Covington Realty owns and Covington operates a medical campus known as Lake Behavioral Hospital located at 2615 Washington Street, Waukegan, Illinois. The behavioral health hospital campus consists of multiple buildings, including medical facilities, residences, and parking structures. The area at issue in the Complaint is a group of buildings fenced off from the rest of the campus and no longer in use by Lake Behavioral Hospital, consisting of a partially demolished medical building, a former residential building for staff, and a power plant (“Facility”) as depicted inside the yellow boundary shown on Exhibit A.

3. The Plaintiff alleges in the Complaint that as a result of a release of asbestos beginning on or before November 21, 2023, or on dates better known to the Defendants, at the Facility (“Release”), from the demolition activities conducted on asbestos-containing material (“ACM”), including spray-on fireproofing, and the improper removal and handling of regulated asbestos-containing material (“RACM”) and asbestos-containing waste material (“ACWM”), including the failure to adequately wet ACM and RACM, the Defendants created a substantial danger to the environment and public health and violated the Act, Board regulations, and Asbestos NESHP.

4. On or before November 15, 2022, Covington contracted with Reed to act as the general contractor on a project to demolish the buildings at the Facility (the “demolition project”).

5. On or before January 9, 2023, Covington contracted with Alliance to perform asbestos testing and, if necessary, remediation and abatement at the Facility as part of the demolition project.

6. On or before April 21, 2023, Reed subcontracted K.L.F. to demolish the buildings at the Facility.

7. In late May or early June 2023, K.L.F. began demolition at the Facility. To date, a

residential building for staff has been demolished and the medical building has been partially demolished.

8. On or before November 21, 2023, upon notification of the possible presence of ACM at the Facility, work was ordered to be stopped at the Facility.

9. On March 7, 2024, Illinois EPA inspected the Facility and found suspected ACM, RACM, and ACWM.

10. On or before March 8, 2024, the Defendants added a fence around the Facility and began providing security and monitoring of the Facility.

11. On or before March 13, 2024, Illinois EPA observed unlocked and open gates in the fence at the Facility and observed unauthorized persons entering the Facility and removing equipment.

12. Participating Defendants assert that they have taken the following actions, among others, in response to the Release:

- a. Stopped the demolition project until authorized by the Illinois EPA to complete the demolition project;
- b. Stopped any and all removal, handling, disturbing or disposal of ACM or suspect ACM unless authorized by the Illinois EPA;
- c. Secured the Facility by maintaining the fence around the Facility, including signs on the fence and gates warning of asbestos contamination at the Facility.
- d. Increased the Facility's security to twenty-four hours per day seven days per week;
- e. Prohibited entry by any person other than Illinois-licensed asbestos professionals, or other person authorized or approved by the Illinois EPA;
- f. Stopped removing any heavy machinery, equipment, tools, materials, or any other

- items from the Facility without prior approval from Illinois EPA;
- g. Taken all necessary actions to prevent the discharge or release of contaminants, including asbestos, into the air, by implementing measures to adequately wet, keep wet, and secure all debris at the Facility;
  - h. Hired an Illinois-licensed asbestos professional to perform a complete asbestos inspection of the remaining structures at the Facility to the extent that it is safe for the Illinois-licensed asbestos professional to do so;
  - i. Ensured that construction debris and other related materials from the Facility are not removed from the Facility and disposed of until the Illinois EPA has given written approval for disposal to a facility authorized to accept such debris.

## **II. GENERAL PROVISIONS**

1. This Agreed Order is not a final resolution on the merits of the Plaintiff's Complaint, but rather addresses the Plaintiff's most immediate concerns regarding the allegations set forth in the Complaint.

2. This Agreed Order does not, nor is it intended to, determine the liability of the Defendants for the allegations in the Complaint, except as to their compliance with the requirements of this Agreed Order.

3. By entering into this Agreed Order and complying with its terms, Participating Defendants do not admit any wrongful conduct or violation of any applicable statute, law or regulation, and this Agreed Order and compliance shall not be interpreted as any such admission.

4. Where applicable, terms used in this Agreed Order shall have the meaning as defined in the Plaintiff's Complaint in this matter.

5. Participating Defendants shall not claim that any report or any exhibits or

attachments thereto, or any portion thereof, submitted to the Plaintiff or the Illinois Environmental Protection Agency (“Illinois EPA”) pursuant to this Agreed Order is subject to attorney-client privilege or constitute attorney work product.

6. This Agreed Order shall apply to and bind the parties hereto.

7. The Court shall retain jurisdiction of this matter and shall consider any motion by the Plaintiff or Participating Defendants for the purposes of interpreting and enforcing the terms and conditions of this Agreed Order.

### **III. IMMEDIATE INJUNCTIVE RELIEF**

1. Effective immediately upon the entry of this Agreed Order, and until the written approval of the Plaintiff or further order of this Court, Participating Defendants shall continue to cease and desist from any and all activities at the Facility, including but not limited to:

- a. any and all demolition or renovation by any Defendant or any other entity;  
and
- b. any and all removal, handling, disturbing or disposal of ACM or suspect ACM except as authorized by an Illinois EPA-approved Design Plan.

2. Effective immediately upon the entry of this Agreed Order, and until the written approval of the Plaintiff or further order of this Court, Participating Defendants shall continue to secure the Facility to IEPA’s satisfaction, including maintaining the fence around the Facility, maintaining signs on the fence and gates warning of asbestos contamination at the Facility, maintaining 24-hour security personnel at the Facility, and continuing to prohibit entry by any person other than Illinois-licensed asbestos professionals, anyone performing asbestos abatement work authorized to do so pursuant to an Illinois EPA-approved Design Plan, or other person authorized or approved by the Illinois EPA.

3. Effective immediately upon the entry of this Agreed Order, and until the written approval of the Plaintiff or further order of this Court, Participating Defendants shall continue to refrain from removing from the Facility any heavy machinery, equipment, tools, materials, or any other items without prior written approval from Illinois EPA.

4. Effective immediately upon the entry of this Agreed Order, and until the written approval of the Plaintiff or further order of this Court, Participating Defendants shall continue to take all necessary actions to prevent the discharge or release of contaminants, including asbestos, into the air to IEPA's satisfaction, including but not limited to continuing to implement measures to adequately wet, keep wet, and secure all debris at the Facility, including debris in dumpsters.

5. In the event of any additional discharge or release of ACM at the Facility, Participating Defendants shall immediately notify the Plaintiff, as set forth in Section VI, below, and shall take all necessary actions to contain or wet the ACM.

6. Effective immediately, Participating Defendants shall submit a commitment letter to Illinois EPA certifying that all future demolition and renovation activities in the State of Illinois will be performed in compliance with the Asbestos NESHAP, 40 C.F.R. 61, Subpart M – National Emission Standards for Asbestos and all other federal, State, and local rules and regulations regarding ACM.

7. On or before 24 hours after the entry of this Agreed Order, Participating Defendants shall hire an Illinois-licensed asbestos professional to perform a complete asbestos inspection of the Facility to the extent that it is safe for the Illinois-licensed asbestos professional to do so. If a complete inspection of the Facility and all associated debris is not possible, then any uninspected material from the Facility shall be deemed to be ACWM and must be handled pursuant to the Asbestos NESHAP requirements. Within 10 days of conducting this inspection, Participating

Defendants shall provide all notes and observations from the inspection to the Plaintiff that are not otherwise privileged.

8. Effective immediately upon the entry of this Agreed Order, and until the written approval of the Plaintiff or further order of this Court, Participating Defendants shall continue to ensure that construction debris and other related materials from the Facility are not removed from the Facility and disposed of until the Plaintiff has given written approval for disposal to a facility authorized to accept such debris.

#### **IV. PRELIMINARY INJUNCTIVE RELIEF**

##### **A. Technical Documents and Information**

1. Within 10 calendar days of entry of this Agreed Order, Participating Defendants shall submit a project design plan (“Project Design Plan”) to Illinois EPA for its review and approval that includes all of the following:

- a. Work practices and procedures to be utilized to determine the extent of asbestos contamination;
- b. Methods and procedures to be used to properly decontaminate the Facility;
- c. The means by which all ACM, RACM, and ACWM from the Facility will be handled, removed, and disposed of;
- d. Dust control measures to be utilized at the Facility during future demolition activities; and
- e. The identity of any entities contracted to engage in demolition at the Facility and the plan by which the demolition will proceed.

2. Effective immediately upon Illinois EPA’s approval of the Project Design Plan, Participating Defendants shall begin implementing the Project Design Plan at the Facility,



including preparing the “State of Illinois Notification of Demolition/Renovation Asbestos Form,” and the related fee.

3. Within 10 working days of Illinois EPA’s approval of the Project Design Plan, and prior to beginning any work at the Facility, Participating Defendants shall submit to Illinois EPA a complete and accurate “State of Illinois Notification of Demolition/Renovation Asbestos Form,” and the related fee.

#### **B. Inspection and Maintenance Records**

1. Within 10 business days after the date of entry of this Agreed Order, Participating Defendants shall submit to the Plaintiff all records in its possession or control related to the inspection and maintenance of the fence enclosing the Facility from November 15, 2023, until the date of this initial report. Thereafter, Participating Defendants shall provide further fence inspection and maintenance reports to the Plaintiff until the Illinois EPA confirms in writing that the asbestos abatement has been completed.

2. Within 10 business days after the date of entry of this Agreed Order, Participating Defendants shall provide to the Plaintiff records of security measures taken at the Facility that are in Participating Defendant’s possession or control, including methods used to monitor the Facility; staffing information; who accessed the Facility and when; whether and what materials and/or objects were removed from the Facility; and any other information pertinent to securing the Facility and preventing access by unauthorized persons. Records shall be supplied from November 15, 2023, until the date of this initial report. Thereafter, Participating Defendants shall provide further records of security measures taken at the Facility to the Plaintiff until the Illinois EPA confirms in writing that the asbestos abatement has been completed.

### **C. Summary Reports**

1. Within 21 days after the date of entry of this Agreed Order, Participating Defendants shall provide to the Plaintiff a written report based on information in its possession or control summarizing the Release and the work performed at the Facility in response to the Release (“Summary Report”). To the extent that Participating Defendants have relevant information in their possession or control, the Summary Report shall include:

- a) the date demolition began at the Facility;
- b) a description of how demolition proceeded prior to March 7, 2024;
- c) a description of any machinery, material, and/or other objects that were removed from the Facility after November 21, 2023, where said objects were taken, and who authorized their removal;
- d) all records in its possession from Reed, KLF, and Alliance;
- e) documentation of the amounts of all waste material that was removed from the Facility, including ACWM, and where it was taken; and
- f) documentation of the amount and type of ACM or potential ACM collected/removed from the Facility by any party since demolition began and the location(s) to which it was taken.

2. Within seven days after the date of entry of this Agreed Order, Participating Defendants shall submit to the Plaintiff the analytical data, results, and locations of any on-site or off-site sampling of air, land, surface water and/or groundwater conducted by Participating Defendants during or following the Release not already submitted to the Plaintiff by Participating Defendants.

3. Participating Defendants shall provide clarifying information if requested by the

Plaintiff, according to a schedule established by the Plaintiff.

#### **D. Restart of Demolition**

Participating Defendants shall not restart demolition at the Facility until abatement is complete, except demolition needed as part of the abatement process, and with written approval from the Plaintiff that they may restart demolition.

#### **V. NOTICES**

All submittals and correspondence relating the requirements of this Agreed Order shall be directed to the following persons:

##### **FOR PLAINTIFF**

Ann Marie Hanohano  
Christina Scanlon  
Taylor Desgrosseilliers  
Assistant Attorneys General  
Illinois Attorney General's Office  
69 West Washington Street, Suite 1800  
Chicago, Illinois 60602  
AnnMarie.Hanohano@ilag.gov  
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FOR PARTICIPATING DEFENDANTS

V COVINGTON LLC d/b/a LAKE BEHAVIORAL HOSPITAL

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Cleveland, Ohio 44114  
rsirak@beneschlaw.com

**VI. DUTY TO COOPERATE**

The Plaintiff and Participating Defendants shall cooperate with each other in the implementation of this Agreed Order.

## **VII. COMPLIANCE WITH OTHER LAWS AND REGULATIONS**

This Agreed Order in no way affects the responsibilities of Participating Defendants to comply with any other federal, State, or local laws or regulations, including but not limited to the Act, 415 ILCS 5/1 *et seq.* (2022), the Board's Regulations, 35 Ill. Adm. Code Part 101 *et seq.*, and the Asbestos NESHAP and all other federal, State, or local rules and regulations regarding ACM.

## **VIII. STIPULATED PENALTIES**

1. If Participating Defendants fail to comply with any of the requirements of this Agreed Interim Order without an agreed modification pursuant to Section XII, Participating Defendants shall provide notice to the Plaintiff of each failure to comply with this Agreed Order and shall pay stipulated penalties in the amount of \$400.00 per day per violation for up to the first fifteen (15) days of violation, \$500.00 per day per violation for the next fifteen (15) days of violation, and \$1,000.00 per day per violation thereafter until such time that compliance is achieved. The Plaintiff may make a demand for stipulated penalties upon Participating Defendants for their noncompliance with this Agreed Order. However, failure by the Plaintiff to make this demand shall not relieve Participating Defendants of the obligation to pay stipulated penalties. All stipulated penalties shall be payable within thirty (30) calendar days of the date Participating Defendants know or should have known of noncompliance with any provisions of this Agreed Order.

2. Pursuant to Section 42(g) of the Act, interest shall accrue on any penalty amount owed by Participating Defendants not paid within the time prescribed herein. Interest on unpaid penalties shall begin to accrue from the date such are due and continue to accrue to the date full payment is received. Where partial payment is made on any penalty amount that is due, such partial payment shall be first applied to any interest on unpaid penalties then owing.

3. The stipulated penalties shall be enforceable by the Plaintiff and shall be in addition to, and shall not preclude the use of, any other remedies or sanctions arising from the failure to comply with this Agreed Order.

4. All stipulated penalties and interest payments shall be made by certified check, cashier's check or money order payable to the Illinois EPA for deposit into the Environmental Protection Trust Fund ("EPTF"). Payments shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency  
Fiscal Services Division  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276

The case name and number shall appear on the face of the certified check, cashier's check or money order. A copy of the certified check, cashier's check or money order and any transmittal letter shall be sent to:

Ann Marie Hanohano  
Assistant Attorney General  
Illinois Attorney General's Office  
69 West Washington Street, Suite 1800  
Chicago, Illinois 60602

Lisle Stalter  
Lake County Assistant State's Attorney  
Lake County State's Attorney's Office  
18 North County Street, 3rd Floor  
Waukegan, Illinois 60085

5. Stipulated penalties shall be in addition to, and not a substitute for, any other remedy or sanction available to the Plaintiff.

#### **IX. DISPUTE RESOLUTION**

The parties shall use their best efforts to resolve any and all disputes or differences of opinion arising with regard to this Agreed Order, informally and in good faith. If, however, a

dispute arises concerning this Agreed Order that the parties are unable to resolve informally, any party to this Agreed Order may, by written motion, request that the parties hold an evidentiary hearing before the Circuit Court of Lake County, Illinois, to resolve the dispute between the parties.

#### **X. FORCE MAJEURE**

1. For the purpose of this Agreed Order, *force majeure* is an event arising beyond the reasonable control of Participating Defendants which prevents the timely performance of any of the requirements of this Agreed Order. For purposes of this Agreed Order *force majeure* shall include, but is not limited to, events such as floods, fires, tornadoes, other natural disasters and labor disputes beyond the reasonable control of Participating Defendants.

2. When, in the opinion of Participating Defendants, circumstances have occurred that cause or may cause a delay in the performance of any of the requirements of this Agreed Order, Participating Defendants shall give oral notice to the Attorney General's Office and the Illinois EPA within 48 hours of the occurrence and written notice shall be given to the Attorney General's Office and the Illinois EPA no later than ten (10) calendar days after the claimed occurrence.

3. Failure of Participating Defendants to comply with the notice requirements of the preceding paragraph shall render this *force majeure* provision voidable by the Plaintiff as in the specific event for which Participating Defendants have failed to comply with the notice requirement. If voided, this section shall be of no effect as to the particular event involved.

4. An increase in costs associated with implementing any requirement of this Agreed Order shall not, by itself, excuse Participating Defendants under the provisions of this Section of the Agreed Order from a failure to comply with such a requirement.

## **XI. RIGHT OF ENTRY**

In addition to any other authority, Illinois EPA, its employees and representatives, the Attorney General, his employees and representatives, and the Lake County State's Attorney, his employees and representatives, shall have the right of entry into and upon the Facility, at all reasonable times for the purpose of conducting inspections and evaluating compliance status. In conducting such inspections, Illinois EPA, its employees and representatives, the Attorney General, his employees and representatives, and the Lake County State's Attorney, his employees and representatives, may take photographs and samples and collect information, as they deem necessary.

## **XII. EXTENSIONS AND MODIFICATIONS**

The parties to this Agreed Order may, by mutual written consent, extend any compliance date or modify the terms of this Agreed Order without leave of Court. A request for modification shall be in writing and be submitted to the designated representatives of the parties to the Agreed Order indicated in Section V (Notices). Each such agreed modification shall be in writing and signed by an authorized representative of each party, which shall then be deemed incorporated by reference to this Agreed Order.

## **XIII. RESERVATION OF RIGHTS**

Nothing contained herein shall be deemed a finding of fact or adjudication by this Court of any of the facts or claims contained in the Verified Complaint. The Plaintiff reserves the right to seek additional technical relief and civil penalties in this matter.

## **XIV. RETENTION OF JURISDICTION**

This Court shall retain jurisdiction of this matter and shall consider any motion by the Plaintiff or Participating Defendants for the purposes of interpreting and enforcing the terms and



conditions of this Agreed Order.

**XV. BINDING ON SUCCESSORS, ASSIGNS AND FUTURE OWNERS/OPERATORS**

This Agreed Order shall be binding upon Participating Defendants, its successors, assigns, and future owners and/or operators of the Facility.

**XVI. STATUS CONFERENCE WITH THE COURT**

This matter is set for a status conference on August 1, 2024, at 9:00 a.m., without further notice.

**XVII. SIGNATURE**


This Agreed Immediate and Preliminary Injunction Order may be signed in counterparts, all of which shall be considered one agreement.

WHEREFORE the parties, by their representatives, enter into this Agreed Immediate and Preliminary Injunction Order and submit it to the Court that it may be approved and entered.

**AGREED:**

PEOPLE OF THE STATE OF ILLINOIS  
*ex rel.* KWAME RAOUL, Attorney General  
of the State of Illinois,

MATTHEW J. DUNN, Chief  
Environmental/Asbestos Litigation Division

By:   
Stephen J. Sylvester, Chief  
Environmental Bureau  
Assistant Attorney General

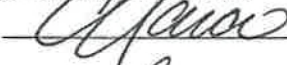
DATE: 6/11/24

*ex rel.* ERIC RINEHART  
State's Attorney of Lake County

By:   
Lisle A. Stalter  
Assistant State's Attorney


DATE:  10/22/24

V COVINGTON REALTY, LLC

BY:   
Name Cynthia DonMarco  
Title CEO


DATE: 6/7/24

V COVINGTON LLC d/b/a LAKE BEHAVIORAL HOSPITAL

BY:   
Name Cynthia DonMarco  
Title CEO

DATE: 6/7/24

ENTERED:

  
JUDGE

Date: \_\_\_\_\_

[*People v. V Covington d/b/a Lake Behavioral Hospital.*]

**Exhibit A**

