

## WATER POLLUTION CONTROL LOAN FUND AGREEMENT

This Agreement made and entered into as of the date specified on Exhibit 1 (fully incorporated herein and made a part hereof) as the "Effective Date," by and among the Director of Environmental Protection (the "Director"), as the Director of the Environmental Protection Agency of the State of Ohio, an agency duly created and existing under the laws of the State of Ohio, the Ohio Water Development Authority, a body corporate and politic organized and existing under the provisions of Chapter 6121 of the Ohio Revised Code (the "OWDA," and together with the Director, the "State"), and the governmental body specified as the "Borrower" on Exhibit 1, a governmental body organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or resolution passed by the legislative authority of the Borrower on the date specified on Exhibit 1 as the "Resolution Date" (the capitalized terms not defined in the recitals being as defined in Article I herein);

### WITNESSETH

WHEREAS, the OWDA has been created, among other reasons, to carry forward the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the State, to prevent or abate the pollution of water resources, to promote the beneficial use of waters of the State for the protection and preservation of the comfort, health, safety, convenience, and welfare, and the improvement of the economic and general welfare and employment opportunities of and the creation of jobs for the people of the State, and to assist and cooperate with other governmental agencies in achieving such purposes through the establishment, operation and maintenance of water development projects pursuant to Chapter 6121 of the Revised Code; and

WHEREAS, Title VI of the Clean Water Act, as amended (the "CWA"), authorizes the Administrator of the United States Environmental Protection Agency to make capitalization grants to states to establish a state water pollution control revolving loan fund; and

WHEREAS, pursuant to the CWA, states can provide loans and other types of financial assistance from a water pollution control revolving loan fund to local communities and intermunicipal and interstate agencies for the construction of publicly-owned wastewater treatment facilities as defined in Section 212 of the CWA and for the implementation of nonpoint source pollution control management programs and development and implementation of plans under the estuary protection programs; and

WHEREAS, the Ohio General Assembly has created a water pollution control loan fund ("WPCLF") pursuant to Ohio Revised Code Section 6111.036 to provide loans and other types of financial assistance as set forth in said Section; and

WHEREAS, to assist the Director (whenever the term "Director" is used herein, such term shall also be deemed to include the Director's designated representative(s), if any) in providing loans and other types of financial assistance from the WPCLF, and to assist in the administration and operation of the WPCLF as authorized by the Ohio Revised Code Section 6111.036, the Director has entered into an Interagency Agreement with the OWDA; and

WHEREAS, the Borrower is desirous of obtaining financing for necessary Project Facilities, using funds from the WPCLF; and

WHEREAS, the State is willing to provide financing to the Borrower for such Project Facilities, and the Director has determined that the Borrower has complied with the requirements of Ohio Revised Code Section 6111.036, and is therefore eligible for financial assistance for its Project Facilities under the CWA and said Section; and

WHEREAS, the Borrower has demonstrated to the satisfaction of the State that it has the capability to pay the Semi-Annual Payment over the Contract Period of Years; and

WHEREAS, the State and the Borrower have determined to enter into this Agreement to set forth their respective obligations with respect to the financing, construction, operation and ownership of the Project Facilities;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto do hereby agree as follows:

#### **ARTICLE I - DEFINITIONS**

Section 1.1. Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

(a) "Application Fee" means a charge levied and paid by the Borrower at the time of the execution of this Agreement to partially offset administrative costs of the Agreement. This fee is not an Eligible Project Cost and is in addition to the Semi-Annual Payment. The fee is calculated at thirty five hundredths of one percent (.35%) of the estimated Eligible Project Costs, or four hundred dollars (\$400.00), whichever is the greater.

(b) "Approved Application" means the application submitted to the Director on the date shown on Exhibit 1 as the "Application Date," together with all attachments, supporting documentation, amendments and supplements thereto as approved by the State, together with any amendments thereto approved by the Borrower and the State after the date of this Agreement.

(c) "Borrower" means the entity identified on Exhibit 1, which is an entity eligible to receive assistance under Section 603(C) of the CWA and ORC Section 6111.036.

(d) "Capitalized Interest Rate" means the effective rate of interest at which interest accrues on Principal Amounts disbursed during the construction period from the date of such disbursement.

(e) "Contract Interest Rate" means the interest rate per annum shown on Exhibit 1 as "Interest Rate."

(f) "Contract Period of Years" means the period of calendar years shown on Exhibit 1 as "Term In Years," commencing on the Date of Initial Payment to the WPCLF as set forth on the project schedule on Exhibit 1, provided that it shall commence no later than twelve (12) months following the actual Initiation of Operation of the Project Facilities, as presently determined in the project schedule, but in no event shall the Contract Period of Years exceed 20 years.

(g) "Default Rate" means a rate equal to the Contract Interest Rate plus three percentage points.

(h) "Eligible Project Costs" shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof, subject to the restrictions set forth in the proviso below), costs that may be disbursed out of funds from the WPCLF, a description and distribution of which, subject to paragraph 4.1. hereof, is shown on Exhibit 1, which is hereby incorporated into this Agreement, and revision to which Exhibit can occur only with the agreement of the State and Borrower; provided, however, that Eligible Project Costs shall include costs incurred prior to the date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the State, the payment of such costs by the State would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation.

(i) "Facilities Plan" means all materials developed by the Borrower and the Director, including the Director's approval and any applicable conditions, in satisfaction of Ohio Revised Code Section 6111.036 (K)(7).

(j) "Finding of No Significant Impact" or "FNSI" means all materials developed by the Borrower and the Director in satisfaction of Ohio Revised Code Sections 6111.036 (K)(5) and (L).

(k) "Initiation of Operation" means the date that all Project Facilities are in full and sustained operation as planned and designed.

(l) "Participation Rate" means the dollar amount per semi-annual period necessary to amortize a principal amount of one dollar over the Contract Period of Years at the Contract Interest Rate.

(m) "Performance Certification" means the certification by the Borrower that the Project Facilities are meeting the agreed upon performance criteria on the date one year after Initiation of Operation of the Project Facilities.

(n) "Performance Criteria" means the standards set forth by the Director and agreed to in writing by the Borrower which the Borrower shall meet for the design life of the Project Facilities.

(o) "Pledged Revenues" means the one or more dedicated sources of revenue for payment of the Semi-Annual Payment, all as described in Exhibit 2, which shall include, unless otherwise indicated on Exhibit 2, Wastewater Service Charges and other revenues derived by the Borrower from the ownership and operation of its wastewater system (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the system and paying all amounts required to be paid under any Mortgage, Indenture of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the Borrower to secure debt obligations heretofore or hereafter issued or incurred by the Borrower for the system. These Pledged Revenues shall constitute a Dedicated Repayment Source, as defined in the CWA.

(p) "Project Facilities" means the facilities to be constructed pursuant to this Agreement as described generally in Exhibit 1 attached hereto and made a part hereof and more particularly described in the approved plans and specifications on file with the Director, together with any changes therein made pursuant to Article III hereof.

(q) "Project Participation Principal Amount" means those Eligible Project Costs that are paid with moneys disbursed out of funds from the WPCLF, which costs shall in no event exceed the amount specified on Exhibit 1 as the "Principal Amount."

(r) "Project Site" means all land, rights-of-way, property rights, easements, franchise rights or other interests in real estate necessary for the construction and operation of the Project Facilities.

(s) "Semi-Annual Payment" means the amount equal to the Project Participation Principal Amount multiplied by the Participation Rate. An estimate of the Semi-Annual Payment based on the Principal Amount and the Participation Rate is specified on Exhibit 1 beneath the Principal Amount.

If the Contract Period of Years commences prior to the final determination of the Project Participation Principal Amount, the Semi-Annual Payment shall be based upon the best figures available at the time the computation of each semi-annual payment is required to be made. When such final costs are known, the Semi-Annual Payment shall be recomputed and the next following semi-annual payment shall be either increased or decreased by a factor sufficient to correct for any overpayment or underpayment through the date of such recomputation so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Project Participation Principal Amount been used in computing the Semi-Annual Payment at the commencement of the Contract Period of Years. The interest during construction computed at the Contract Interest Rate shall, however, be computed based on the then existing cost allocations at the time of such computation and shall not be recomputed.

(t) "Special Assessment Funds" means the proceeds from the special assessments to be hereafter levied, if any, by the Borrower to pay all or a portion of the cost of the Project Facilities

including repayment of the loan provided for herein. In such cases where assessments are to be levied, Exhibit 2 sets out the Resolution of Necessity adopted by the appropriate legislative authority.

(u) "Wastewater Service Charge" means a charge against the user payable to the Borrower for the collection or collection and treatment of wastewater and for the provision of the facilities therefor.

## **ARTICLE II - PROPERTY INTEREST IN PROJECT SITE AND PROJECT FACILITIES AND RIGHTS OF ACCESS THERETO**

Section 2.1. All real estate and interests in real estate and all personal property constituting the Project Facilities and the Project Site shall be acquired by and shall be the property of the Borrower.

Section 2.2. The previous Section 2.1 notwithstanding, real estate or easements may be purchased and owned by parties other than the Borrower only when included as part of a Water Resource Restoration Sponsorship Program (WRRSP) project pursuant to this Agreement.

Section 2.3. The Borrower agrees that the State or its duly authorized agents shall have the right at all reasonable times to enter upon the Project Site and Project Facilities and to examine and inspect the same. The Borrower further agrees that the State or its designated representatives shall have such rights of access to the Project Site and Project Facilities as may be reasonably necessary to enable the OWDA to exercise its rights pursuant to Section 5.8 hereof.

## **ARTICLE III - ACQUISITION OF PROJECT SITE, CONSTRUCTION OF PROJECT FACILITIES, AND PAYMENT OF COSTS THEREOF**

Section 3.1. Subject to the terms and conditions of this Agreement, the Borrower shall do all things necessary to construct the Project Facilities on the Project Site (which the Borrower hereby represents has been acquired by the Borrower) by means of the construction contract bids received on the date specified on Exhibit 1 as "Bid Opening."

Section 3.2. In connection with the construction of the Project Facilities, the Borrower agrees that:

(a) It will proceed expeditiously with, and complete, the Project Facilities in accordance with the specific terms and conditions of each of the following: the approved facilities plan, the Finding of No Significant Impact, the approved project schedule, and the approved project detailed plans and specifications, or amendments thereto as approved by the Director. The Borrower accepts such performance as an essential element of this Agreement.

(b) The construction contract(s) will provide that the designated representatives of the State will have access to the work whenever it is in preparation or progress and that the contractor will provide for such access and inspection.

(c) The construction of the Project Facilities on the Project Site, including the letting of contracts in connection therewith, will conform to applicable requirements of Federal, State and local laws, ordinances, rules and regulations and will be performed in compliance with all applicable federal, state and local environmental laws and regulations in effect as of the date hereof.

(d) Following construction contract award and prior to the commencement of construction, the Borrower will arrange and conduct a pre-construction conference to include the Borrower, the consulting engineers of the Borrower, and all contractors, and designated representatives of the State as appropriate or necessary.

(e) All laborers and mechanics employed for the construction of the Project Facilities shall be paid at rates not less than those contained in the general wage determination of the Secretary of Labor, U. S. Department of Labor. General wage determinations are issued under the Davis-Bacon and Related Acts, and set forth prevailing wage rates for laborers and mechanics engaged in various construction occupations. The determinations are issued by the Wage and Hour Division of the U.S. Department of Labor and constitute the minimum wages payable on Federal and federally assisted construction projects. Such wage rates as found in the general wage determinations shall be deemed in compliance with the Davis-Bacon Act.

(f) All construction contracts and contractors' estimate forms will be prepared so that materials and equipment furnished to the Borrower may be readily itemized by the Borrower and identified, if necessary, as to Eligible Project Costs and non-Eligible Project Costs.

(g) The Borrower will not submit requests for disbursement of non-Eligible Project Costs. If, based on a payment request submitted by the Borrower, the State disburses funds from the WPCLF which are subsequently determined to be for non-Eligible Project Costs, the State will be under no obligation to provide WPCLF funding beyond the Eligible Project Costs as shown on Exhibit 1, as amended.

(h) Any change or changes in a construction contract regardless of costs which substantially modify the proposed Project Facilities or alter the direct or indirect impact of the Project Facilities upon the environment will be submitted to the Director for prior approval and then, upon approval, be forwarded to the OWDA. The Borrower shall be precluded from submitting to the OWDA payment requests for Eligible Project Costs associated with the change orders until such time as the Director's approval of the change orders has been obtained.

(i) Change orders not requiring prior approval of the State will be submitted to the Director within one (1) month of the time at which they are approved by the Borrower. The Borrower shall be precluded from submitting to the OWDA payment requests for Eligible Project Costs associated

with the change orders until such time as the Director's approval of the change orders has been obtained.

(j) The Borrower will comply with all certifications and assurances as agreed to in the Application Compliance Certification, signed by the Authorized Representative of the Borrower, and incorporated as Exhibit 3, attached hereto and made a part hereof.

(k) The Borrower shall be precluded from submitting to the OWDA payment requests for Eligible Project Costs unless the Borrower is in full compliance with the certifications and assurances made in the above referenced Application Compliance Certification.

(l) Except as otherwise provided in this Agreement, the Borrower shall have the sole and exclusive charge of all details of the construction of the Project Facilities.

Section 3.3. The Borrower shall keep accurate records of the Eligible Project Costs. These records must be kept in accordance with Generally Accepted Government Accounting Standards (GAGAS). The Borrower shall permit the State, acting by or through its designated representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of said audit and examination, which examination may include examination for compliance with the CWA and Ohio Revised Code Section 6111.036, and the Borrower shall submit to the State such documents and information as they may require in connection therewith.

Section 3.4. The Borrower shall require that each construction contractor shall furnish a performance and payment bond in an amount at least equal to 100 percent of its contract price as security for the faithful performance of its contract.

Section 3.5. The Borrower shall require that each of its contractors and all subcontractors maintain during the life of its contract, Workers' Compensation Insurance, Public Liability, Property Damage, Vehicle Liability Insurance, and Flood Insurance if appropriate, in amounts and on terms satisfactory to the State. Until the Project Facilities are completed and accepted by the Borrower, the Borrower or (at the option of the Borrower) the contractor shall maintain Builders Risk Insurance (fire and extended coverage) on a 100 percent basis (completed value form) on the insurable portion of the Project Facilities for the benefit of the Director, the OWDA, the Borrower, the prime contractor, and all subcontractors, as their respective interests may appear.

Section 3.6. The Borrower shall provide and maintain competent and adequate engineering services; said services covering the supervision and inspection of the development and construction of the Project Facilities in accordance with the specific terms and conditions of each of the following: the approved project facilities plan, the Finding of No Significant Impact, and the approved project detailed plans and specifications, or State approved amendments thereto.

Section 3.7. Subject to the terms and conditions of this Agreement, the approval of the Director, and upon compliance by the Borrower with all the requirements of the WPCLF, the Ohio Revised Code Section 6111.036, and the CWA, which must be met before receiving disbursement

of Eligible Project Costs from the OWDA, the Eligible Project Costs shall be disbursed by the OWDA. In the event this Agreement is terminated by the State pursuant to, and not in breach of, the provisions of this Agreement, or by subsequent agreement of the parties, or in the event this Agreement is terminated by the Borrower, whether or not in breach of the Agreement, the Project Participation Principal Amount disbursed shall be due and payable in full no later than thirty (30) calendar days after said termination, or, at the State's option, upon terms mutually agreed to between the State and the Borrower.

Section 3.8. Upon being satisfied that the requirements of this Agreement have been met, the OWDA shall deliver to the Borrower a certificate, signed by the trustee for the WPCLF (hereinafter referred to as the "Trustee", which has entered into a Trust Agreement with the Director and the OWDA to provide for the administration of the WPCLF), certifying that monies in the amount necessary to pay all Eligible Project Costs are available or are within the present WPCLF Federal letter of credit ceiling and have been set aside by the Trustee to pay such Eligible Project Costs. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the Borrower, subject to the terms and provisions of this Agreement and the Interagency Agreement, and in accordance with the requirements of paragraph (k) of Section 3.2. above, the OWDA shall cause the Trustee to disburse monies of the WPCLF in payment of the invoices, demands for payment, or other evidence of cost incurrence to be made to the persons or entities entitled to payment in conformity with the encumbrance of funds set forth in such certificate to pay such obligated Eligible Project Costs.

Section 3.9. Upon completion of the Project Facilities, the Borrower shall make a full and complete accounting to the State of the final Eligible Project Costs.

Section 3.10. The Borrower shall comply with the following requirements in accordance with the time schedule contained in Section 3.11. hereof:

(a) In addition to the legislation required by this Agreement in the preambles, the Borrower, through its legislative body, shall pass legislation, to implement the system of user charges (Operation, Maintenance, and Replacement expenses) and the sewer use ordinance that was contingently approved by the Director prior to the execution of this Agreement. In addition, as appropriate, the Borrower shall execute an approved intermunicipal service agreement, as described in the State of Ohio EPA Guidance for a User Charge System, as amended.

(b) The Borrower shall complete all activities and documents provided in the Operation and Maintenance (O&M) Program Plan as amended.

(c) If deemed necessary by the approved Facilities Plan, the Borrower shall be in compliance with any required sewer system evaluation and rehabilitation schedules, as described in the approved Facilities Plan, accepted in the Approved Application, and incorporated into this Agreement on Exhibit 2 as "Special Terms and Conditions," and made a part hereof.



(d) The Borrower shall comply with appropriate "fair share" goals for utilization of minority business enterprises ("MBE") and women's business enterprises ("WBE") as well as MBE/WBE reporting requirements as described in the MBE/WBE Guidance, as amended.

(e) On the date one year after Initiation of Operation of the Project Facilities, the Borrower shall prepare and submit to the Director the Performance Certification report and Performance Certification, a form of which is set forth in Exhibit 4 attached hereto and made a part hereof. Should the Project Facilities not be in compliance with the Performance Criteria, on the date one year after Initiation of Operation of the Project Facilities, the Borrower will prepare and submit to the Director a corrective action report outlining what tasks are necessary to meet the Performance Criteria, and setting forth a schedule, acceptable to the State, which will allow the Borrower to meet said Performance Criteria.

Section 3.11. The Borrower shall be in conformance with the requirements of Section 3.10. above and in compliance with the following:

(a) By the time 50% of the Eligible Project Costs to be reimbursed by WPCLF moneys have been disbursed by OWDA, the Borrower must demonstrate, to the satisfaction of the State, that it has completed the requirements of paragraph (a) of Section 3.10. above.

(b) No later than one year after Initiation of Operation, the Borrower shall complete all activities and documents provided in the O&M Program Plan and participate in a final evaluation meeting.

(c) At any time during the effective period of this Agreement, the Borrower must demonstrate, to the satisfaction of the State, that it is in compliance with the requirements of paragraphs (c) and (d) of Section 3.10. above, as the compliance relates to construction of the Project Facilities.

Except as related to paragraphs (c) and (d) of Section 3.10. above, upon the failure of the Borrower to comply with the provisions of Section 3.10 and 3.11 herein as determined by the Director, the OWDA shall employ consulting engineers or other qualified personnel to perform any services necessary for the implementation of such requirements. All costs incurred by the OWDA in the employment of said personnel will be included in the Eligible Project Costs of the Project Facilities. Additionally, during the period of non-compliance with any of the requirements, the Borrower shall be precluded from submitting payment requests as noted in paragraph (k) of Section 3.2. above and the State shall not be obligated to approve such requests during such period of non-compliance.

#### **ARTICLE IV - PAYMENTS BY BORROWER**

Section 4.1. Subject to the further provisions hereinafter set forth, the Borrower agrees to and shall pay at the time of the execution of this Agreement the Application Fee and thereafter, semi-

annually on January 1, and July 1 of each year of the Contract Period of Years to the WPCLF, the Semi-Annual Payment, solely from the Pledged Revenues.

The obligation of the Borrower to pay the charges set forth in this Section 4.1 shall not be assignable, and the Borrower shall not be discharged therefrom, without the prior written consent of the State. In the event that construction or operation of the Project Facilities shall cease or be suspended for any reason, unless otherwise agreed to in writing by the State, the Borrower shall continue to be obligated to pay such charges pursuant to this Section 4.1. In the event the Borrower defaults in the payment of the Semi-Annual Payment, the amount of such default shall bear interest at the Default Rate from the date of the default until the date of the payment thereof. All costs incurred by the State in curing such default including, but not limited to, court costs and attorney's fees shall be paid by the Borrower upon demand, and shall not be eligible for inclusion in a WPCLF Loan Agreement.

In the event that the Borrower fails to make a full Semi-Annual Payment as provided herein, the amount of any such partial payment first shall be applied as interest on the loan, with the remainder being applied toward the payment of the outstanding principal.

With respect to this Agreement, neither the general resources nor the general credit of the Borrower shall be required to be used, or pledged for the performance of any duty under this Agreement. This Agreement does not represent or constitute a debt or a pledge of the faith and credit of the Borrower. However, if otherwise lawful, nothing herein shall be deemed to prohibit the Borrower from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this Agreement.

Section 4.2. It is agreed that, no later than the fifteenth day of June, and December, the OWDA shall invoice the Borrower for the sum owing by the Borrower pursuant to Section 4.1. and that payment of each such invoice shall be made by the Borrower to the OWDA not later than the first day of the following July or January. No failure by the OWDA to send any such invoice and no failure by the Borrower to receive any such invoice shall relieve the Borrower from its obligation to pay the amount due hereunder on the applicable due date.

Section 4.3. The Borrower hereby agrees:

(a) That it will at all times prescribe and charge such rates, after meeting: (1) operation and maintenance expenses therefore, and, (2) if required by the Director pursuant to Ohio Revised Code Section 6111.036, a contribution to the Borrower's Capital Improvements Fund and, (3) the payment of all amounts required by any Mortgage, Indenture of Mortgage, Trust Indenture or other instrument heretofore or hereafter granted by the Borrower, or contractual obligations between the Borrower and the State, payable solely from Pledged Revenues, as shall result in revenues at least adequate, to provide for the payments required by Section 4.1. hereof minus the amount of such payment provided from other Dedicated Repayment Sources, if any, and

(b) That the Borrower will, for the Contract Period of Years, furnish annually to the State reports of the operation and income of the Project Facilities and also an annual report of the accounts and operations of the Project Facilities and such other documents as the State may reasonably request in order to respond to requests for documentation from rating agencies or providers or potential providers of credit enhancement for debt obligations of the OWDA, and the Borrower will permit the designated representative of the State to inspect all records, accounts and data of the Project Facilities at all reasonable times, and

(c) That the Borrower will segregate the revenues, funds and properties of the Project Facilities from all other funds and properties of the Borrower.

All of the obligations under this Section are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Borrower within the meaning of Ohio Revised Code Section 2731.01.

Section 4.4. If the Borrower pays all or any portion of the Semi-Annual Payment from Special Assessment Funds, and if any payor of the Special Assessment Funds elects to pay the special assessments in a one-time, lump-sum payment in lieu of having the special assessments certified to the appropriate county auditor for periodic collection, then the Borrower may elect to apply the amount of such payment to the reduction of the Project Participation Principal Amount by including that amount with its next Semi-Annual Payment pursuant to Section 4.1. hereof, accompanied by a written notice to the State identifying the amount so included and directing the State so to apply that amount. Upon the receipt of such payment and notice, the OWDA shall recompute the remaining Semi-Annual Payments based on the reduced Project Participation Principal Amount, and the OWDA shall notify the Borrower in writing of the reduced amount of the remaining Semi-Annual Payments.

Section 4.5. The Borrower agrees to provide financing for all non-Eligible Project Costs. As a preliminary indication of that commitment, the Borrower has provided evidence that financing is readily available for all non-Eligible Project Costs which will be or may be incurred by the Borrower in connection with construction of the Project Facilities.

Section 4.6. The Borrower agrees that, in the event the Borrower or its contractors receives WPCLF moneys in excess of the Eligible Project Costs, the Borrower shall repay said excess moneys to the WPCLF at the time of the first Semi-Annual Payment, or as otherwise agreed to by the Borrower and the State.

Section 4.7. In order to enable the State to comply with the requirements of federal securities laws (including, without limitation, Rule 10b-5 and Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), the Borrower agrees to prepare and file with the State or, at the direction of the State, to file with the Municipal Securities Rulemaking Board ("MSRB"), any one or more nationally recognized municipal securities information repositories ("NRMSIRs") or state information depository ("SID"), any annual financial information or material events disclosures that the State may determine it requires to achieve such

compliance. The Borrower consents to the State's incorporation by reference into State official statements or other State filings with the MSRB, any NRMSIR, or any SID of any official statements or portions thereof, financial statements, or other documents that the Borrower may have filed or may file with the MSRB, any NRMSIR, or any SID. In the event the Borrower fails to prepare any financial statement or other financial information that this Section requires the Borrower to prepare and file with or at the direction of the State, then the State shall have the right (in addition to any other rights it may have to enforce the obligations of the Borrower hereunder) to inspect all records, accounts and data of the System and cause the preparation of the required financial statement or information and to employ such professionals as it may reasonably require for that purpose, and to be reimbursed from any available Pledged Revenues for the costs of its doing so. This Section shall not be construed to limit the generality of Section 4.3 hereof.

## **ARTICLE V - MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION**

Section 5.1. The Borrower agrees that during the Contract Period of Years it will:

(a) Operate the Project Facilities in compliance with all applicable federal, state and local environmental laws and regulations in effect during such period, and

(b) Keep the Project Facilities including all appurtenances thereto and the equipment and machinery therein in good repair and good operating condition at its own cost so that the completed Project Facilities will continue to operate with substantially the same efficiency as when first constructed.

The Borrower shall have the privilege of making additions, modifications and improvements to, making deletions from and discontinuing the use or operation of all or any part of, the Project Site and the Project Facilities from time to time; provided, that the cost of any additions, modifications and improvements shall be paid by the Borrower, and the same shall be the property of the Borrower and be included under the terms of this Agreement as part of the Project Site or the Project Facilities, as the case may be; and provided further that the Borrower shall make no modification to, make any deletion from or discontinue the use or operation of all or any part of, the Project Site or the Project Facilities, the result of which would be a material decrease in the Dedicated Repayment Source without first obtaining the written consent of the State thereto.

Section 5.2. The Borrower agrees that it will initiate operation of the Project Facilities in accordance with the Project Schedule, as amended, and will not discontinue operation of the Project Facilities without the approval of the Director. The Borrower agrees that it will provide adequate operation and maintenance of the Project Facilities to comply with all applicable rules and regulations of the Director. The Borrower agrees that, in accordance with its NPDES permit and the Operation and Maintenance Program sufficient qualified operating personnel certified by the State of Ohio will be retained by the Borrower to operate the Project Facilities, and all operational tests and measurements necessary to determine compliance with the preceding sentence will be performed to insure proper and efficient operation and maintenance of the Project Facilities from the time of Initiation of Operation until the end of the Contract Period of Years or the approval of the

discontinuance of the operation of the Project Facilities by the Director. The Project Facilities shall be operated and maintained in accordance with the sewer use ordinance or resolution governing the use of the Project Facilities and any administrative regulations adopted pursuant thereto acceptable to the Director as appropriate.

The Borrower will permit the State or its designated representatives to have access to the records of the Borrower pertaining to the operation and maintenance of the Project Facilities at any reasonable time following completion of construction of the Project Facilities.

Section 5.3. The Borrower agrees to insure, or cause to be insured, the Project Facilities in such amounts as similar properties are usually insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State of Ohio.

Section 5.4. The Borrower agrees that it will provide through self-insurance or obtain public liability insurance with reference to the Project Facilities in minimum amounts of \$500,000 for the death of or personal injury to one person and \$1,000,000 for personal injury or death for each occurrence in connection with the Project Facilities and \$500,000 for property damage for any occurrence in connection with the Project Facilities. The Director and the OWDA, on behalf of the WPCLF shall be made an additional insured under such policies.

Section 5.5. Throughout the Contract Period of Years, the Borrower shall maintain Worker's Compensation Coverage or cause the same to be maintained.

Section 5.6. Any insurance policy issued pursuant to Section 5.4. hereof shall be so written or endorsed as to make losses, if any, payable to the State on behalf of the WPCLF, and the Borrower as their respective interests may appear. Each insurance policy provided for in Sections 5.3. and 5.4. hereof shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the State and the Borrower at least ten days in advance of such cancellation. The Borrower shall deliver certificates of insurance evidencing the coverage required herein to the State.

Section 5.7. The net proceeds of the insurance carried pursuant to the provisions of Sections 5.3. and 5.4. hereof shall be applied as follows:

(a) The net proceeds of the insurance required in Section 5.3. hereof shall be applied as provided in Section 5.9. hereof, and

(b) The net proceeds of the insurance required in Section 5.4. hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 5.8. In the event the Borrower shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project Facilities in good repair and operating condition, or shall fail to operate the Project Facilities in accordance with Section 5.2. hereof, the OWDA may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums of the same or may make such repairs or replacements as are necessary or may hire the necessary operating personnel to insure compliance with Section 5.2. and provide for payment thereof; and all amounts so advanced therefor by the OWDA shall become a separate obligation, apart from this Agreement, of the Borrower to the OWDA, which amounts, together with interest thereon at a rate equal to three percent (3%) above the Contract Interest Rate from the date thereof, the Borrower agrees to pay.

Section 5.9. If prior to the completion of the Contract Period of Years the Project Facilities shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty, there shall be no abatement or reduction in the amounts payable by the Borrower pursuant to Section 4.1. hereof, and the Borrower will:

- (a) Promptly repair, rebuild or restore the property damaged or destroyed, and
- (b) Apply for such purpose so much as may be necessary of any net proceeds of insurance policies resulting from claims for such losses as well as any additional moneys of the Borrower necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Borrower.

Section 5.10. In the event that title to or the temporary use of the Project Site or Project Facilities, or any part thereof, shall be taken by any person, firm, or corporation acting under governmental authority, there shall be no abatement or reduction on the amounts payable by the Borrower pursuant to Section 5.1. hereof, and any net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Borrower in a separate condemnation award account and shall be applied by the Borrower in either or both of the following ways as shall be determined by the Borrower:

- (a) The restoration of the improvements located on the Project Site to substantially the same condition as they existed prior to the exercise of said power of eminent domain; or
- (b) The acquisition of additional real estate, if necessary, and facilities, by construction or otherwise, equivalent to the Project Facilities, which real estate and facilities shall be deemed a part of the Project Site and Project Facilities without the payment of any amounts other than herein provided, to the same extent as if such real estate and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings shall be paid to the Borrower upon delivery to the OWDA of a certificate signed by an authorized officer of the Borrower that the Borrower has complied with either paragraph (a) or (b), or both, of this Section 5.10. The OWDA shall cooperate fully with the Borrower in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Site or Project

Facilities of any part thereof. In no event will the Borrower voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Site or Project Facilities or any part thereof without the written consent of the State.

Section 5.11 This Section 5.11 shall apply if Exhibit 1 hereto indicates that the Contract Interest rate includes a WRRSP discount.

In accepting the WRRSP discount, the Borrower agrees that it shall assure implementation of the WRRSP project in accordance with the specific terms and conditions of each of the following: the approved Restoration Plan, the Finding of No Significant Impact, and, if applicable, the Sponsorship Agreement between the Borrower and entity responsible for implementing the Restoration Plan (hereinafter the "Implementer") attached hereto as exhibit 5 and made a part hereof. The Borrower accepts such performance as an essential element of this Agreement.

All requests for disbursement of funds to implement the approved Restoration Plan will be requested on the "Ohio Water Pollution Control Loan Fund Payment Request" form provided by the OEPA. The parties to this Agreement expect that costs directly associated with implementing the Restoration Plan will be disbursed by the Ohio Water Development Authority (OWDA) either to the Borrower, an escrow agent jointly selected by the Borrower and the Implementer or to other persons and entities supplying materials or performing services in furtherance of this Agreement. When WRRSP-eligible costs are incurred on behalf of the Implementer invoices shall first be submitted to the Implementer who shall approve and certify such invoices for payment and then submit them to the Borrower. The Borrower shall approve and certify all invoices (whether incurred by the Borrower directly or the Implementer) for payment and submit them to OEPA with the accompanying payment request form. OEPA shall approve the payment request, including accompanying invoices, and transmit them to OWDA who shall then disburse funds directly, either to the Borrower, escrow agent or to the contractor.

Each property acquired in fee simple by either the Borrower or the Implementer as part of the Restoration Project shall be subject to use restrictions which will run with the property, perpetually limiting the use of the property to natural area uses consistent with the Restoration Plan. All conservation easements acquired either by the Borrower or the Implementer as part of the Restoration Project shall be permanent easements and shall limit the uses of the land under easement to natural area uses consistent with the restoration plan.

In the event the State, within the certification period for the wastewater treatment project, informs the Borrower in writing that the State has determined that the Borrower has failed to comply with any of the WRRSP-related requirements identified in any of the documents listed above and if the Borrower fails within sixty days of the date of such notice to demonstrate to the State that the Borrower has taken appropriate actions, as provided in the Sponsorship Agreement, to come into compliance with those WRRSP requirements, then from and after the date that is sixty days after the date of such notice, the Contract Interest Rate on the unpaid Eligible Project Costs will be increased up to the amount which eliminates the discount for the remainder of the Contract Period of Years,

and the Participation Charge and all subsequent semi-annual payments thereof for the remainder of the Contract Period of Years will be adjusted accordingly.

**ARTICLE VI - GENERAL REPRESENTATIONS AND AGREEMENTS;  
EVENTS OF DEFAULT AND REMEDIES**

Section 6.1. The Borrower hereby represents and warrants that:

(a) It is and shall remain in compliance, and shall take whatever actions are necessary to assure compliance during the Contract Period of Years, with all applicable federal, state, and local laws, ordinances, rules, regulations, and provisions of this Agreement, including without limitation the CWA and Ohio Revised Code Section 6111.036, subject to its rights to contest in good faith the issue of non-compliance, and

(b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the Borrower, wherein a result adverse to the Borrower could reasonably be expected to have a materially adverse effect on the ability of the Borrower to meet its obligations under this Agreement, and

(c) Except as heretofore disclosed in writing to the State, no judgment or consent order has been rendered against the Borrower, and the Borrower is not a party to any agreement, which imposes, will impose, or has imposed any fines or monetary penalties upon the Borrower for the violation of any federal, state, or local law, ordinance, or regulation, which fines or monetary penalties have not heretofore been paid in full.

Section 6.2. Each of the following shall be an event of default ("Event of Default") under this Agreement:

(a) The Borrower shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article III hereof.

(b) The Borrower shall fail to observe and perform any other obligations, agreements, or provisions of this Agreement, which failure shall continue for thirty (30) days after receipt of written notice thereof from the Director or the OWDA; provided, however, that such failure shall not constitute an Event of Default hereunder if the cure of such failure cannot be effected within thirty (30) days and if the Borrower is taking all reasonably necessary actions to cure such failure with all deliberate speed.

(c) Any representations made by the Borrower in Section 6.1 or 7.1 shall at any time during the Contract Period of Years prove to be false.

(d) The Borrower shall fail to observe any of the covenants contained in Article VII herein.



Section 6.3. The Director may terminate, suspend, or require immediate repayment of financial assistance from the Borrower in the event of a default due to failure to make any required payment, or due to any violation of the terms or conditions of this Agreement, or of the documents referred to in Section 3.2.(a), or of the Plan Approval for the Project Facilities under Section 6111.44 of the Ohio Revised Code. The Director may also prescribe corrective action, or direct that corrective action be undertaken, to remedy the event or violation, and the Borrower agrees to perform such corrective action.

Section 6.4. Whenever an Event of Default of payment shall have occurred and be continuing, in addition to any other rights or remedies provided herein, by law or otherwise, the State may:

(a) declare the full amount of the then unpaid Project Participation Principal Amount to be immediately due and payable;

(b) to the extent permitted under any judgment, consent order, or agreement affecting the Borrower, require the Borrower to agree to, and the Borrower hereby agrees to, effect the subordination of the payment of any fine or penalties imposed for the violation of any federal, state, or local environmental law or regulation to the payment of the Eligible Project Costs and the interest due thereon.

Section 6.5. No right or remedy conferred upon the OWDA or the Director under Sections 6.3 or 6.4 hereof is intended to be exclusive of any other right or remedy given herein, by law, or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law, or otherwise.

Section 6.6. The Borrower releases the State from, agrees that the State shall not be liable for, and agrees to hold the State, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the Project Facilities, or the use thereof; provided that such indemnity under this Section 6.6 shall not be effective for damages that result from negligent or intentional acts of the State, its officers, employees and agents. The Borrower further agrees to indemnify and hold harmless the State, its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the Borrower in the performance of any covenant or agreement on the part of the Borrower to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project Facilities or arising from any act or negligence of or failure to act by the Borrower, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project Facilities (other than any accident, injury, or damage that results from negligent or intentional acts of the State, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the State by reason of any claim described in this Section, the State agrees to cause written notice of such action or proceeding to be given to the Borrower, and the Borrower upon notice from the State covenants to resist or defend such action or proceedings at the Borrower's expense including all legal and other expenses (including reasonable attorneys' fees).

## **ARTICLE VII - MAINTENANCE OF TAX-EXEMPT STATUS OF BONDS/PRIVATE BUSINESS USE RESTRICTIONS**

Section 7.1. The Borrower acknowledges that the OWDA may issue tax-exempt bonds to provide the funds to meet the State's obligations with regard to funding the WPCLF and that the maintenance of the tax-exempt status of any such bonds will depend, in part, on the Borrower's compliance with the provisions of this Agreement. Accordingly, the Borrower agrees as follows:

(a) That it shall take no action that would cause bonds issued by the OWDA, the proceeds of which could fund the loan to the borrower (the "OWDA Bonds") to fail to qualify as tax-exempt bonds, nor omit to take any action necessary to maintain such status;

(b) That it shall take any action that the OWDA reasonably may request it to take to maintain the status of the OWDA Bonds as tax-exempt bonds;

(c) That, to assure that the OWDA Bonds will not be or become "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended:

(i) The Borrower shall not permit, at any time ten percent (10%) or more (in the aggregate) of that portion of the Project Facilities to be financed with funds borrowed from the State hereunder (the "State Funds") to be used by any person or persons for any private business use (as hereinafter defined) while at the same time the payment of principal of, or the interest on, the State Funds is directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use or (B) payments made with respect to such property or (ii) derived from (A) payments with respect to such property (whether or not made to the OWDA) or (B) borrowed money used or to be used for private business use.

(ii) No portion of the State Funds will be used to make or finance loans to persons other than other governmental units.

For purposes of this Agreement, "private business use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit (as hereinafter defined). Use of any Project Facility or Project Site as a member of the general public will not be considered a private business use. Any activity carried on by a person other than a natural person shall be treated as a trade or business. Use by an organization which qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time, shall be considered a private business use.

For purposes of this Agreement, "governmental unit" means a political subdivision within the United States, including any political subdivision within the State of Ohio, but does not mean the United States or any of its governmental branches, departments or agencies.

If there is any question about the application of the foregoing restrictions relating to private business uses or loans, the Borrower agrees to immediately write the OWDA requesting assistance prior to entering into any agreement which may be prohibited as provided hereinabove.

(iii) The Borrower shall not reloan, directly or indirectly, any portion of the amounts advanced to it under this Agreement to any person;

(d) That, to assure that the OWDA Bonds will not be or become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, the Borrower, except upon the prior written consent of the OWDA, shall not create or permit to exist any fund pledged to, or expressly reserved exclusively for, the payment of amounts payable by the Borrower hereunder.

Section 7.2. The OWDA shall not be required to, and shall not, consent to any action by the Borrower referred to in Section 7.1 unless it first shall have received an opinion of nationally recognized bond counsel to the effect that the consummation of the transaction or transactions contemplated by such action will not adversely affect the tax-exempt status of the OWDA bonds.

Section 7.3. If the Borrower shall have any question about the application of Section 7.1., in the particular circumstances faced by it at any time during the term of this Agreement, it shall immediately inform the OWDA of the circumstances and request the OWDA's assistance to resolve any such questions, to the end that the tax-exempt status of the OWDA Bonds and of the OWDA's bonds would be preserved.

#### **ARTICLE VIII - MISCELLANEOUS PROVISIONS**

Section 8.1. Any invoice, accounting, demand, or other communication under this Agreement by any party to this Agreement to any other party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority  
88 East Broad Street - Suite 1300  
Columbus, Ohio 43215-3516  
Attn: Executive Director

- and -

(b) in the case of the Director, is addressed to or delivered personally to the Director at:

The Ohio Environmental Protection Agency  
Lazarus Government Center  
122 South Front Street  
P.O. Box 1049  
Columbus, Ohio 43216-1049  
Attn: Chief, Division of Environmental and Financial Assistance

- and -

(c) in the case of the Borrower, is addressed to or delivered personally to the Borrower at the address listed on Exhibit 1, or at such other addresses with respect to any such party as that party may from time to time, designate in writing and forward to the other parties as provided in this Section.

Section 8.2. Any approval of the State required by this Agreement shall not be unreasonably withheld. Any provision of the Agreement requiring the approval of the State or the satisfaction or evidence of satisfaction of the State shall be interpreted as requiring a response by the Director and the OWDA granting, authorizing, or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 8.3. Upon request of the OWDA, the Borrower agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the Borrower. The Borrower hereby agrees that the OWDA may file such information report for and on behalf of the Borrower with the Internal Revenue Service.

Section 8.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and Counsel to the Director and upon the certification of availability of funds as provided in Section 4.7. hereof.


Section 8.5. This Agreement shall become effective as of the "Effective Date" set forth in Exhibit 1 and shall continue in full force and effect until the final day of the Contract Period of Years, based on the Semi-Annual Payment being paid at the rate established in Section 4.1. hereof, or until the day the obligations of the Borrower under this Agreement have been fully satisfied, whichever is later.

Section 8.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of any of the parties hereto. This Agreement shall not be assigned by the Borrower without the prior written consent of the State. The State, at its option, may assign this Agreement without the consent of the Borrower.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the Effective Date as shown on Exhibit 1.

APPROVED AS TO FORM

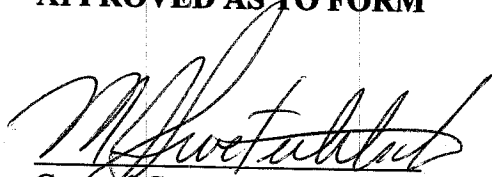
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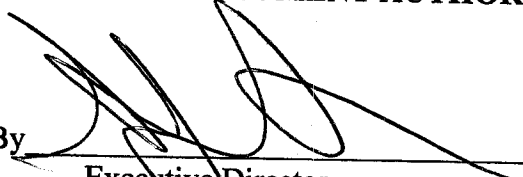
  
Counsel

By   
Director of Environmental Protection

APPROVED AS TO FORM

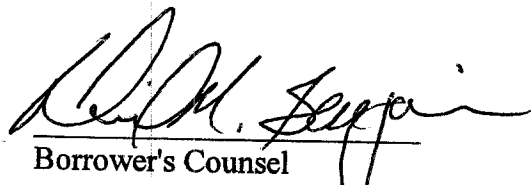
OHIO WATER DEVELOPMENT AUTHORITY


  
General Counsel

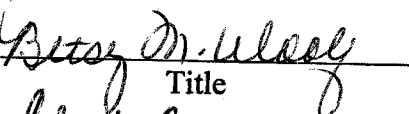
By   
Executive Director

APPROVED AS TO FORM

VILLAGE OF MANTUA

  
Borrower's Counsel

By   
Title *m.sgr*

By   
Title  
*Clara Hansen*

mantuawpclf.srf/2\_00

Project Name: WWTP Expansion/WRRSP

EXHIBIT 1

Borrower: Village of Mantua

Loan Number: CS391994-03

Address: 4736 East High Street

City: Mantua, Ohio

Zip Code: 44255

Authorized Rep: R. Edward Trego, Administrator

Phone: 330-274-8776

Consultant: C. T. Consultants

Phone: 440-951-9000

## PROJECT FACILITIES

Project consists of an expansion to the Village of Mantua's existing wastewater treatment plant and a Water Resource Restoration Program project composed of property acquisition, wetlands restoration, river bank restoration and conservation easements.

Note: the Contract Interest rate includes a WRRSP discount.

COST DATA				
	Eligible Project Costs	Non-Eligible	Not Funded	Total Project Cost
Administration	\$24,000.00	\$0.00	\$15,418.00	\$39,418.00
Const. Management	\$400,000.00	\$0.00	\$0.00	\$400,000.00
Inspection	\$0.00	\$0.00	\$0.00	\$0.00
Force Account	\$0.00	\$0.00	\$0.00	\$0.00
<b>Construction</b>	<b>\$3,759,755.00</b>	<b>\$0.00</b>	<b>\$284,582.00</b>	<b>\$4,044,337.00</b>
J.D. Williamson	\$3,104,450.00	\$0.00	\$284,582.00	\$3,389,032.00
Enertech Electrical	\$563,000.00	\$0.00	\$0.00	\$563,000.00
Detrick Industrial Piping	\$92,305.00	\$0.00	\$0.00	\$92,305.00
	\$0.00	\$0.00	\$0.00	\$0.00
<b>Equipment</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
Land	\$0.00	\$0.00	\$0.00	\$0.00
<b>Subtotal</b>	<b>\$4,183,755.00</b>	<b>\$0.00</b>	<b>\$300,000.00</b>	<b>\$4,483,755.00</b>
Contingency	\$209,192.90	N/A	\$0.00	\$209,192.90
Restoration (Mantua)	\$1,500,000.00	\$0.00	\$0.00	\$1,500,000.00
Restoration (ODNR)	\$0.00	\$0.00	\$0.00	\$0.00
Accrued Interest	\$0.00	N/A	\$0.00	\$0.00
Capitalized Interest	\$58,352.10	N/A	N/A	\$58,352.10
Other	\$0.00	N/A	N/A	\$0.00
<b>Total Estimated Cost</b>	<b>\$5,951,300.00</b>	<b>\$0.00</b>	<b>\$300,000.00</b>	<b>\$6,251,300.00</b>

## WPCLF LOAN INFORMATION

INTEREST RATE:	0.68 %	PRINCIPAL AMOUNT:	\$5,951,300.00
TERM IN YEARS:	20	INTEREST:	\$423,954.45
NUMBER OF PAYMENTS:	40	TOTAL COST OF BORROWING:	\$6,375,254.45
PARTICIPATION RATE:	0.0267809	SEMI-ANNUAL PAYMENT:	\$159,381.36

## PROJECT SCHEDULE

Application Date:	29-Dec-2000	Initiation of Operation:	15-Dec-2002
Bid Opening:	24-Oct-2000	Project Completion:	15-Dec-2002
Resolution Date:	19-Dec-2000	Final Draw:	15-Feb-2004
Effective Date:	25-Jan-2001 <i>delayed</i> 22-Feb-01	Performance Certification:	15-Dec-2003
		Date of Initial Payment:	01-Jul-2003

To the best of my knowledge and belief, the information contained on this exhibit represents the actual project costs being requested from the WPCLF. I hereby acknowledge that the non-eligible and not funded costs identified above, if any, will be provided from sources other than the WPCLF as to allow the project to be fully implemented.

Borrower's Authorized Representative

Date

2-20-01

Project Name: WWTP Extension/WRRSP  
Borrower: Village of Mantua  
Loan Number: CS391994-03

EXHIBIT 2

## LOAN REPAYMENT INFORMATION

Section 603(d)(1)(c) of the Clean Water Act requires each loan recipient to establish one or more dedicated sources of revenue for repayment of the loan. The following information specifies the dedicated source(s) of repayment for the WPCLF loan.

REVENUE SOURCE	ESTIMATED AMOUNT
SPECIAL ASSESSMENTS	\$0.00
GENERAL TAXES	\$0.00
GENERAL OBLIGATION BONDS	\$0.00
REVENUE BONDS	\$0.00
WASTEWATER SERVICE CHARGES*	\$6,375,254.45
OTHER (SPECIFY):	\$0.00
TOTAL	\$6,375,254.45

\*These must reflect capital cost recovery charges only; they must not include operation, maintenance and replacement (O,M & R) costs.

## DESCRIPTION OF DEDICATED SOURCE OF REPAYMENT

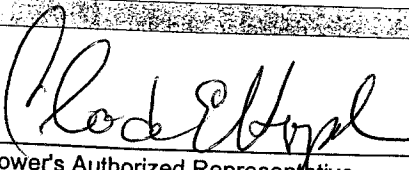
The Village of Mantua has established sewerage service rates and charges sufficient to generate revenues available to cover: operation, maintenance, and replacement expenses; WPCLF debt service payments. The village's user charge rates will generate funds sufficient to meet these legal obligations.

## PROJECT PERFORMANCE CRITERIA ACCEPTANCE

*The undersigned hereby agrees that, as the authorized representative of the Borrower, they have received and agreed to the Project Performance Criteria detailed in Exhibit 4 to this Agreement.*

## SPECIAL TERMS AND CONDITIONS

NONE

  
Borrower's Authorized Representative

2-20-01  
Date

# OHIO WATER POLLUTION CONTROL LOAN FUND COMPLIANCE CERTIFICATION

APPLICANT: **Village of Mantua**

PROJECT NAME: **Mantua Wastewater Treatment Plant Expansion**

**I certify that I am the duly authorized representative of the above-named legal entity (Borrower) and that the Borrower agrees to comply with all Federal and State laws, executive orders, regulations policies and conditions relating to WPCLF assistance. I also certify that the Borrower:**

1. Has the legal, institutional, managerial and financial capability to ensure adequate construction, operation and maintenance of the project facilities.
2. Will, if the project includes a new wastewater collection system, require all planned users to connect to the said system no later than one-year after the initiation of operation of the project facilities.
3. Does assure that the mitigative measures stated in the environmental assesment and detailed plans and specifications will be implemented in the construction of the project facilities.
4. Has not and will not violate any Federal, State or local law pertaining to fraud, bribery, graft, collusion or other unlawful or corrupt practices.
5. Will, during the construction of the project facilities, comply with the provisions of:
  - A. Federal Executive Order 11246 relating to Equal Employment Opportunity.
  - B. Federal Executive Orders 11625 and 12138 relating to the use of Women's and Minority Business Enterprises.
  - C. Titles II and III of the Uniform Relocation Assistance and Real Property Aquisition and Policies Act of 1970 (P.L. 91-646).
  - D. The Davis-Bacon Act relating to the use of prevailing wage rates.
  - E. Federal Executive Order 11988 relating to evaluation of potential effects of any actions in a floodplain and Federal Executive Order 11990 relating to minimizing harm to wetlands.
  - F. The National Historic Preservation Act of 1966 (P.L. 89-665 as amended.)
  - G. State Executive Order 90-68 relating to construction impacts on wetland areas.

**I certify that I have read and understand these requirements and agree that WPCLF assistance is conditional upon the above-named Borrower maintaining compliance with these requirements.**

Signed: 

DATE: 12-29-01

#####



Project Name: Wastewater Treatment Plant Expansion  
Borrower: Village of Mantua  
Loan Number: CS391994-02

EXHIBIT 4

### WPCLF CERTIFICATION OF PERFORMANCE

I certify that on the performance certification date, as noted on Exhibit 1 of the Loan Agreement, the performance and operational requirements established for the project have been fulfilled as follows:

<u>Meets</u>	<u>Does Not Meet</u>	<u>Criteria</u>
		The facilities have been operated in a manner that complies with all applicable federal, state, and local regulatory requirements and maintains employee safety.
		All equipment is mechanically sound. Operation and maintenance requirements for the equipment have only been those considered as necessary for normal and routine operation as described in your O&M Program.
		Final effluent quality has complied with NPDES permit limits.
		The new facilities will be able to meet design specifications and effluent limitations under design flow and loading conditions.
		Sludge treatment and disposal have been and will be accomplished in a manner acceptable to the Ohio EPA and in accordance with 40 CFR Part 503.
		Industrial wastewater discharged to the treatment works has not and will not interfere with the operation of the works or the disposal or use of municipal sludge or pass through untreated.
		All required elements in the Operation and Maintenance (O & M) Program plan implemented during construction and start-up have been completed and are in place for use by the operations staff.
		Adequate operation, maintenance, and replacement funds (O, M & R) are being generated. A projection of the adequacy of user fees in the future has been developed and recommendations have been made for any necessary revisions.

Rate currently charged for O, M & R (\$/1,000 gal, \$/1,000 c.f., or \$/EDU)

Rate currently charged for debt (\$/1,000 gal, \$/1,000 c.f., or \$/EDU)

Current Replacement Fund balance

Total (annual) expenditures for the performance certification period

Total (annual) revenues for the performance certification period


Indicate DOES NOT MEET if the criterion was not met for the entire performance period. If the response to a criterion is DOES NOT MEET, please attach additional documentation to explain how the inadequacy is being or has been addressed and when the criterion was or will be met.

Signature, Authorized Representative

Date

Signature, Sewerage Facilities Operator "In Responsible Charge"

Date

**SPONSORSHIP AGREEMENT**  
**among**  
**the VILLAGE OF MANTUA,**  
**and the OHIO DEPARTMENT OF**  
**NATURAL RESOURCES**  
**for**  
**WATER POLLUTION CONTROL LOAN FUND**  
**WATER RESOURCE RESTORATION SPONSORSHIP**

**WHEREAS**, the State of Ohio Environmental Protection Agency has created the Water Pollution Control Loan Fund ("WPCLF") pursuant to Ohio Revised Code Section 6111.036 to provide loans and other types of financial assistance for the construction of publicly-owned wastewater treatment facilities and the implementation of nonpoint source pollution management programs; and

**WHEREAS**, the Village of Mantua, Ohio ("Village") has applied for funding from the WPCLF for expansion of its wastewater treatment plant, and that project ("WWTP project") has been designated by the Ohio Environmental Protection Agency ("OEPA") on the Intended Projects List (Project No. CS391994-02); and for the Water Resource Restoration Sponsorship Program Project (Project No. CS391994-03); and

**WHEREAS**, the Village's WWTP project is ready to proceed and the Village expects to enter into a Water Pollution Control Loan Fund Agreement ("WPCLF Loan Agreement") on or about January 31, 2001; and

**WHEREAS**, the OEPA has included the Water Resource Restoration Sponsor Program ("WRRSP") as a part of the WPCLF Intended Use Plan as a means to reduce impacts from nonpoint source runoff, habitat degradation, and watershed disturbances to waters of the State; and

**WHEREAS**, a WPCLF loan to a participant in the WRRSP will be restructured by (a) increasing the principal amount of the loan by the cost of the WRRSP project, (b) reducing the loan's interest rate to a percentage that reflects a savings equal to the principal and interest cost of the WRRSP project, and (c) reducing the interest rate that results from (b) above, an additional 0.1 percent, but in no case providing a loan of less than 0.2 percent rate of interest; and

**WHEREAS**, an applicant applying to the WPCLF for financing of a publicly-owned treatment works can sponsor a qualifying WRRSP project to be undertaken by itself or by an entity with the ability to protect and manage water resources, and Village desires to participate in the WRRSP by sponsoring such an entity and project; and

**WHEREAS**, the Village has submitted a Water Resource Restoration Plan to OEPA which identifies Greenspace Property Acquisition Sponsorship as a component; and

**WHEREAS**, the Ohio Department of Natural Resources ("ODNR") was organized under Title 15 of the Ohio Revised Code with the authority to plan, develop and promote the restoration and enhancement of wetlands, streams and riparian corridors throughout the State, which includes Portage County, and is willing to assist the Village in its implementation of the Greenspace Property Acquisition

portion of the WRRSP project; and

**WHEREAS**, ODNR Division of Natural Areas and Preserves pursuant to Chapter 1517 of the Ohio Revised Code is committed to the conservation and enhancement of wildlife habitat and natural resources, including wetlands and streams; holds and maintains conservation property within Portage County and throughout Ohio; and has caused plans to be prepared and has identified areas with the project that provide an opportunity for preservation of valuable riparian corridor, floodplain and wetlands, and is willing to implement and assume ownership of the conservation properties or easements to be sponsored by the Village as identified in Exhibit A attached hereto and incorporated by reference as if fully set out herein; and

**WHEREAS**, the Village and ODNR have the common purpose of completing the WRRSP project to reduce and prevent impacts from nonpoint source runoff and habitat degradation in the project area, in accordance with a plan to be approved by the OEPA, which emphasizes the upper Cuyahoga River watershed; and

**WHEREAS**, Village sponsorship of ODNR property acquisitions was assigned "lower" priority within the Water Resource Restoration Plan. Village sponsorship of ODNR property acquisition is contingent upon the availability of a surplus from WRRSP monies budgeted toward other projects and the priorities set forth within the Water Resource Restoration Plan.

**THEREFORE**, the Village and ODNR intend this to be a WPCLF WRRSP Sponsorship Agreement, and to be bound by the following terms and conditions which set forth their rights and responsibilities for the planning, implementation and ongoing management and oversight of the land acquisition or conservation easement WRRSP project.

## **I. GENERAL PROVISIONS**

Pursuant to the intent of the WPCLF WRRSP, the Village and ODNR agree to carry out their respective responsibilities for the selection, acquisition, management and perpetual preservation of aquatic resources and associated riparian habitat (hereinafter referred to as the "Project") reflected in the WPCLF Finding of No Significant Impact and associated environmental assessment, the Village of Mantua Water Resource Restoration Plan for the Water Resource Restoration Sponsor Program, dated October 2000, and Addendum dated December 2000, and all correspondence related to the restoration project (hereinafter referred to collectively as the "Plan") as reviewed and approved by the OEPA, and agree to do so in accordance with the following procedures.

The parties acknowledge and accept that failure to implement the terms of this Agreement and the Plan may be determined by the OEPA to be an instance of default by Village on its WPCLF Loan Agreement. In particular, the essence of this Agreement is the acquisition, management and preservation of the Project as described in the Plan approved by OEPA. Remedies provided under the WPCLF Loan Agreement may be invoked by OEPA against Village for unresolved instances of default.

## **II. SUBMISSION OF PAYMENT REQUESTS AND DISBURSEMENT OF FUNDS**

All requests for disbursement of funds to implement the Plan, once approved, will be requested on the "Ohio Water Pollution Control Loan Fund Payment Request" form provided by the OEPA, and will be certified by both the Village and the ODNR. The parties to this Agreement expect that costs

directly associated with this project will be disbursed by the Ohio Water Development Authority (OWDA) either to an escrow agent jointly selected by the Village and the ODNR or to property owners or other persons and entities supplying materials or performing services for the ODNR in furtherance of this Agreement. Purchase Agreements and Invoices shall first be submitted to ODNR who shall approve such agreements and invoices for payment and submit them to the Village. The Village shall then approve such Agreements and invoices for payment and submit them to OWDA with the accompanying payment request form. Upon approval from OEPA, OWDA shall then disburse funds directly, either to the escrow agent or to the persons or entities submitting such invoices.

### **III. IMPLEMENTATION TIME FRAME**

Following the approval of the Plan by the OEPA, ODNR will complete all tasks set forth in the Plan within eighteen months from the receipt of the necessary approvals and of funding for the Restoration Project provided through the WPCLF Loan Agreement or by the date of the performance certification of the wastewater treatment plant improvements, whichever is later.

The ODNR shall implement the project in phases contingent upon written notification from the Village of the availability of money as defined in the plan.

### **IV. SUPPLEMENTAL INFORMATION**

ODNR has identified a list of five (5) potential parcels for acquisition including an estimate of acquisition costs including appraisals, surveys, purchase prices, and all title and recording fees totaling \$201,000 as attached in "Exhibit A". ODNR shall identify which properties fall within the following categories:

- a. Parcels within Village limits,
- b. Parcels "upstream" of the Village within the Upper Cuyahoga River Watershed and within Portage County,
- c. Parcels "downstream" of the Village within the Upper Cuyahoga River Watershed and within Portage County,
- d. Parcels "upstream" of the Village within the Upper Cuyahoga River Watershed and not within Portage County.

### **V. OBLIGATION OF ODNR TO MAINTAIN RESTORATION PROJECT**

A. ODNR understands that the preservation of riparian habitat will be completed in accordance with water resource restoration plan approved by the OEPA and funded through the WPCLF WRRSP under ORC 6111.036, or also funded through the regulatory and other programs established under the Clean Water Act (33 U.S.C. §§1251-1387). Therefore, ODNR agrees to permanently, maintain and protect the conservation properties, as approved by OEPA, as terrestrial and aquatic ecological habitat in its natural character.

B. ODNR agrees to undertake Village's responsibility to OEPA for stewardship of real property and/or the conservation easements acquired as ODNR's part of the Restoration Project. Stewardship of such conservation easements shall be consistent with the terms of the conservation easements.

- C. Obligations of the State are subject to ORC 126.07.
- D. ODNR DNAP agrees to cooperate with the Village in the future development of a management agreement to address Village concerns regarding protection of the Upper Cuyahoga River and its water quality which the Village relies on for recharge of its water well fields.

#### **VI. ULTIMATE OWNERSHIP OF REAL PROPERTY AND EASEMENTS**

- A. All interests in real property and/or conservation easements acquired by ODNR as part of this Sponsorship Agreement shall be retained and managed by ODNR for the future protection of the Upper Cuyahoga Scenic River and its water quality and aquatic communities. As a condition of its participation in this WRRSP sponsorship agreement with the Village of Mantua, ODNR agrees to place permanent deed restrictions on each parcel of real property that ODNR purchases with these WRRSP monies. These deed restrictions will direct ODNR DNAP's management for the specific purposes of preserving the natural features, plants, and animal diversity on these properties for the protection of the water quality of the Upper Cuyahoga Scenic River for the benefit of present and future generations.
- B. ODNR further agrees to consider acceptance of donations of conservation easements on interests in real property held by the Village of Mantua in order to provide additional protection for their properties, if so desired by the Village.

#### **VII. INDEPENDENCE OF PARTIES**

ODNR shall not be considered an agent of Village for any purpose, nor shall Village be considered an agent of ODNR.

#### **VIII. TERMINATION**

- A. ODNR and the Village will work together under this Agreement to further the goal of conserving valuable water resources in Portage County. However, ODNR and the Village specifically retain the right to terminate this Agreement with written notice to the other parties not less than five (5) days prior to the date the Village enters into the Water Pollution Control Loan Fund Agreement.
- B. If the ODNR is unable to acquire the sites designated by the ODNR in the Plan or other sites approved by the OEPA at a price acceptable to the ODNR, or if the OEPA does not approve the Plan prior to the Village executing the WPCLF Loan Agreement, then this Agreement shall be null and void and ODNR is hereby relieved from any and all obligations outlined in this Agreement.
- C. ODNR's obligations hereunder are contingent upon the availability of a surplus from WRRSP monies. If no such monies are available, ODNR's obligations under the terms and conditions of this Agreement shall be null and void.

**IX. DEFAULT**

In the event of a default by any party under this Agreement, the non-defaulting parties will have all remedies available to them at law or in equity, including injunctive relief and the right to specific performance.

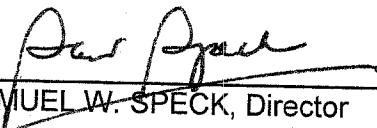
**X. COMPLIANCE WITH LAWS**

In performing their obligations hereunder, the parties hereto will comply with all applicable federal, state and local laws.

OHIO DEPARTMENT OF  
NATURAL RESOURCES

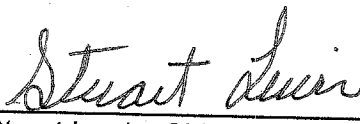
DATE: 2/15/01

By:

  
SAMUEL W. SPECK, Director

DATE: 2-13-01

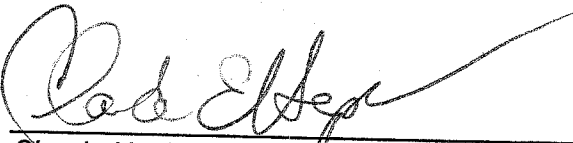
By:

  
Stuart Lewis, Chief  
Division of Natural Areas & Preserves

VILLAGE OF MANTUA

DATE: 2-16-01

By:

  
Claude Hopkins, Mayor

**Exhibit A to Village of Mantua WRRSP Sponsorship Agreement with ODNR**

February 5, 2001 (Revision to original memo dated January 11, 2001)

To: Kevin Hinkle, Ohio EPA  
Bob Monsarrat, Ohio EPA  
From: Steve Roloson, NE Ohio Scenic River Coordinator  
ODNR, Division of Natural Areas & Preserves

Re: Village of Mantua WRRSP Project Objectives and Priorities

As discussed in our telephone conversations on January 10, 2001 and February 5, 2001, I have listed a summary of the objectives of the ODNR, Division of Natural Areas & Preserves, Scenic Rivers Program. These objectives define the management principles that will be adhered to by ODNR, DNAP for the protection, and where necessary, the future restoration of the areas that have been proposed for acquisition.

**Preservation / Protection Introduction**

The parcels that have been proposed for acquisition by ODNR, DNAP have been determined to be high priority areas for the continued protection and improvement of the water quality and aquatic species diversity of the Upper Cuyahoga Scenic River. These parcels are significant due to the natural functions and benefits provided by the habitats of their riparian forest buffers, floodplains, terraces, and adjacent wetlands.

The purpose of the Ohio Scenic Rivers Program is to identify and protect Ohio's remaining high quality rivers and streams for the benefit of future generations. To accomplish this the Ohio Scenic Rivers Program focuses on: 1) preservation of high quality areas and 2) restoration of impacted sites.

**Preservation / Protection Objectives**

- 1) The preservation effort includes acquiring fee simple ownership of parcels to protect riparian buffers, floodplains and wetlands through market value purchases, bargain sales, and donations of property. Negotiations with property owners will be on a voluntary basis.
- 2) Once acquired by ODNR DNAP, the parcels will be managed as necessary to protect the biological integrity of the terrestrial and aquatic ecosystems.
- 3) Property lines will be identified during surveys with boundary markers.
- 4) The management of each area will be determined by a site specific management plan within 2 years of acquisition.
- 5) The purpose of acquiring these parcels is for the permanent protection of the sites and their natural features rather than recreation.
- 6) These areas will be set aside as Scenic River Preserves with little, if any, plans for future facility development or recreational use. If recreational use is permitted, it

- will be on a very limited basis such as hiking on existing trails, or other passive uses such as nature photography or bird watching.
- 7) Restoration plans will be developed and implemented for impacted areas on these parcels.
  - 8) Existing riparian forest buffers will be provided permanent protection.
  - 9) Where appropriate, native tree seedlings will be utilized to help reestablish riparian forest buffers.
  - 10) Any future proposal for the use of herbicides or pesticides will be evaluated using "good science" and if authorized, the application will adhere to strictly defined protocols.
  - 11) Invasive species will be controlled when necessary to protect the native diversity and habitats.
  - 12) Wetlands will be evaluated and managed where necessary to maintain their quality and function.
  - 13) Erosion sites will be controlled and stabilized through the use of native plants and other soil bio-engineering techniques.
  - 14) The techniques used for the protection and restoration of these parcels, will serve as serve as a model for best management practices. These parcels will be used to educate both public and private landowners and help them make land use decisions that will help to protect the river's water quality.
  - 15) Management decisions will be ultimately be focused on protecting and improving the water quality and aquatic habitat of the Upper Cuyahoga Scenic River.

### **Conservation Easements Introduction**

Where landowners are interested in protecting their property, but wish to retain ownership, then permanent conservation easements offer the next best level of protection. Property owners interested in conservation easements may work with DNAP or be referred to the Portage Soil and Water Conservation District. Conservation easement language acceptable to the Ohio EPA will be used.

### **Conservation Easement Objectives**

- 1) DNAP will cooperate, with the efforts of other agencies and organizations to protect the Upper Cuyahoga watershed through the acquisition and holding of conservation easements.
- 2) Conservation easements obtained by DNAP will include language to prohibit or at least limit development, protect riparian forest buffers, floodplains, wetlands, water quality and aquatic diversity.
- 3) DNAP will establish baseline written and visual documentation of each conservation easement at the time of the easement acquisition.
- 4) DNAP will conduct inspections on at least an annual basis to check compliance with the easement deed restrictions.
- 5) In the event that violations are found enforcement actions will be initiated.
- 6) Easement boundaries will be marked for future reference.



- 7) Existing easements will be promoted in order to encourage participation by other landowners.

### **Parcel Prioritization by Category**

#### **Category A: Parcels within the limits of the Village of Mantua**

Priority 1: Parcel G: This parcel is adjacent to the Mantua Bog State Nature Preserve which is owned and managed by ODNR DNAP. Parcel G consists of portions of 3 tracts totaling approximately 90 acres and consists primarily of wetlands bordered by upland woods. Neither parcel has river frontage, but purchase of this parcel would add to existing protection of an extensive wetland complex adjacent to the Upper Cuyahoga Scenic River. Total estimated cost \$110,000

#### **Category B: Parcels "upstream of the Village of Mantua within the Upper Cuyahoga River Watershed and within Portage County**

None proposed at this time

#### **Category C: Parcels "downstream" of the Village of Mantua within the Upper Cuyahoga River Watershed and within Portage County**

Priority 1: Parcel A: Approximately 11.6 acres with 1,056 feet of frontage on the Upper Cuyahoga Scenic River. Purchase of this parcel would protect a variety of habitats including floodplain forest and upland deciduous forest. There is a high potential for future residential development on the upland portion of this parcel. Adjoins parcel "C" (downstream). Total estimated cost: \$40,000

Priority 2: Parcel C: Approximately 9.6 acres with 1,202 feet of frontage on the Upper Cuyahoga Scenic River. Purchase of this property would protect nearly ¼ mile of floodplain and upland riparian forest buffer. Limited development potential but important parcel for buffer from nearby intrusions. Adjoins parcel "A" to the east (upstream) and parcel "E" to the west (downstream). Total estimated cost: \$19,000

Priority 3: Parcel D: Approximately 5.2 acres with 992 feet of frontage on the Upper Cuyahoga Scenic River. Ownership of this parcel would result in the protection of valuable buffers consisting primarily of forested floodplains and terraces. This property includes an intermittent tributary to the Upper Cuyahoga Scenic River. Adjoins parcel "E" to the east (upstream) Total estimated cost: \$17,000

Priority 4: Parcel E: Approximately 7.0 acres with 800 feet of frontage on the Upper Cuyahoga Scenic River. The upland portion of this parcel was selectively timbered in 1999. However, the riparian forest buffer is primarily intact in the floodplain areas. Purchase of this site would provide a connection with other protected areas and

allow this site to recover. Adjoins parcel "C" to the east (upstream) and parcel "D" to the west (downstream) Total estimated cost: \$15,000

**Category D: Parcels "upstream" of the Village within the Upper Cuyahoga River Watershed and not within Portage County.**

None proposed at this time as part of the WRRSP project.

# OWDA Loan 3945- Franklin Waterline Reservoir Loop

**TOTAL AMOUNT FINANCED:**

**\$ 504,640.41**

Budget Year	Payment Date	Interest	Principal	Total Payment	Principal Balance
2006	1/1/2007	7569.60	10674.36	18243.96	493966.05
2007	7/1/2007	7409.49	10834.47	18243.96	483131.58
2007	1/1/2008	7246.98	10996.98	18243.96	472134.60
2008	7/1/2008	7082.02	11161.94	18243.96	460972.66
2008	1/1/2009	6914.59	11329.37	18243.96	449643.29
2009	7/1/2009	6744.65	11499.31	18243.96	438143.98
2009	1/1/2010	6572.16	11671.80	18243.96	426472.18
2010	7/1/2010	6397.09	11846.87	18243.96	414625.31
2010	1/1/2011	6219.38	12024.58	18243.96	402600.73
2011	7/1/2011	6039.01	12204.95	18243.96	390395.78
2011	1/1/2012	5855.94	12388.02	18243.96	378007.76
2012	7/1/2012	5670.11	12573.85	18243.96	365433.91
2012	1/1/2013	5481.51	12762.45	18243.96	352671.46
2013	7/1/2013	5290.07	12953.89	18243.96	339717.57
2013	1/1/2014	5095.77	13148.19	18243.96	326569.38
2014	7/1/2014	4898.54	13345.42	18243.96	313223.96
2014	1/1/2015	4698.36	13545.60	18243.96	299678.36
2015	7/1/2015	4495.18	13748.78	18243.96	285929.58
2015	1/1/2016	4288.94	13955.02	18243.96	271974.56
2016	7/1/2016	4079.62	14164.34	18243.96	257810.22
2016	1/1/2017	3867.16	14376.80	18243.96	243433.42
2017	7/1/2017	3651.50	14592.46	18243.96	228840.96
2017	1/1/2018	3432.61	14811.35	18243.96	214029.61
2018	7/1/2018	3210.45	15033.51	18243.96	198996.10
2018	1/1/2019	2984.94	15259.02	18243.96	183737.08
2019	7/1/2019	2756.05	15487.91	18243.96	168249.17
2019	1/1/2020	2523.74	15720.22	18243.96	152528.95
2020	7/1/2020	2287.93	15956.03	18243.96	136572.92
2020	1/1/2021	2048.59	16195.37	18243.96	120377.55
2021	7/1/2021	1805.66	16438.30	18243.96	103939.25
2021	1/1/2022	1559.09	16684.87	18243.96	87254.38
2022	7/1/2022	1308.82	16935.14	18243.96	70319.24
2022	1/1/2023	1054.79	17189.17	18243.96	53130.07
2023	7/1/2023	796.95	17447.01	18243.96	35683.06
2023	1/1/2024	535.25	17708.71	18243.96	17974.35
2024	7/1/2024	269.61	17974.35	18243.96	0.00

**TOTALS: \$ 152,142.15 \$ 504,640.41 \$ 656,782.56**

Interest

Principal

Total Payments

Village of Mantua  
Ohio  
Ordinance 2003 - 18

Introduced By: C. Hummel

Seconded By: R. Gregory

AN ORDINANCE AUTHORIZING THE MAYOR, VILLAGE COUNCIL, VILLAGE CLERK-TREASURER AND/OR VILLAGE ADMINISTRATOR TO ADVERTISE FOR THE PURPOSE OF SOLICITING BIDS FOR THE CONSTRUCTION OF WATER DISTRIBUTION SYSTEM IMPROVEMENTS, PART A - FRANKLIN WATER LINE, PART B - RESERVOIR DRIVE PUMP STATION, UTILIZING THE SERVICES OF CT CONSULTANTS AS NECESSARY, AND DECLARING AN EMERGENCY

WHEREAS, Mantua, through the utilization of matching governmental grant funds, is in the process of constructing an extension to the Village Waste Supply and Waste Water Systems; and

WHEREAS, Village Council previously solicited and received bids which it considered and rejected by Motion and now wishes to confirm by legislation; and

WHEREAS, it is the desire of Village Council to be prepared to move forward with the rebidding process on the portion of this Project dealing with the Water Distribution System Improvements, Part A - Franklin Water Line, and Part B - Reservoir Drive Pump Station, and Village Council now moves forward to authorize the solicitation of bids for the construction of this Project; and

WHEREAS, Village Council wishes to authorize the Village Clerk-Treasurer, the Mayor, and/or the Village Administrator to advertise for the purpose of soliciting bids from appropriate businesses, enterprises and/or experts to perform all activities necessary to construct this project;

NOW, THEREFORE, BE IT ORDAINED by the Council for the Village of Mantua, County of Portage, State of Ohio, that:

Section 1. Village Council legislatively confirms its previous rejection of the earlier solicited bids on this project, and hereby further authorizes the Village Clerk-Treasurer, Mayor and/or Village Administrator to utilize the services of CT Consultants to complete the necessary bid specifications and supporting documents, and then advertise for the purpose of and soliciting bids for the construction of the Water Distribution System Improvements, Part A - Franklin Water Line and Part B - Reservoir Drive Pump Station Project.

Section 2. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its Committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3. This Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of this municipality and for the further reason that Council wishes to have this declaration go into effect at the earliest possible opportunity so it is prepared to move forward with bidding as soon as possible. Wherefore, provided it receives the affirmative vote of five or more of the members elected or appointed to this Council, this Ordinance shall take effect and be in force immediately upon its passage by Council and approval of the Mayor; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

Adopted: 3-18-03

Effective: 3-18-03

Attest: Betsy Woolf  
Clerk of Council

Approved: 3-18-03  
By: Claude Hopkins  
Mayor Claude Hopkins

I, Betsy Woolf, Clerk of the Village of Mantua, Ohio, hereby certify that this Ordinance was duly published by public posting at predesignated posting places.

Betsy Woolf  
Betsy Woolf, Mantua Village Clerk-Treasurer

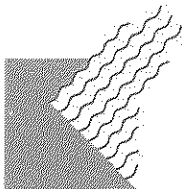
1<sup>st</sup> Reading: 3-18-03

2<sup>nd</sup> Reading: 3-18-03 Suspend Rules

3<sup>rd</sup> Reading: 3-18-03

Approved as to be Legal Form by:

David M. Benjamin  
David M. Benjamin, Village Solicitor



**OHIO WATER  
DEVELOPMENT AUTHORITY**

88 E. BROAD ST., SUITE 1300  
COLUMBUS, OH 43215-3515  
PHONE 614/466-5822  
FAX 614/644-9964  
877-OWDA (23) (TOLL FREE)  
HTTP WWW.OWDA.ORG

BOB TAFT  
GOVERNOR

JOHN D. MCCLURE  
CHAIRMAN

STEVEN J. GROSSMAN  
EXECUTIVE DIRECTOR

September 03, 2003

Claude E Hopkins  
Mayor  
Mantua  
4736 E High St

Mantua, OH 44255

Re: Waterline Loops and Booster Station - Loan Account#: 3945 FS390071-01

The Ohio Water Development Authority approved the Village of Mantua Loan on 08/28/2003. Funds for the Village of Mantua Waterline Loops and Booster Station have been encumbered as per the attached Cost breakdown.

Enclosed is a copy of the Certificate of Encumbrance in the amount of \$544,469.64, a copy of which has been forwarded to Huntington National Bank, as Trustee. The Village of Mantua can request disbursements of these funds, as described in the Guide for Disbursements and Repayments.

Enclosed is your fully executed copy of the Cooperative Agreement with the Ohio Water Development Authority. Please retain these documents for your files. Should you have any questions regarding this agreement or cost breakdown, please contact Sue Farmer of my staff.

Sincerely yours,

Steven J. Grossman  
Executive Director

Enclosures

# CERTIFICATE OF COMMITMENT AND ENCUMBRANCE

Date: 09/03/2003

For the following Funds:

**DWAF 2002 Leveraged Fund 1082219308**

From:	To:
Ohio Water Development Authority 88 E. Broad St., Suite 1300 Columbus, OH 43215-3516	Huntington National Bank Business Service Center Attn: Corporate Trust 7 Easton Oval - EA4E63 Columbus, Ohio 43219

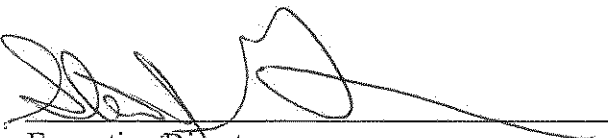
In Accordance with the below noted Trust Agreements (1), by and among the Ohio Water Development Authority and the Huntington National Bank, as Trustee of the above referenced funds, the undersigned certify the following statements concerning the below listed project:

Project Name:	Mantua
Project Description:	Waterline Loops and Booster Station
Loan Account Number:	3945
Eligible Project Cost:	\$544,469.64 (2)

The Ohio Water Development Authority has or is about to enter into an agreement with the above named Project which will commit the Ohio Water Development Authority to finance the Eligible Project Costs from the above referenced funds held at Huntington National Bank.

Moneys in the amount of the Eligible Project Costs set forth above are in, or are in the process of collection for the above referenced funds and are free from any other encumbrance. Said moneys are encumbered for the purpose of paying the Eligible Project Costs have been incurred by the Project and payment has been requested by the Ohio Water Development Authority according to the Trust Agreements.

In witness whereof, the undersigned has hereunto set his/her hand.

  
\_\_\_\_\_  
Executive Director  
Ohio Water Development Authority

9/3/03  
\_\_\_\_\_  
Date

Notes:

(1) Section 2.06 in regards to Drinking Water Fund trust agreement.

(2) The Drinking Water Fund project encumbrance is \$544,469.64.

**Ohio Water Development Authority**  
**Project Cost Breakdown**

**Account:** 3945  
**LGA:** Mantua  
**County:** Portage  
**Project:** Waterline Loops and Booster Station  
**Trustee:** Huntington National Bank  
**Fund:** Drinking Water Fund  
**Sub-Fund:** DWAF 2002 Leveraged Fund  
**Coop Date:** 08/28/2003  
**ID#:** FS390071-01

**Encumberance Detail**

**Contractors**

A	NE Ohio Trenching	\$364,599.00
B	AJ Misseri	\$95,019.00
		<hr/>
		\$459,618.00
CO	Contingencies	\$25,581.00
OW	OWDA Fee	\$7,270.00
TS	Technical Services	\$52,000.64
		<hr/>
		\$84,851.64
Interest During Construction (Estimated)		\$1,353.30
Total Estimated Project Cost		\$545,822.94
Total Funds Required		\$544,469.64



## **DRINKING WATER ASSISTANCE FUND WATER SUPPLY REVOLVING LOAN ACCOUNT LOAN AGREEMENT**

This Agreement made and entered into as of the date specified on Exhibit 1 (fully incorporated herein and made a part hereof) as the "Effective Date," by and among the Director of Environmental Protection (the "Director"), as the Director of the Environmental Protection Agency of the State of Ohio, an agency duly created and existing under the laws of the State of Ohio, the Ohio Water Development Authority, a body corporate and politic organized and existing under the provisions of Chapter 6121 of the Ohio Revised Code (the "OWDA," and together with the Director, the "State"), and the governmental body specified as the "Borrower" on Exhibit 1, a governmental body organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or resolution passed by the legislative authority of the Borrower on the date specified on Exhibit 1, as the "Resolution Date" (the capitalized terms not defined in the recitals being as defined in Article I herein);

### **WITNESSETH:**

WHEREAS, the OWDA has been created, among other reasons, to carry forward the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the State, to prevent or abate the pollution of water resources, to promote the beneficial use of waters of the State for the protection and preservation of the comfort, health, safety, convenience, and welfare, and the improvement of the economic and general welfare and employment opportunities of and the creation of jobs for the people of the State, and to assist and cooperate with other governmental agencies in achieving such purposes through the establishment, operation and maintenance of water development projects pursuant to Chapter 6121 of the Revised Code; and

WHEREAS, Section 1452 of the Safe Drinking Water Act Amendments of 1996 (the "SDWA"), authorizes the Administrator of the United States Environmental Protection Agency to make capitalization grants to states to establish a drinking water assistance fund; and

WHEREAS, pursuant to the SDWA, states can provide low-cost loans and other types of assistance from a drinking water state revolving fund to eligible public water supply systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements; and

WHEREAS, the State has created a drinking water state revolving fund, designated the drinking water assistance fund ("DWAF"), and within the DWAF has created the Water Supply Revolving Loan Account, pursuant to Ohio Revised Code Section 6109.22 to provide low-cost loans and other types of financial assistance as set forth in said Section; and

WHEREAS, to assist the Director (whenever the term "Director" is used herein, such term shall also be deemed to include the Director's designated representative(s), if any) in providing low-cost loans and other types of assistance from the DWAF, and to assist in the administration and operation of the DWAF as authorized by the Ohio Revised Code Section 6109.22, the Director has entered into an Interagency Agreement with the OWDA, dated July 30, 1998; and

WHEREAS, the Borrower is desirous of obtaining financing for necessary Project Facilities, using funds from the WSRLA; and

WHEREAS, the State is willing to provide financing to the Borrower for such Project

Facilities, and the Director has determined that the Borrower has complied with the requirements of Ohio Revised Code Section 6109.22, and is therefore eligible for financial assistance for its Project Facilities under the SDWA and said Section; and

WHEREAS, the Borrower has demonstrated to the satisfaction of the State that it has the capability to pay the Semi-Annual Payment over the Contract Period of Years; and

WHEREAS, the State and the Borrower have determined to enter into this Agreement to set forth their respective obligations with respect to the financing, construction, operation and ownership of the Project Facilities;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto do hereby agree as follows:

## ARTICLE I - DEFINITIONS

Section 1.1. Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

(a) "Application Fee" means a charge levied by the State and paid by the Borrower at the time of the execution of this Agreement to partially offset administrative costs of the Agreement. This fee may be included as an eligible project cost. The fee is calculated at one and thirty-five hundredths percent (1.35%) of the estimated Eligible Project Costs, allocated as follows: to the Director, one percent (1.00%), and to the OWDA, thirty-five hundredths percent (.35%).

(b) "Approved Application" means the application submitted to the Director on the date shown on Exhibit 1, as the "Application Date," together with all attachments, supporting documentation, amendments and supplements thereto as approved by the State, together with any amendments thereto approved by the Borrower and the State after the date of this Agreement.

(c) "Borrower" means the entity identified on Exhibit 1, which is an entity eligible to receive assistance under Section 1452 of the SDWA and ORC Section 6109.22.

(d) "Capitalized Interest Rate" means the effective rate of interest at which interest accrues on Principal Amounts disbursed during the construction period from the date of such disbursement.

(e) "Contract Interest Rate" means the interest rate per annum shown on Exhibit 1, as "Interest Rate."

(f) "Contract Period of Years" means the period of calendar years shown on Exhibit 1, as "Term In Years," commencing on the Date of Initial Payment to the WSRLA as set forth on the project schedule on Exhibit 1, provided that it shall commence no later than twelve (12) months following the actual Initiation of Operation of the Project Facilities, as presently determined in the project schedule, but in no event shall the Contract Period of Years exceed 20 years.

(g) "Default Rate" means a rate equal to the Contract Interest Rate plus three percentage points.

(h) "Eligible Project Costs" shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof, subject to the restrictions set forth in the proviso

below), costs that may be disbursed out of funds from the WSRLA, a description and distribution of which, subject to paragraph 4.1. hereof, is shown on Exhibit 1, which is hereby incorporated into this Agreement, and revision to which Exhibit can occur only with the agreement of the State and Borrower; provided, however, that Eligible Project Costs shall include costs incurred prior to the date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the State, the payment of such costs by the State would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation.

(i) "Project Plan" means all materials developed by the Borrower and the Director, including the Director's approvals and any applicable conditions, in satisfaction of Ohio Revised Code Section 6109.07, 6109.22 and 6109.24, and applicable requirements of federal law.

(j) "Finding of No Significant Impact" or "FNSI" means all materials developed by the Borrower and the Director in satisfaction of Ohio Revised Code Sections 6109.22 (J)(4).

(k) "Initiation of Operation" means the date, identified on Exhibit 1, by which all Project Facilities are to be in full and sustained operation as planned and designed.

(l) "Participation Rate" means the dollar amount per semi-annual period necessary to amortize a principal amount of one dollar over the Contract Period of Years at the Contract Interest Rate.

(m) "Performance Criteria" means the standards set forth by the Director and agreed to in writing by the Borrower which the Borrower shall meet for the design life of the Project Facilities.

(n) "Pledged Revenues" means the one or more dedicated sources of revenue for payment of the Semi-Annual Payment, all as described in Exhibit 1, which shall include, unless otherwise indicated on Exhibit 1, Drinking Water Service Charges and other revenues derived by the Borrower from the ownership and operation of its public drinking water system (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the system and paying all amounts required to be paid under any Mortgage, Indenture of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the Borrower to secure debt obligations heretofore or hereafter issued or incurred by the Borrower for the system.

(o) "Project Facilities" means the facilities to be constructed pursuant to this Agreement as described generally in Exhibit 1, attached hereto and made a part hereof and more particularly described in the approved plans, specifications and approvals on file with the Director, together with any changes therein made pursuant to Article III hereof.

(p) "Project Participation Principal Amount" means those Eligible Project Costs that are paid with moneys disbursed out of funds from the WSRLA, which costs shall in no event exceed the amount specified on , Exhibit 1, as the "Principal Amount."

(q) "Project Site" means all land, rights-of-way, property rights, easements, franchise rights or other interests in real estate necessary for the construction and operation of the Project Facilities.

(r) "Semi-Annual Payment" means the amount equal to the Project Participation Principal Amount multiplied by the Participation Rate. An estimate of the Semi-Annual Payment based on the Principal Amount and the Participation Rate is specified on Exhibit 1, beneath the

## Principal Amount.

If the Contract Period of Years commences prior to the final determination of the Project Participation Principal Amount, the Semi-Annual Payment shall be based upon the best figures available at the time the computation of each semi-annual payment is required to be made. When such final costs are known, the Semi-Annual Payment shall be recomputed and the next following semi-annual payment shall be either increased or decreased by a factor sufficient to correct for any overpayment or underpayment through the date of such recomputation so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Project Participation Principal Amount been used in computing the Semi-Annual Payment at the commencement of the Contract Period of Years. The interest during construction computed at the Contract Interest Rate shall, however, be computed based on the then existing cost allocations at the time of such computation and shall not be recomputed.

(s) "Special Assessment Funds" means the proceeds from the special assessments to be hereafter levied, if any, by the Borrower to pay all or a portion of the cost of the Project Facilities including repayment of the loan provided for herein. In such cases where assessments are to be levied, Exhibit 1 sets out the Resolution of Necessity adopted by the appropriate legislative authority.

(t) "Drinking Water Service Charge" means a charge against the user payable to the Borrower for the distribution and treatment of public drinking water and for the provision of the facilities therefor.

## **ARTICLE II - PROPERTY INTEREST IN PROJECT SITE AND PROJECT FACILITIES AND RIGHTS OF ACCESS THERETO**

Section 2.1. All real estate and interests in real estate and all personal property constituting the Project Facilities and the Project Site shall be acquired by and shall be the property of the Borrower.

Section 2.2. The Borrower agrees that the State or its duly authorized agents shall have the right at all reasonable times to enter upon the Project Site and Project Facilities and to examine and inspect the same. The Borrower further agrees that the State or its designated representatives shall have such rights of access to the Project Site and Project Facilities as may be reasonably necessary to enable the OWDA to exercise its rights pursuant to Section 5.8 hereof.

## **ARTICLE III - ACQUISITION OF PROJECT SITE, CONSTRUCTION OF PROJECT FACILITIES, AND PAYMENT OF COSTS THEREOF**

Section 3.1. Subject to the terms and conditions of this Agreement, the Borrower shall do all things necessary to construct the Project Facilities on the Project Site (which the Borrower hereby represents has been acquired by the Borrower) by means of the construction contract bids received on the date specified on , Exhibit 1, as "Bid Opening."

Section 3.2. In connection with the construction of the Project Facilities, the Borrower agrees that:

(a) It will proceed expeditiously with, and complete, the Project Facilities in accordance with the specific terms and conditions of each of the following: plan approvals, the Finding of No Significant Impact, and the approved project detailed plans and specifications, or amendments

thereto as approved by the Director. The Borrower accepts such performance as an essential element of this Agreement.

(b) The construction contract(s) will provide that the designated representatives of the State will have access to the work whenever it is in preparation or progress and that the contractor will provide for such access and inspection.

(c) The construction of the Project Facilities on the Project Site, including the letting of contracts in connection therewith, will conform to applicable requirements of Federal, State and local laws, ordinances, rules and regulations and will be performed in compliance with all applicable federal, state and local environmental laws and regulations in effect as of the date hereof.

(d) Following construction contract award and prior to the commencement of construction, the Borrower will arrange and conduct a pre-construction conference to include the Borrower, the consulting engineers of the Borrower, and all contractors, and designated representatives of the State as appropriate or necessary.

(e) The Borrower shall comply, and shall require that all contractors and subcontractors working on the Project comply, with the prevailing wage requirements contained in Sections 4115.03 to 4115.06 of the Ohio Revised Code.

(f) All construction contracts and contractors' estimate forms will be prepared so that materials and equipment furnished to the Borrower may be readily itemized by the Borrower and identified, if necessary, as to Eligible Project Costs and non-Eligible Project Costs.

(g) The Borrower will not submit requests for disbursement of non-Eligible Project Costs. If, based on a payment request submitted by the Borrower, the State disburses funds from the WSRLA which are subsequently determined to be for non-Eligible Project Costs, the State will be under no obligation to provide WSRLA funding beyond the Eligible Project Costs as shown on Exhibit 1, as amended.

(h) Any change(s) in a construction contract regardless of costs, which substantially modify the proposed Project Facilities or alter the direct or indirect impact of the Project Facilities will be submitted to the Director for prior approval and then, upon approval, be forwarded to the OWDA. If it is determined that the change(s) is substantial, additional Project Plans may be required to enable the Borrower to obtain the necessary plan approvals. The Borrower shall be precluded from submitting to the OWDA payment requests for Eligible Project Costs associated with the change orders until such time as the Director's approval of the change orders has been obtained.

(i) Change orders which may not require prior approval of additional Project Plans by the Director shall be submitted to the Director within one (1) month of the time at which they are approved by the Borrower. The Borrower shall be precluded from submitting to the OWDA payment requests for Eligible Project Costs associated with the change orders until such time as the Director determines that prior approval of additional Project Plans is not required and the costs are eligible.

(j) The Borrower will comply with all certifications and assurances as agreed to in the Application Compliance Certification, signed by the Authorized Representative of the Borrower, and incorporated as Exhibit 2, attached hereto and made a part hereof.

(k) The Borrower shall be precluded from submitting to the OWDA payment requests

for Eligible Project Costs unless the Borrower is in full compliance with the certifications and assurances made in the above referenced Application Compliance Certification.

(l) Except as otherwise provided in this Agreement, the Borrower shall have the sole and exclusive charge of all details of the construction of the Project Facilities.

Section 3.3. In connection with the construction, accounting and auditing of the Project Facilities, the Borrower agrees to:

(a) Establish fiscal controls and accounting systems of all Project Costs. These systems must be maintained in accordance with Generally Accepted Accounting Principles (GAAP).

(b) Keep accurate records of all Eligible Project Costs. These records must be kept in accordance with Generally Accepted Government Auditing Standards (GAGAS).

(c) Permit the State, acting by or through its designated representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of conducting record reviews, audits or examination, which examination may include examination for compliance with Ohio Revised Code Section 6109.22, the SDWA, and other applicable federal laws, and the Borrower shall submit to the State such documents and information as they may require in connection therewith.

Section 3.4. The Borrower shall require that each construction contractor shall furnish a performance and payment bond in an amount at least equal to 100 percent of its contract price as security for the faithful performance of its contract.

Section 3.5. The Borrower shall require that each of its contractors and all subcontractors maintain during the life of its contract, Workers' Compensation Insurance, Public Liability, Property Damage, Vehicle Liability Insurance, and Flood Insurance if appropriate, in amounts and on terms satisfactory to the State. Until the Project Facilities are completed and accepted by the Borrower, the Borrower or (at the option of the Borrower) the contractor shall maintain Builders Risk Insurance (fire and extended coverage) on a 100 percent basis (completed value form) on the insurable portion of the Project Facilities for the benefit of the Director, the OWDA, the Borrower, the prime contractor, and all subcontractors, as their respective interests may appear.

Section 3.6. The Borrower shall provide and maintain competent and adequate engineering services; said services covering the supervision and inspection of the development and construction of the Project Facilities in accordance with the specific terms and conditions of each of the following: plan approvals, the Finding of No Significant Impact, and the approved project detailed plans and specifications, or State approved amendments thereto.

Section 3.7. Subject to the terms and conditions of this Agreement, the approval of the Director, and upon compliance by the Borrower with all the requirements of the DWAF, the Ohio Revised Code Section 6109.22, and the SDWA, which must be met before receiving disbursement of Eligible Project Costs from the OWDA, the Eligible Project Costs shall be disbursed by the OWDA. In the event this Agreement is terminated by the State pursuant to, and not in breach of, the provisions of this Agreement, or by subsequent agreement of the parties, or in the event this Agreement is terminated by the Borrower, whether or not in breach of the Agreement, the Project Participation Principal Amount disbursed shall be due and payable in full no later than thirty (30) calendar days after said termination, or, at the State's option, upon terms mutually agreed to between the State and the Borrower.

Section 3.8. Upon being satisfied that the requirements of this Agreement have been met, the OWDA shall deliver to the Borrower a certificate, signed by the trustee for the DWAF (hereinafter referred to as the "Trustee", which has entered into a Trust Agreement with the Director and the OWDA to provide for the administration of the DWAF), certifying that monies in the amount necessary to pay all Eligible Project Costs are available or are within the present WSRLA Federal letter of credit ceiling and have been set aside by the Trustee to pay such Eligible Project Costs. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the Borrower, subject to the terms and provisions of this Agreement and the Interagency Agreement, and in accordance with the requirements of paragraph (k) of Section 3.2. above, the OWDA shall cause the Trustee to disburse monies of the DWAF in payment of the invoices, demands for payment, or other evidence of cost incurrence to be made to the persons or entities entitled to payment in conformity with the encumbrance of funds set forth in such certificate to pay such obligated Eligible Project Costs.

Section 3.9. Upon completion of the Project Facilities, the Borrower shall make a full and complete accounting to the State of the final Eligible Project Costs.

Section 3.10. The Borrower shall comply with the following requirements in accordance with the time schedule contained in Section 3.11. hereof:

(a) In addition to the legislation required by this Agreement in the preambles, the Borrower, through its legislative body, shall pass legislation, to implement the system of user charges (Operation, Maintenance, and Replacement expenses) and the public water use ordinance that was contingently approved by the Director prior to the execution of this Agreement. In addition, if appropriate, the Borrower shall execute an approved intermunicipal service agreement.

(b) If deemed necessary by the plan approvals, the Borrower shall be in compliance with any required SDWA amendments, as described in the plan approvals, accepted in the Approved Application, and incorporated into this Agreement on Exhibit 1, as "Special Terms and Conditions," and made a part hereof.

(c) The Borrower shall comply with appropriate "fair share" goals for utilization of minority business enterprises ("MBE") and women's business enterprises ("WBE") as well as MBE/WBE reporting requirements as described in the MBE/WBE Guidance, as amended.

(d) The loan recipient shall notify the Director in writing within 30 days of the completion of project construction, and shall submit the final change order, along with the contractor's final costs to the Director. The Director shall schedule the final inspection within 180 days of the receipt of the notice of completion, provided that all necessary change orders have been submitted and approved.

Section 3.11. The Borrower shall be in conformance with the requirements of Section 3.10. above and in compliance with the following:

(a) By the time 50% of the Eligible Project Costs to be reimbursed by DWAF moneys have been disbursed by OWDA, the Borrower must demonstrate, to the satisfaction of the State, that it has completed the requirements of paragraph (a) of Section 3.10. above.

(b) At any time during the effective period of this Agreement, the Borrower must demonstrate, to the satisfaction of the State, that it is in compliance with the requirements of paragraph (b) of Section 3.10. above, as the compliance relates to construction of the Project

Facilities.

Except as related to paragraph (b) of Section 3.10. above, upon the failure of the Borrower to comply with the provisions of Section 3.10 and 3.11 herein as determined by the Director, the OWDA shall employ consulting engineers or other qualified personnel to perform any services necessary for the implementation of such requirements. All costs incurred by the OWDA in the employment of said personnel will be included in the Eligible Project Costs of the Project Facilities. Additionally, during the period of non-compliance with any of the requirements, the Borrower shall be precluded from submitting payment requests as noted in paragraph (k) of Section 3.2. above and the State shall not be obligated to approve such requests during such period of non-compliance.

#### **ARTICLE IV - PAYMENTS BY BORROWER**

Section 4.1. Subject to the further provisions hereinafter set forth, the Borrower agrees to and shall pay at the time of the execution of this Agreement the Application Fee and thereafter, semi-annually on January 1 and July 1 of each year of the Contract Period of Years to the WSRLA, the Semi-Annual Payment, solely from the Pledged Revenues. The date of the initial Semi-Annual Payment is identified on Exhibit 1.

The obligation of the Borrower to pay the charges set forth in this Section 4.1 shall not be assignable, and the Borrower shall not be discharged therefrom, without the prior written consent of the State. In the event that construction or operation of the Project Facilities shall cease or be suspended for any reason, unless otherwise agreed to in writing by the State, the Borrower shall continue to be obligated to pay such charges pursuant to this Section 4.1. In the event the Borrower defaults in the payment of the Semi-Annual Payment, the amount of such default shall bear interest at the Default Rate from the date of the default until the date of the payment thereof. All costs incurred by the State in curing such default including, but not limited to, court costs and attorney's fees shall be paid by the Borrower upon demand, and shall not be eligible for financing from the DWAF.

In the event that the Borrower fails to make a full Semi-Annual Payment as provided herein, the amount of any such partial payment first shall be applied as interest on the loan, with the remainder being applied toward the payment of the outstanding principal.

With respect to this Agreement, neither the general resources nor the general credit of the Borrower shall be required to be used, or pledged for the performance of any duty under this Agreement. This Agreement does not represent or constitute a debt or a pledge of the faith and credit of the Borrower. However, if otherwise lawful, nothing herein shall be deemed to prohibit the Borrower from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this Agreement.

Section 4.2. It is agreed that, no later than the fifteenth day of June, and December, the OWDA shall invoice the Borrower for the sum owing by the Borrower pursuant to Section 4.1. and that payment of each such invoice shall be made by the Borrower to the OWDA not later than the first day of the following July or January. No failure by the OWDA to send any such invoice and no failure by the Borrower to receive any such invoice shall relieve the Borrower from its obligation to pay the amount due hereunder on the applicable due date.



Section 4.3. The Borrower hereby agrees:

(a) That it will at all times prescribe and charge such rates, after meeting: (1) operation and maintenance expenses therefore, and, (2) the payment of all amounts required by any Mortgage, Indenture of Mortgage, Trust Indenture or other instrument heretofore or hereafter granted by the Borrower, or contractual obligations between the Borrower and the State, payable solely from Pledged Revenues, as shall result in revenues at least adequate, to provide for the payments required by Section 4.1. hereof minus the amount of such payment provided from other Dedicated Repayment Sources, if any, and

(b) That the Borrower will, for the Contract Period of Years, furnish annually to the State reports of the operation and income of the Project Facilities and also an annual report of the accounts and operations of the Project Facilities and such other documents as the State may reasonably request in order to respond to requests for documentation from rating agencies or providers or potential providers of credit enhancement for debt obligations of the OWDA, and the Borrower will permit the designated representative of the State to inspect all records, accounts, documents and data of the Project Facilities at all reasonable times, and

(c) That the Borrower will segregate the revenues, funds and properties of the Project Facilities from all other funds and properties of the Borrower.

All of the obligations under this Section are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Borrower within the meaning of Ohio Revised Code Section 2731.01.

Section 4.4. If the Borrower pays all or any portion of the Semi-Annual Payment from Special Assessment Funds, and if any payor of the Special Assessment Funds elects to pay the special assessments in a one-time, lump-sum payment in lieu of having the special assessments certified to the appropriate county auditor for periodic collection, then the Borrower may elect to apply the amount of such payment to the reduction of the Project Participation Principal Amount by including that amount with its next Semi-Annual Payment pursuant to Section 4.1. hereof, accompanied by a written notice to the State identifying the amount so included and directing the State so to apply that amount. Upon the receipt of such payment and notice, the OWDA shall recompute the remaining Semi-Annual Payments based on the reduced Project Participation Principal Amount, and the OWDA shall notify the Borrower in writing of the reduced amount of the remaining Semi-Annual Payments.

Section 4.5. The Borrower agrees to provide financing for all non-Eligible Project Costs. As a preliminary indication of that commitment, the Borrower has provided evidence that financing is readily available for all non-Eligible Project Costs which will be or may be incurred by the Borrower in connection with construction of the Project Facilities.

Section 4.6. The Borrower agrees that, in the event the Borrower or its contractors receives WSRLA moneys in excess of the Eligible Project Costs, the Borrower shall repay said excess moneys to the WSRLA at the time of the first Semi-Annual Payment, or as otherwise agreed to by the Borrower and the State.

Section 4.7. In order to enable the State to comply with the requirements of federal securities laws (including, without limitation, Rule 10b-5 and Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), the Borrower agrees to prepare and file with the State or, at the direction of the State, to file with the Municipal

Securities Rulemaking Board ("MSRB"), any one or more nationally recognized municipal securities information repositories ("NRMSIRs") or state information depository ("SID"), any annual financial information or material events disclosures that the State may determine it requires to achieve such compliance. The Borrower consents to the State's incorporation by reference into State official statements or other State filings with the MSRB, any NRMSIR, or any SID of any official statements or portions thereof, financial statements, or other documents that the Borrower may have filed or may file with the MSRB, any NRMSIR, or any SID. In the event the Borrower fails to prepare any financial statement or other financial information that this Section requires the Borrower to prepare and file with or at the direction of the State, then the State shall have the right (in addition to any other rights it may have to enforce the obligations of the Borrower hereunder) to inspect all records, accounts and data of the System and cause the preparation of the required financial statement or information and to employ such professionals as it may reasonably require for that purpose, and to be reimbursed from any available Pledged Revenues for the costs of its doing so. This Section shall not be construed to limit the generality of Section 4.3 hereof.

## **ARTICLE V - MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION**

Section 5.1. The Borrower agrees that during the Contract Period of Years it will:

- (a) Operate the Project Facilities in compliance with all applicable federal, state and local environmental laws and regulations in effect during such period, and
- (b) Keep the Project Facilities including all appurtenances thereto and the equipment and machinery therein in good repair and good operating condition at its own cost so that the completed Project Facilities will continue to operate with substantially the same efficiency as when first constructed.

The Borrower shall have the privilege of making additions, modifications and improvements to, making deletions from and discontinuing the use or operation of all or any part of, the Project Site and the Project Facilities from time to time; provided, that the cost of any additions, modifications and improvements shall be paid by the Borrower, and the same shall be the property of the Borrower and be included under the terms of this Agreement as part of the Project Site or the Project Facilities, as the case may be; and provided further that the Borrower shall make no modification to, make any deletion from or discontinue the use or operation of all or any part of, the Project Site or the Project Facilities, the result of which would be a material decrease in the Dedicated Repayment Source without first obtaining the written consent of the State thereto.

Section 5.2. The Borrower agrees that it will initiate operation of the Project Facilities in accordance with the Project Schedule, as amended, and will not discontinue operation of the Project Facilities without the approval of the Director. The Borrower agrees that it will provide adequate operation and maintenance of the Project Facilities to comply with all applicable rules and regulations of the Director. The Borrower agrees to maintain compliance with Ohio Revised Code Chapter 6109 and Ohio Administrative Code Sections 3745-81 through -99, inclusive, 3745-7, 3745-9, and any Chemical Contaminant Monitoring Schedule provided by the Director to ensure that proper and efficient operation and maintenance of the Project Facilities results from the time of Initiation of Operation until the end of the Contract Period of Years or the approval of the discontinuance of the operation of the Project Facilities by the Director. The Project Facilities shall be operated and maintained in accordance with the public water use ordinance or resolution governing the use of the Project Facilities and any administrative regulations adopted pursuant thereto acceptable to the Director as appropriate.

The Borrower will permit the State or its designated representatives to have access to the records of the Borrower pertaining to the operation and maintenance of the Project Facilities at any reasonable time following completion of construction of the Project Facilities.

Section 5.3. The Borrower agrees to insure, or cause to be insured, the Project Facilities in such amounts as similar properties are usually insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State of Ohio.

Section 5.4. The Borrower agrees that it will provide through self-insurance or obtain public liability insurance with reference to the Project Facilities in minimum amounts of \$500,000 for the death of or personal injury to one person and \$1,000,000 for personal injury or death for each occurrence in connection with the Project Facilities and \$500,000 for property damage for any occurrence in connection with the Project Facilities. The Director and the OWDA, on behalf of the DWAF shall be made an additional insured under such policies.

Section 5.5. Throughout the Contract Period of Years, the Borrower shall maintain Worker's Compensation Coverage or cause the same to be maintained.

Section 5.6. Any insurance policy issued pursuant to Section 5.4. hereof shall be so written or endorsed as to make losses, if any, payable to the State on behalf of the DWAF, and the Borrower as their respective interests may appear. Each insurance policy provided for in Sections 5.3. and 5.4. hereof shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the State and the Borrower at least ten days in advance of such cancellation. The Borrower shall deliver certificates of insurance evidencing the coverage required herein to the State.

Section 5.7. The net proceeds of the insurance carried pursuant to the provisions of Sections 5.3. and 5.4. hereof shall be applied as follows:

(a) The net proceeds of the insurance required in Section 5.3. hereof shall be applied as provided in Section 5.9. hereof, and

(b) The net proceeds of the insurance required in Section 5.4. hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 5.8. In the event the Borrower shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project Facilities in good repair and operating condition, or shall fail to operate the Project Facilities in accordance with Section 5.2. hereof, the OWDA may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums of the same or may make such repairs or replacements as are necessary or may hire the necessary operating personnel to insure compliance with Section 5.2. and provide for payment thereof; and all amounts so advanced therefor by the OWDA shall become a separate obligation, apart from this Agreement, of the Borrower to the OWDA, which amounts, together with interest thereon at a rate equal to three percent (3%) above the Contract Interest Rate from the date thereof, the Borrower agrees to pay.

Section 5.9. If prior to the completion of the Contract Period of Years the Project Facilities shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty, there

shall be no abatement or reduction in the amounts payable by the Borrower pursuant to Section 4.1. hereof, and the Borrower will:

- (a) Promptly repair, rebuild or restore the property damaged or destroyed, and
- (b) Apply for such purpose so much as may be necessary of any net proceeds of insurance policies resulting from claims for such losses as well as any additional moneys of the Borrower necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Borrower.

Section 5.10. In the event that title to or the temporary use of the Project Site or Project Facilities, or any part thereof, shall be taken by any person, firm, or corporation acting under governmental authority, there shall be no abatement or reduction on the amounts payable by the Borrower pursuant to Section 5.1. hereof, and any net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Borrower in a separate condemnation award account and shall be applied by the Borrower in either or both of the following ways as shall be determined by the Borrower:

- (a) The restoration of the improvements located on the Project Site to substantially the same condition as they existed prior to the exercise of said power of eminent domain; or
- (b) The acquisition of additional real estate, if necessary, and facilities, by construction or otherwise, equivalent to the Project Facilities, which real estate and facilities shall be deemed a part of the Project Site and Project Facilities without the payment of any amounts other than herein provided, to the same extent as if such real estate and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings shall be paid to the Borrower upon delivery to the OWDA of a certificate signed by an authorized officer of the Borrower that the Borrower has complied with either paragraph (a) or (b), or both, of this Section 5.10. The OWDA shall cooperate fully with the Borrower in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Site or Project Facilities of any part thereof. In no event will the Borrower voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Site or Project Facilities or any part thereof without the written consent of the State.

## **ARTICLE VI - GENERAL REPRESENTATIONS AND AGREEMENTS; EVENTS OF DEFAULT AND REMEDIES**

Section 6.1. The Borrower hereby represents and warrants that:

- (a) It is and shall remain in compliance, and shall take whatever actions are necessary to assure compliance during the Contract Period of Years, with all applicable federal, state, and local laws, ordinances, rules, regulations, and provisions of this Agreement, including without limitation the SDWA and Ohio Revised Code Chapter 6109, subject to its rights to contest in good faith the issue of non-compliance, and
- (b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the Borrower, wherein a result adverse to the Borrower could reasonably be expected to have a materially adverse effect on the ability of the Borrower to meet its obligations under this Agreement, and

(c) Except as heretofore disclosed in writing to the State, no judgment or consent order has been rendered against the Borrower, and the Borrower is not a party to any agreement, which imposes, will impose, or has imposed any fines or monetary penalties upon the Borrower for the violation of any federal, state, or local law, ordinance, or regulation, which fines or monetary penalties have not heretofore been paid in full.

Section 6.2. Each of the following shall be an event of default ("Event of Default") under this Agreement:

(a) The Borrower shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article III hereof.

(b) The Borrower shall fail to observe and perform any other obligations, agreements, or provisions of this Agreement, which failure shall continue for thirty (30) days after receipt of written notice thereof from the Director or the OWDA; provided, however, that such failure shall not constitute an Event of Default hereunder if the cure of such failure cannot be effected within thirty (30) days and if the Borrower is taking all reasonably necessary actions to cure such failure with all deliberate speed.

(c) Any representations made by the Borrower in Section 6.1 or 7.1 shall at any time during the Contract Period of Years prove to be false.

(d) The Borrower shall fail to observe any of the covenants contained in Article VII herein.

Section 6.3. The Director may terminate, suspend, or require immediate repayment of financial assistance from the Borrower in the event of a default due to failure to make any required payment, or due to any violation of the terms or conditions of this Agreement, or of the documents referred to in Section 3.2.(a), or of the plan approval for the Project Facilities under Section 6109.07 and 6109.24 of the Ohio Revised Code. The Director may also prescribe corrective action, or direct that corrective action be undertaken, to remedy the event or violation, and the Borrower agrees to perform such corrective action.

Section 6.4. Whenever an Event of Default of payment shall have occurred and be continuing, in addition to any other rights or remedies provided herein, by law or otherwise, the State may:

(a) declare the full amount of the then unpaid Project Participation Principal Amount to be immediately due and payable;

(b) to the extent permitted under any judgment, consent order, or agreement affecting the Borrower, require the Borrower to agree to, and the Borrower hereby agrees to, effect the subordination of the payment of any fine or penalties imposed for the violation of any federal, state, or local environmental law or regulation to the payment of the Eligible Project Costs and the interest due thereon.

Section 6.5. No right or remedy conferred upon the OWDA or the Director under Sections 6.3 or 6.4 hereof is intended to be exclusive of any other right or remedy given herein, by law, or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law, or otherwise.

Section 6.6. The Borrower releases the State from, agrees that the State shall not be liable for, and agrees to hold the State, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the Project Facilities, or the use thereof; provided that such indemnity under this Section 6.6 shall not be effective for damages that result from negligent or intentional acts of the State, its officers, employees and agents. The Borrower further agrees to indemnify and hold harmless the State, its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the Borrower in the performance of any covenant or agreement on the part of the Borrower to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project Facilities or arising from any act or negligence of or failure to act by the Borrower, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project Facilities (other than any accident, injury, or damage that results from negligent or intentional acts of the State, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the State by reason of any claim described in this Section, the State agrees to cause written notice of such action or proceeding to be given to the Borrower, and the Borrower upon notice from the State covenants to resist or defend such action or proceedings at the Borrower's expense including all legal and other expenses (including reasonable attorneys' fees).

#### **ARTICLE VII - MAINTENANCE OF TAX-EXEMPT STATUS OF BONDS/PRIVATE BUSINESS USE RESTRICTIONS**

Section 7.1. The Borrower acknowledges that the OWDA may issue tax-exempt bonds to provide the funds to meet the State's obligations with regard to funding the DWAF and that the maintenance of the tax-exempt status of any such bonds will depend, in part, on the Borrower's compliance with the provisions of this Agreement. Accordingly, the Borrower agrees as follows:

(a) That it shall take no action that would cause bonds issued by the OWDA, the proceeds of which could fund the loan to the borrower (the "OWDA Bonds") to fail to qualify as tax-exempt bonds, nor omit to take any action necessary to maintain such status;

(b) That it shall take any action that the OWDA reasonably may request it to take to maintain the status of the OWDA Bonds as tax-exempt bonds;

(c) That, to assure that the OWDA Bonds will not be or become "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended:

(i) The Borrower shall not permit, at any time ten percent (10%) or more (in the aggregate) of that portion of the Project Facilities to be financed with funds borrowed from the State hereunder (the "State Funds") to be used by any person or persons for any private business use (as hereinafter defined) while at the same time the payment of principal of, or the interest on, the State Funds is directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use or (B) payments made with respect to such property or (ii) derived from (A) payments with respect to such property (whether or not made to the OWDA) or (B) borrowed money used or to be used for private business use.

(ii) No portion of the State Funds will be used to make or finance loans to persons other than other governmental units.

For purposes of this Agreement, "private business use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit (as hereinafter defined). Use of any Project Facility or Project Site as a member of the general public will not be considered a private business use. Any activity carried on by a person other than a natural person shall be treated as a trade or business. Use by an organization which qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time, shall be considered a private business use.

For purposes of this Agreement, "governmental unit" means a political subdivision within the United States, including any political subdivision within the State of Ohio, but does not mean the United States or any of its governmental branches, departments or agencies.

If there is any question about the application of the foregoing restrictions relating to private business uses or loans, the Borrower agrees to immediately write the OWDA requesting assistance prior to entering into any agreement which may be prohibited as provided herein above.

(iii) The Borrower shall not reloan, directly or indirectly, any portion of the amounts advanced to it under this Agreement to any person;

(d) That, to assure that the OWDA Bonds will not be or become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, the Borrower, except upon the prior written consent of the OWDA, shall not create or permit to exist any fund pledged to, or expressly reserved exclusively for, the payment of amounts payable by the Borrower hereunder.

Section 7.2. The OWDA shall not be required to, and shall not, consent to any action by the Borrower referred to in Section 7.1 unless it first shall have received an opinion of nationally recognized bond counsel to the effect that the consummation of the transaction or transactions contemplated by such action will not adversely affect the tax-exempt status of the OWDA bonds.

Section 7.3. If the Borrower shall have any question about the application of Section 7.1, in the particular circumstances faced by it at any time during the term of this Agreement, it shall immediately inform the OWDA of the circumstances and request the OWDA's assistance to resolve any such questions, to the end that the tax-exempt status of the OWDA Bonds and of the OWDA's bonds would be preserved.

## **ARTICLE VIII - MISCELLANEOUS PROVISIONS**

Section 8.1. Any invoice, accounting, demand, or other communication under this Agreement by any party to this Agreement to any other party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (a) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority  
88 East Broad Street - Suite 1300  
Columbus, Ohio 43215-3516  
Attn: Executive Director

- and -

- (b) in the case of the Director, is addressed to or delivered personally to the Director at:

The Ohio Environmental Protection Agency  
Lazarus Government Center  
122 South Front Street  
P.O. Box 1049  
Columbus, Ohio 43216-1049  
Attn: Chief, Division of Drinking and Ground Waters

- and -

- (c) in the case of the Borrower, is addressed to or delivered personally to the Borrower at the address listed on Exhibit 1, or at such other addresses with respect to any such party as that party may from time to time, designate in writing and forward to the other parties as provided in this Section.

Section 8.2. Any approval of the State required by this Agreement shall not be unreasonably withheld. Any provision of the Agreement requiring the approval of the State or the satisfaction or evidence of satisfaction of the State shall be interpreted as requiring a response by the Director and the OWDA granting, authorizing, or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 8.3. Upon request of the OWDA, the Borrower agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the Borrower. The Borrower hereby agrees that the OWDA may file such information report for and on behalf of the Borrower with the Internal Revenue Service.

Section 8.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and Counsel to the Director and upon the certification of availability of funds as provided in Section 4.7. hereof.

Section 8.5. This Agreement shall become effective as of the date first set forth herein above and shall continue in full force and effect until the final day of the Contract Period of Years, based on the Semi-Annual Payment being paid at the rate established in Section 4.1. hereof, or until the day the obligations of the Borrower under this Agreement have been fully satisfied, whichever is later.

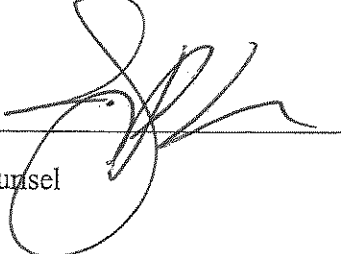
Section 8.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of any of the parties hereto. This Agreement shall not be assigned by the Borrower without the prior written consent of the State.



The State, at its option, may assign this Agreement without the consent of the Borrower.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the Effective Date as shown on Exhibit 1.


APPROVED AS TO FORM

  
Counsel

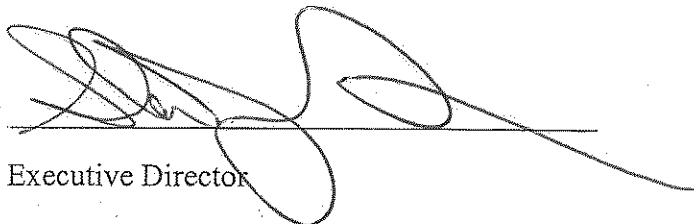
OHIO ENVIRONMENTAL PROTECTION AGENCY

By   
Director of Environmental Protection

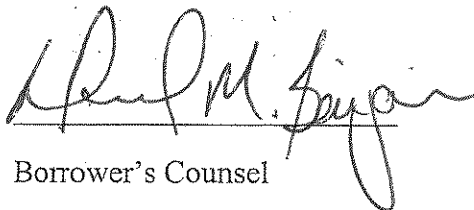
APPROVED AS TO FORM

  
General Counsel

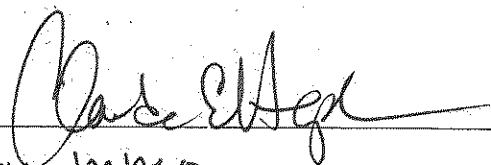
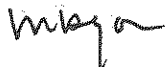
OHIO WATER DEVELOPMENT AUTHORITY

By   
Executive Director

APPROVED AS TO FORM

  
Borrower's Counsel

BORROWER

By   
Title 

By \_\_\_\_\_  
Title

## WATER SUPPLY REVOLVING LOAN ACCOUNT

EXHIBIT 1

Project Name: Mantua Waterline Loops and Booster Station  
 Borrower: Village of Mantua  
 Address: 4736 E. High Street  
 City: Mantua, Ohio, Ohio  
 Authorized Rep: Claude E. Hopkins, Mayor  
 Consultant: Jason Abbott, CT Consultants

Loan Number: FS990071-01  
 Zip Code: 44255  
 Phone: 330-274-8776  
 Phone: -9511

## PROJECT FACILITIES

The project consists of the installation of 850 8" and 200 12" waterlines within the distribution system and the replacement of the existing booster pump station with new below ground booster pump station.

## LOAN INFORMATION

	3 %
INTEREST RATE	20
TERM IN YEARS	40
NUMBER OF PAYMENTS	0.0334271
PARTICIPATION RATE	\$545,822.94
PRINCIPAL AMOUNT	\$183,968.22
INTEREST	\$729,811.15
TOTAL COST OF BORROWING	\$18,245.28
SEMI-ANNUAL PAYMENT	

## PROJECT SCHEDULE

APPLICATION DATE	05/28/2003
BID OPENING	08/20/2003
RESOLUTION DATE	04/15/2003
EFFECTIVE DATE	08/28/2003
INITIATION OF OPERATION	08/15/2004
DATE OF INITIAL PAYMENT	01/01/2005

## Eligible Project Costs

Administration	\$0.00
Const. Management	\$32,000.00
Inspection	\$20,000.00
Force Account	\$0.00
Construction	\$459,018.00
NE Ohio Trenching	\$364,599.00
A.J. Maseri	\$95,019.00
	\$0.00
	\$0.00
	\$0.00
Equipment	\$0.00
	\$0.00
	\$0.00
Land	\$0.00
Subtotal	\$511,618.00
Contingency	\$25,581.00
Planning	\$0.00
Design	\$0.00
Accrued Interest	\$0.00
Capitalized Interest	\$1,353.30
Subtotal	\$538,552.30
Application fee (1.35%)	\$7,270.64
Total Estimated Cost	\$545,822.94

## PLEDGED REVENUES

Section 1452(f)(1)(C) of the Safe Drinking Water Act requires one or more dedicated sources of revenue for repayment of the loan. The following information specifies those sources.

Revenue Source	Estimated Amount
Special Assessments	\$0.00
General Taxes	\$0.00
Bonds	\$0.00
Water Service Charges	\$729,811.15
Total	\$729,811.15

Special Terms and Conditions:

Borrower's Authorized Representative

8/19/03  
Date