

**OHIO WATER POLLUTION CONTROL LOAN FUND  
WATER RESOURCE RESTORATION SPONSOR PROGRAM  
SPONSORSHIP AGREEMENT**

**by and between**

**the Appalachia Ohio Alliance and the City of Lorain**

**for the**

**Alum Creek Poston Farm 2 (WR391662-0028)**

**Bison Hollow Additions Scheer Property (WR391662-0031)**

**Laurel Run Headwaters Selsley and Beamer Properties (WR391662-0026)**

**PROJECTS**

WHEREAS, the State of Ohio has created the Water Pollution Control Loan Fund (“WPCLF”) pursuant to O.R.C. 6111.036 to provide financial assistance for water resource protection and improvement actions; and

WHEREAS, the Ohio Environmental Protection Agency (“Ohio EPA”) has created the Water Resource Restoration Sponsor Program (“WRRSP”) within the WPCLF for the effective perpetual protection and maintenance of Ohio’s high quality aquatic ecosystem resources; and

WHEREAS, an applicant applying to the WPCLF for financing of a water quality improvement project may also sponsor a qualifying WRRSP project to be undertaken by itself, or by an entity with the ability to implement the WRRSP project; and

WHEREAS, the City of Lorain (“Sponsor”) has applied for funding from the WPCLF for the Martin Run Pump Station Construction Project, number **CS390532-00** and has also requested to sponsor the Poston Farm 2 Addition – Alum Creek Conservation Corridor (CS391662-0028), Bison Hollow Additions Scheer Property (WR391662-0031) and Laurel Run Headwaters Selsley and Beamer Properties (WR391662-0026) WRRSP Projects (“Projects”) as part of that WPCLF loan; and

WHEREAS, the Appalachia Ohio Alliance (“Implementer”) has agreed to undertake the implementation of the WRRSP Projects which are further described in the Ohio EPA-approved final Restoration and Protection Plans (“Plans”);

WHEREAS, the Sponsor and the Implementer have the common purpose of completing the WRRSP Projects in accordance with the Plans to protect and improve water resources within the State of Ohio; and

WHEREAS, the Implementer will be a party to the environmental covenants (“Covenants”) to be developed under O.R.C. Sections 5301.80 – 5301.92 to document the activity and use limitations imposed upon the property associated with the WRRSP Project as a condition of WPCLF assistance.

THEREFORE, the Sponsor and the Implementer agree to be bound by the terms and conditions of this WRRSP Sponsorship Agreement.

## **SECTION I. GENERAL PROVISIONS**

A. Pursuant to the intent of the WRRSP, the Sponsor and the Implementer agree that the essence of this agreement is for the parties to carry out their respective responsibilities in perpetuity for the planning, implementation, management, preservation, and maintenance of the WRRSP Project and its associated water resources in accordance with the Plans and the Covenants.

B. The parties acknowledge that a failure to implement the terms of this Agreement, the Plans, or the Covenants may be determined by the Ohio EPA to be an instance of default by the Sponsor on its WPCLF Loan Agreement. The Sponsor and the Implementer further acknowledge that remedies provided under the WPCLF Loan Agreement may be invoked by the Ohio EPA against the Sponsor for unresolved instances of default. The Implementer acknowledges that the Ohio EPA shall seek to resolve any failure to conform to the provisions of the Covenants or failure to implement the Plans first by seeking remedy directly from the Implementer before taking action against the Sponsor.

C. The parties acknowledge that, if the Ohio EPA determines that the Implementer has failed to conform to the provisions of the Covenants or to implement the Plans it may declare such failure an event of default and shall provide the Implementer and Sponsor with written notice of such event of default. If the Implementer fails to cure such default in a timely manner, the Sponsor shall have the right to take all steps necessary to cure the default in order to avoid the Ohio EPA's invoking remedies against the Sponsor for unresolved instances of default under the WPCLF Loan Agreement, up to the total cost of the WRRSP Project financed by the WPCLF and any interest discount applied for the remainder of the term of the Loan Agreement.

## **SECTION II. WRRSP PAYMENT REQUESTS AND DISBURSEMENTS**

All requests for disbursement of funds for eligible expenses to implement the WRRSP Project shall be submitted on the Water Pollution Control Loan Fund WRRSP Disbursement Request form provided by the Ohio EPA. The Implementer and the Sponsor agree to review all disbursement requests to ensure that they are appropriate expenses within the scope of the WRRSP Project.

Disbursement requests shall first be reviewed and approved by the Implementer, which shall then submit them to the Sponsor. The Sponsor shall review and approve the disbursement requests and submit them to the Ohio EPA, Division of Environmental and Financial Assistance, with a completed copy of the accompanying disbursement request form. The Ohio EPA will review and approve disbursement requests for eligibility and reasonableness, based on conformance with the items identified in Exhibit 1A of the WPCLF Loan Agreement between the Sponsor and the Ohio EPA, which is attached to and made part of this Agreement as Exhibit 1A. Upon Ohio EPA's approval

of the disbursement requests, the Ohio Water Development Authority is authorized disburse funds directly to the Implementer or an escrow agent designated by the Sponsor.

### **SECTION III. WRRSP PROJECT SCHEDULE**

The Implementer agrees that it shall not begin implementation of the WRRSP Project prior to the completion of all necessary approvals by the Ohio EPA and the execution of the WPCLF Loan Agreement by all parties, or alternatively, prior to the receipt of approval from the Ohio EPA to do so. All actions to implement the WRRSP Project that are called for under the loan agreement or in the Plans shall be completed by the Performance Certification Date identified on Exhibit 1 of the Sponsor's WPCLF Loan Agreement.

### **SECTION IV. OBLIGATION TO PROTECT AND MAINTAIN THE WRRSP PROJECT**

The Sponsor and Implementer recognize the value of the area associated with the WRRSP Project as an aquatic ecosystem resource, as well as its value as a scenic, natural, and aesthetic resource. Upon completion, the WRRSP Project will contribute to the physical, biological, and chemical integrity of the water quality of the Alum Creek and Scioto River watersheds. These and other conservation values associated with the WRRSP Project have been documented in the Plans as approved by the Ohio EPA, and included in the Covenants.

The parties agree that the Plans and the Covenants constitute the basis for subsequent actions by the Implementer under this Agreement, and are incorporated herein by reference. Without limitation, the Plans are intended to serve as an objective information baseline for monitoring perpetual conformance with the Covenants. The Sponsor and the Implementer agree that the perpetual protection and maintenance of the WRRSP Project shall be carried out in accordance with the responsibilities identified in the Plans and the Covenants.

### **SECTION V. INDEPENDENCE OF PARTIES**

The Sponsor and the Implementer are independent parties and neither of the parties shall be considered an agent for the other party.

### **SECTION VI. TERMINATION**

A. The Sponsor and the Implementer shall work together under this Agreement to complete the WRRSP Project in accordance with the Plans. However, the Sponsor and the Implementer specifically retain the right to terminate this

Agreement for any reason with written notice to the other party not less than five (5) days prior to the date that the Sponsor enters into the WPCLF Loan Agreement.

B. If the Ohio EPA does not award WPCLF assistance for the WRRSP Project, either the Sponsor or the Implementer may terminate this Agreement.

## **SECTION VII. DEFAULT**

In the event of default by any party under this Agreement, the non-defaulting party will have all remedies available to it at law or in equity, including right of termination, injunctive relief and the right to specific performance. No party shall be deemed to be in default of this Agreement unless and until the other party has provided written notice to the defaulting party specifying the default and (a) in the case of a monetary default, the defaulting party fails to cure the default within fifteen (15) days of notice; or (b) in the case of any other type of default, the defaulting party fails to cure the default within thirty (30) days of notice, or fails to commence and diligently prosecute such cure to completion if such cure cannot, with reasonable diligence, be completed with such thirty-day (30) period.

## **SECTION VIII. NOTICE**

Any document or communication required by this Agreement shall be submitted to:

Sponsor  
Director of Utilities  
City of Lorain  
1106 First Street  
Lorain, Ohio 44052

Implementer  
Executive Director  
Appalachia Ohio Alliance  
P.O. Box 1151  
Logan, Ohio 43215

Ohio EPA  
Chief  
Ohio EPA DEFA  
P.O. Box 1049  
Columbus, Ohio 43216-1049

**SECTION IX. COMPLIANCE WITH LAWS**

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

**IT IS SO AGREED:**

**(Remainder of page intentionally blank.)**

**City of Lorain (Sponsor)**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Approved as to Form:

\_\_\_\_\_

**Appalachia Ohio Alliance (Implementer)**

By: \_\_\_\_\_

Name: Steve Fleegal

Title: Executive Director

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

Approved as to Form:

\_\_\_\_\_