

**WATER AGREEMENT BETWEEN
CITY OF TOLEDO,
CITY OF ROSSFORD
AND
CITY OF NORTHWOOD**

THIS AGREEMENT entered into this 10TH day of SEPTEMBER, 1997 between the City of Toledo ("Toledo"), acting through its Mayor, the City of Rossford ("Rossford"), acting through its Mayor and the City of Northwood ("Northwood") acting through its Mayor.

WITNESSETH:

WHEREAS, Toledo supplies surplus water to a portion of the City of Northwood in accordance with its charter authority and the Ohio Constitution; and

WHEREAS, a portion of Northwood south of Wales Road and west of Interstate 75 can best be served with water and sewer services through the City of Rossford; and

WHEREAS, Northwood and Rossford have entered into a Joint Economic Development Zone agreement expiring in 2008 providing for the supply of utility services by Rossford to a portion of Northwood; and

WHEREAS, Rossford and Northwood have agreed to enter into contracts with Toledo authorizing the provision of water services to the designated area; and

NOW, THEREFORE, in consideration of the mutual promises and covenants made to each other and other good and valuable consideration, Toledo, Northwood and Rossford do hereby agree as follows:

SECTION 1 SALE OF WATER

Toledo agrees to sell surplus water to Rossford and Northwood, to the extent that it may lawfully do so, to be distributed through the water distribution system of Rossford and Northwood. During the term of this contract, only water supplied by Toledo shall be sold or used in the Rossford/Northwood water district as defined hereunder and no other water supplies shall be commingled with Toledo water unless authorized by Toledo and Ohio EPA.

SECTION 2 SERVICE DISTRICT

The Rossford/Northwood water service district ("Water District") consists of the area south of Wales Road and west of I-75 in the City of Northwood as shown on the map attached as Exhibit A and incorporated herein. The Water District shall be a non-exclusive district and shall not grant rights to Rossford or Northwood which are paramount to any other Toledo water customer located in Wood County or which in any way restrict Toledo from entering into water service contracts with other entities for service within the Water District. The Water District may

be expanded only through legislative enactment of the parties and subsequent executed revisions of this agreement.

SECTION 3 CONNECTION POINTS

Toledo shall deliver water to Rossford and Northwood at existing and additional connection points mutually agreed upon by the parties as needed.

SECTION 4 RETAIL SERVICE

Toledo shall read the meters and prepare and mail all bills for water service charges and other items to consumers in the Water District. Toledo shall not have any responsibility for construction, maintenance or operation of water facilities within the Water District except as provided in Section 6(B).

SECTION 5 CONSTRUCTION OF WATER FACILITIES

A. Rossford and Northwood shall own or construct all necessary water facilities needed to accommodate the transmission of water from Toledo to the customers in the Water District. No construction or modification of such facilities shall be commenced without the approval of Toledo's Department of Public Utilities and, when required by Toledo, preparation of a feasibility report.

B. Upon approval of the feasibility report by Toledo and payment of the fee established in Toledo Municipal Code section 935.06, Rossford and Northwood shall submit plans and specifications to the Department of Public Utilities for the improvement. After the Department of Public Utilities has approved the plans and specifications, Rossford and Northwood may take bids and begin construction.

C. All construction shall be in accordance with applicable Toledo standards in effect at the time. Rossford and Northwood shall notify Toledo in advance of construction in order to permit Toledo to inspect all work. Rossford and Northwood grant Toledo the right to enter upon Rossford and Northwood streets and property to inspect and monitor the facilities so constructed. Inspection of Rossford's and Northwood's construction work shall not confer liability upon Toledo or relieve Rossford and Northwood from constructing water facilities in a proper manner.

D. All construction work shall be at Rossford's and Northwood's expense. In the event any required capital improvements are directly beneficial to Toledo, Toledo shall contribute a proportional share of the expense of such installation incurred in any amount mutually agreed upon by the parties which equitably reflects the benefit to Toledo.

E. Rossford and Northwood shall prepare and maintain current, detailed maps showing the location of all pipes, special castings, valves and fire hydrants installed in the Water District. A copy of such maps and all updates shall be furnished to Toledo in suitable form.

F. In the event it becomes necessary for Toledo to improve existing facilities or construct additional facilities in order to supply water to Rossford and Northwood under this agreement, Rossford and Northwood shall pay for that portion of the cost which is attributable to the provision of water to the Water District. Toledo shall notify Rossford and Northwood in writing of such estimated cost prior to the completion of such plans.

SECTION 6 MAINTENANCE AND OPERATION

A. Rossford and Northwood shall operate and maintain the water facilities within the Water District and shall periodically inspect and police such facilities to ensure proper operation. Toledo shall have the right to enter upon Rossford and Northwood streets and property for the purpose of inspecting such facilities.

B. At the request of Rossford and Northwood, Toledo may provide maintenance and operation services within the Water District at rates set by the Department of Public Utilities. Rossford and Northwood shall hold Toledo harmless from any claim, damage or action which arises from any such work which is not due solely to the negligence of Toledo.

C. If Rossford and Northwood are not the owner of some or all of the water facilities within the Water District, Rossford and Northwood shall hold Toledo harmless from any claim, damage or action brought by the owner of said facilities which arises from Toledo's supply of water to Rossford and Northwood under this agreement.

SECTION 7 INSTALLATION OF TAP BRANCHES

Installation of water tap branches within the Water District shall be made by Toledo's Department of Public Utilities and charged to the consumer at the outside city rate. Applications for the installation of water tap branches shall be made to Rossford and Northwood and, upon approval, shall then be submitted to the Department of Public Utilities.

SECTION 8 METERS

Tap branches installed by Toledo shall be equipped with a meter in accordance with applicable Toledo standards. The installation of all meters shall be made by the Department of Public Utilities according to applicable regulations.

SECTION 9 WATER RATES

A. During the term of this agreement, customers within the Water District shall pay for water supplied by Toledo at the first block rate specified in Toledo Municipal Code section 933.02(a)(1) charged to consumers within Toledo plus a surcharge of one hundred fifteen percent (115%); provided, however, that said water rate shall not be less than \$13.95 per thousand cubic feet during the term of the contract.

B. Rossford and Northwood may charge their residents within the Water District a local maintenance, capital or other charge which will be collected by Toledo and paid to Rossford on a quarterly basis. No modification of the local charges shall become effective or be collected by Toledo until Rossford and Northwood have notified Toledo and all customers in the Water District at least forty-five (45) days prior to the proposed effective date. The notice shall be submitted to the Department of Public Utilities for review and approval prior to mailing and shall state that the local charges are being imposed by Rossford and Northwood. Toledo shall charge customers within the Water District for the service of billing, collecting, accounting for and remitting of the Rossford and Northwood local charge. The 1997 charge for this service shall be one dollar (\$1.00) per bill; thereafter, the charge shall be an amount equal to the actual cost of billing as substantiated by Toledo, such charge to become effective following thirty (30) days written notice.

C. Upon termination of this Agreement, each party shall conduct an accounting of sums owed under this Agreement and shall pay any outstanding amount to the other party.

SECTION 10 ECONOMIC DEVELOPMENT

A. Rossford and Northwood shall require any business locating within the Water District to agree to establish, as a goal, that at least fifty percent (50%) of the work force be comprised of Toledo residents. Good faith efforts to meet the goal shall include advertising in Toledo newspapers when seeking new employees and consulting with the Ohio Bureau of Employment Services offices within the City of Toledo. Recognizing that the stated percentage is a goal, and not an absolute requirement, no business will be required to terminate any employee who is not a Toledo resident, or to violate any collective bargaining agreement, or to hire additional employees simply to meet the stated goal, or to violate any other local, state or federal fair employment practices law. Rossford and Northwood shall maintain employment records that permit the parties to monitor achievement of this goal.

B. Toledo, Rossford and Northwood agree that they will not solicit businesses located in the service district of the other parties to relocate to the Water District. Unless the parties otherwise agree as to a specific project based upon unique circumstances, no party will provide special aid or assistance to a business in order to have the business relocate to that party's service district, such as granting tax abatement, reducing or waiving infrastructure fees, and applications for State economic development assistance. Such special assistance, however, does not include such things as zoning variances and other siting matters routinely granted to other similarly situated customers. If there is a claim that one of the parties has breach Section 10(A) or (B) of this agreement, the parties shall confer and consult with one another in an effort to resolve the dispute before taking any formal action with respect to the claimed breach.

C. The parties will cooperate to attract state development aid, federal funds and employment training dollars to their jurisdictions. In addition, Rossford and Northwood agree to support state legislation which facilitates tax-sharing arrangements between political subdivisions and which permits the use of water funds for economic development purposes.

SECTION 11 COLLECTION

A. Toledo shall be responsible for collecting any sums which shall be owed for services performed under this agreement. Rossford and Northwood agree that Toledo shall have full power and authority to terminate water service to any customer within the Water District for nonpayment of charges and fees. In addition, Toledo shall have full power and authority to place liens upon the property of delinquent water customers pursuant to R.C. 743.04.

B. In the event service is discontinued to a consumer within the Water District, no service shall be permitted or resumed to such consumer until all delinquencies, including penalties are paid in full or satisfactory payment arrangements are made.

C. Toledo shall remit to Rossford and Northwood on or before March 1, June 1, September 1, and December 1, of each year the balance remaining from the amount collected from consumers in the Rossford/Northwood water service district after deducting the amounts owed to Toledo for rates, charges and fees as specified in this agreement. With each remittance to Rossford and Northwood, Toledo shall furnish an accounting showing the amount billed and collected together with the balance owed to each party.

SECTION 12 APPLICABILITY OF TOLEDO RULES AND REGULATIONS

A. Any water customer in the Water District who accepts water from Toledo shall be considered as accepting the provisions of this agreement and all applicable ordinances and regulations of Toledo pertaining to said service.

B. Applications for water service shall be made with the office of the Department of Public Utilities in accordance with the rules and regulations of the department. Water which is found to be in use without the proper application and approval shall be shut off and service not restored until proper application is made.

C. By execution of this agreement, Rossford and Northwood agree to be bound by the applicable rules and regulations of Toledo as they may be amended from time to time. In addition, Rossford and Northwood agree to take any and all actions which are necessary to comply with any state or federal law or regulation governing water service including but not limited to the Safe Drinking Water Act. Rossford and Northwood agree to assist Toledo in complying with such regulations. In the event Rossford and Northwood fail to comply with applicable federal, state or local regulations, Toledo is authorized to take necessary action to properly enforce such measures.

SECTION 13 WATER SUPPLY AND PRESSURE NOT GUARANTEED

Toledo undertakes to supply water to all customers in the Water District to the extent it shall have a surplus supply and may lawfully do so. However, Rossford and Northwood acknowledge that water service to the Water District is at all times subordinate to the needs of consumers within Toledo and those requirements entered into by virtue of water contracts entered

into prior to the date of this agreement. Rossford and Northwood agree to abide by and enforce any emergency restrictions as to water use which may be imposed upon customers within Toledo. Toledo does not guarantee any fixed pressure or continuous supply of water. In the event of serious damage to reservoirs or pumping stations or other emergency, water may be shut off without notice. Any suspension of water service or inadequacy of water pressure for any of the foregoing causes, and/or for any reasons beyond the control of Toledo shall in no case render Toledo liable for damages to Rossford and Northwood and/or any person, firm, corporation and/or governmental body in the Water District. If Toledo fails to supply an adequate amount of water or adequate water pressure to the Water District for a protracted period of time, or if such inadequacy occurs with undue frequency, and if no plan for improvement can be agreed upon by both parties, then Rossford and Northwood shall have the right to terminate this contract upon ninety days written notice delivered to the Mayor of Toledo with a copy to the Director of Public Utilities.

SECTION 14 USE OF FIRE HYDRANTS

In addition to firefighting, Rossford and Northwood shall be authorized, upon permission of the Department of Public Utilities, to use reasonable amounts of water from fire hydrants for the purpose of flushing public sewers by its own employees. No other use of water from fire hydrants may be made by Rossford and Northwood or any person without the written consent of the Director of Public Utilities.

SECTION 15 CONTRACTS WITH OTHER ENTITIES

Nothing in this agreement shall be construed as preventing Toledo from selling Toledo water directly to any area and/or political subdivision outside of the Water District. Toledo shall have the right and authority to use the lines in the Rossford/Northwood water service district, without charge, for the purpose of supplying water to its customers outside of the service district, provided such use does not impair the service to Rossford and Northwood.

SECTION 16 TERM

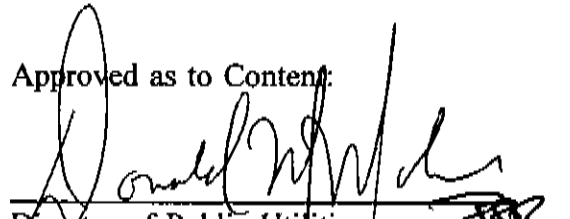
The term of this Agreement shall be for a period of seven (7) years from the date of execution unless terminated earlier by mutual agreement of the parties.

SECTION 17 SEVERABILITY CLAUSE

The provisions of this Agreement are declared to be severable and the holding as invalid of any section or provision hereof shall not impair or invalidate the remaining sections or provisions hereof.

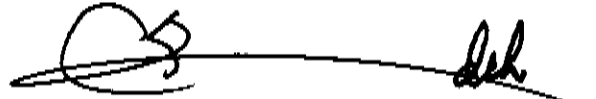
IN WITNESS WHEREOF, the City of Toledo, by its Mayor and Director of Public Utilities, the City of Rossford, by its Mayor and Administrator and the City of Northwood, by its Mayor and Administrator have caused this Agreement to be executed on the date first mentioned above.

Approved as to Content:



Director of Public Utilities

CITY OF TOLEDO



Mayor


Approved as to Form:




Director of Law

CITY OF ROSSFORD

Approved as to Form:



Law Director



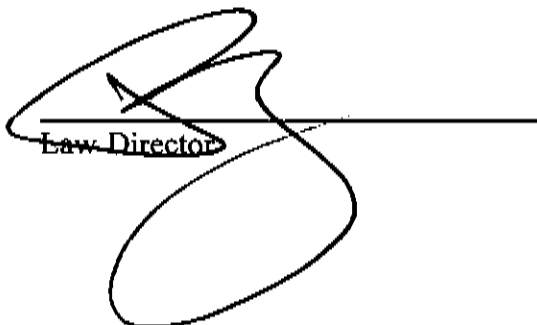
Mayor



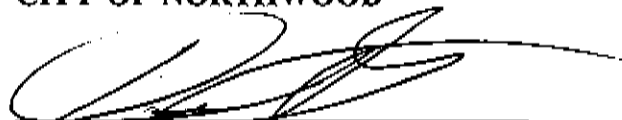
Administrator

CITY OF NORTHWOOD

Approved as to Form:



Law Director

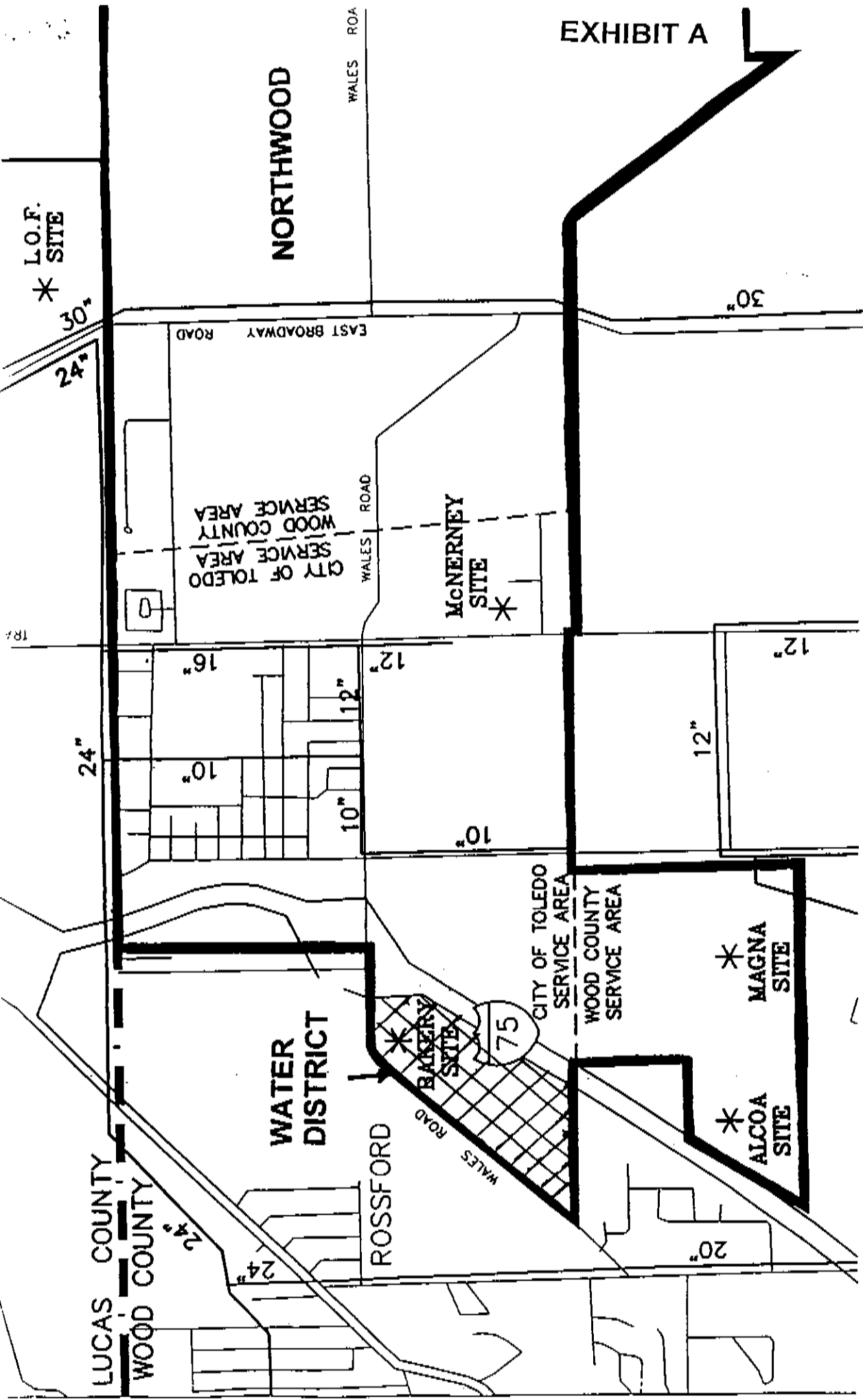


Mayor



Administrator

EXHIBIT A



L.O.F. SITE

NORTHWOOD

WALES ROAD

EAST BROADWAY ROAD

CITY OF TOLEDO SERVICE AREA
WOOD COUNTY SERVICE AREA

McNERNEY SITE

WATER DISTRICT

ROSSFORD

BAKERY SITE

CITY OF TOLEDO SERVICE AREA
WOOD COUNTY SERVICE AREA

MAGNA SITE

ALCOA SITE

LUCAS COUNTY
WOOD COUNTY

30'
24'

30'

24'

16'

12'
10'

12'

10'

12'

12'

20'

24'

24'

75