Commissioner Barlos offered the following resolution:

WHEREAS, the village of Whitehouse and Lucas County desire to enter into an agreement which will allow Whitehouse to connect to the Lucas County water system; and

WHEREAS, Toledo is willing to furnish water to the County upon terms and conditions set forth in the “Southwest Lucas County-Toledo Water Service Area” agreement dated May 31, 1983; and

WHEREAS, the Lucas County Sanitary Engineer recommends approval of said agreement; now, therefore, be it

RESOLVED, by the Board of County Commissioners, Lucas County, Ohio, that:

Section 1. Any two commissioners are authorized to sign the Agreement with the Village of Whitehouse for the supply of water.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in meetings open to the public in compliance with the law.
AUTHORIZING AND DIRECTING THE BOARD OF COUNTY COMMISSIONERS TO ENTER INTO AN AGREEMENT WITH THE VILLAGE OF WHITEHOUSE FOR THE SUPPLY OF WATER

Page 2

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

On the foregoing, Commissioner Barlos voted aye
Commissioner Copeland - absent
Commissioner Isenberg voted aye

[Signature]
Nancy Poskar, Clerk

REC'D
JUN 06 2002
SANITARY ENGINEER
LUCAS COUNTY
HOLLAND, OHIO
WATER AGREEMENT
between
LUCAS COUNTY, OHIO
and
THE MUNICIPALITY OF WHITEHOUSE, OHIO

THIS AGREEMENT entered into this 30th day of May, 2002, by and
between the COUNTY OF LUCAS, a political subdivision organized and existing under
the laws of the State of Ohio, hereinafter referred to as the "County", acting through its
Board of Commissioners, duly authorized by a Resolution adopted by its Board of
Commissioners on the 30th day May, 2002, and the MUNICIPALITY
OF WHITEHOUSE, a municipal corporation organized and existing under the laws of
the State of Ohio, hereinafter referred to as "Whitehouse", acting through its Municipal
Administrator, duly authorized by Resolution No. 13-2002 adopted by its Council
on the 21st day of May, 2002.

WITNESSETH:

WHEREAS, the City of Toledo has been heretofore supplying surplus water to
incorporated and unincorporated territory outside its municipal limits, in accordance with
the provisions of Title III, Chapters 933, 935, 937, and 939 of the Toledo Municipal
Code; and

WHEREAS, Toledo is willing to furnish the same to the County upon the terms
and conditions set forth in the "Southwest Lucas County-Toledo Water Service Area"
Agreement as hereinafter defined, a copy of which is attached hereto, as Exhibit A, and
made a part hereof; and

WHEREAS, the County under Chapter 6103 of the Ohio Revised Code does
have the authority to construct and maintain and operate a waterline to a connection
point within the County to serve Whitehouse; and

Revised Version – 4/24/2002
WHEREAS, the County by virtue of the terms of the "Southwest Lucas County-Toledo Water Service Area" Agreement with Toledo hereinafter defined has the right to contract with the Municipality of Whitehouse for the supply of Toledo water to that area; and

WHEREAS, Whitehouse desires to contract with the County for water to be supplied upon such terms and conditions set forth hereafter.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and the performance hereof, it is agreed by and between the County and Whitehouse as follows:

Section 1. Definitions.

A. "Whitehouse Water Distribution System" is defined as any and all water mains, lines, hydrants and appurtenances thereto, owned and operated by the Village of Whitehouse, being both inside and outside its Corporation boundary pursuant to the boundary on Exhibit B.

B. "Master Meter" shall mean all meters owned by the Whitehouse for the purpose of measuring the volume of water received from the County.

C. "Southwest Agreement" shall mean the Southwest Lucas County-Toledo Water Service Agreement between the County and Toledo dated May 31, 1983, as attached hereto.

D. "Toledo" shall mean the City of Toledo from whom the water is being supplied and billed based on master meter(s).

Section 2. Purpose of Agreement. The purpose of this Agreement is to establish the terms and conditions under which the county shall supply Toledo water to Whitehouse of quality satisfactory to Whitehouse and to the Ohio Environmental Protection Agency or its successors for use in the Whitehouse Water Distribution System during the contract period as well as the basis of compensation for the water so supplied.
Section 3. **Obligation of Whitehouse.** Whitehouse shall pay Toledo for said water furnished under this Agreement at the rate set forth below in Section 8. Bills shall be rendered monthly and shall be paid in accordance with the Toledo Municipal Code, Chapter 933 and the Rules and Regulations of the Department of Utilities.

In addition to the above payment to Toledo for water service, Whitehouse shall also pay the following amounts to the County for the construction, operation, maintenance and debt service on the County's southwest water distribution system:

A. Commencing with the date that Whitehouse connects to the water supply from Lucas County, Whitehouse shall pay an amount equal to $2.94 per 1,000 cubic feet of water furnished under this Agreement to the County for the operation, maintenance and debt service on the County's southwest water distribution system. Said rate shall be subject to review, recalculation and/or renegotiations upon request of either Whitehouse or the County. Any proposed adjustment in said rate may be submitted to the Advisory Board established by Section 13 of this Agreement.

B. The construction and engineering costs for the 16-inch water main along Whitehouse- Spencer Road from Ramm Road to the Wabash Cannonball Trail shall be shared. The County and Whitehouse do hereby agree that the County's share of said costs shall be all construction related expenses and Whitehouse's share of said costs shall be all design related expenses.

As a means of monitoring the water being furnished under this Agreement, and, further, as a method of protecting the health and welfare of all water users within the Southwest Lucas County-Toledo Water Service Area, as defined in the Southwest
Agreement, no water facilities transmitting water furnished by Toledo shall be utilized for the transmission of water from any other source or supplier.

Section 4. **Obligations of County; Connection Points.** The County shall deliver water to Whitehouse at two (2) connection points. The first, and major, connection point shall be on North Texas Street near the northerly Village Municipal Corporation limits.

The County has constructed a sixteen (16)-inch water main along Whitehouse-Spencer Road at the intersection of North Texas Street at the Whitehouse Municipal Corporation limits. This shall be the initial connection point. There shall be no direct connections from the sixteen (16)-inch trunk main into the Whitehouse Water Distribution System except as otherwise expressly provided in this Section.

The second, and future, connection point shall be at the Municipal Corporation limits on Dutch Road. The County shall construct a twelve (12)-inch water main westerly along Dutch Road from the existing sixteen (16) -inch water main at the intersection of Waterville-Monclova Road and Dutch Road to the point of connection.

The County shall own, operate, maintain and be responsible for future replacement, if any, of and the 16-inch and 12-inch water mains constructed as outlined above.

The County will, to the extent that it may lawfully do so and to the best of its ability, supply surplus water to Whitehouse and all customers now or hereafter within the "Whitehouse Water Distribution System" all water required by them for domestic, commercial, or industrial purposes.

In the event of serious damage to reservoirs or pumping stations of the Toledo or County water system, or other emergencies, water may be shut off by Toledo or the
County for the reasonable duration thereof. Toledo or the County shall give immediate notice of such shut-off to the Municipal Administrator of Whitehouse, which notice may be given by telephone, fax or hand delivery of said message. Any suspension of water service or inadequacy of water pressure for any of the foregoing causes and/or for any reason beyond the control of Toledo or the County shall in no case render Toledo or the County liable for damages to any person, firm, corporation, and/or governmental body in the "Whitehouse Water Distribution System".

Whitehouse agrees to abide by and enforce any emergency restrictions as to water use that may be imposed upon consumers within Toledo pursuant to Title III, Chapter 939, Section 939.14 of the Toledo Municipal Code.

Section 5. Use of Rights-of-Way within the Whitehouse Water Distribution System within Lucas County. The County shall have the right to use all rights-of-way and easements required for the constructing, laying, locating operating, repairing, replacing, removing and/or maintaining trunk mains without payment or license fees of any kind. In the event Whitehouse annexes areas within the County, which are outside the Whitehouse Water Distribution System, the foregoing rights shall continue to be available to the County.

Section 6. Maintenance and Operation. Whitehouse shall operate the entire water system in the Whitehouse Water Service Area except as otherwise agreed upon by Lucas County and Whitehouse and shall maintain and replace when necessary, at its cost, all mains, reservoirs, tanks, pumping stations and other improvements and equipment now in existence or hereafter constructed.

The County agrees that all existing County water lines situated within the Whitehouse Water Distribution System as of the date of execution of the Agreement
shall become the sole property of Whitehouse when all assessments levied for costs associated with the construction of said water lines are paid in full. At such time, Whitehouse shall become solely responsible for the continued operation and maintenance of said water lines within the Whitehouse Water Distribution System and shall hold the County harmless from any further liability or damages whatsoever arising out of or associated with said water lines.

**Section 7. Meters.** For the purpose of maintaining accurate records of the water sold to Whitehouse under this Agreement through the trunk mains and take off points provided for in Section 4, Whitehouse agrees to satisfactorily install and/or maintain at the expense of Whitehouse, master meters of the same standard of material and workmanship as are now or may hereafter be required by the Toledo Municipal Code or Rules, Regulations or Standards of the Department of Public Utilities now or hereafter lawfully in effect.

All said master meters shall be unrestrictively accessible to Toledo, Lucas County, and Whitehouse and each party hereto shall be furnished a key to each of the said master meters. The master meters shall be available at all times for inspection, calibration and reading by authorized officers and employees of the parties hereto. Toledo is hereby authorized to effect repairs and maintenance of the said master meters at the expense of Whitehouse, which in Toledo's sound judgment and discretion are of an emergency nature, without requiring the consent and/or authorization of Whitehouse; provided that Whitehouse is notified prior to commencement of such work.

The Whitehouse master meters shall be tested pursuant to applicable provisions of the Toledo Municipal Code and the Department of Public Utilities Rules and Regulations.
Section 8. Water Rates. The rates charged for water furnished hereunder shall be the basic rate charged during the contract period to users within the corporate limits of the City of Toledo plus an additional amount or surcharge of fifty percent (50%) of such rates; provided, however, that should the surcharge levied against other consumers within the Southwest Lucas County-Toledo Water Service Area be changed from fifty (50%) during the contract period, then the surcharge levied against consumers within the Whitehouse Water Distribution System shall likewise be changed.

Toledo shall have the right to amend such basic rates as provided in the Toledo Municipal Code at any time; provided, however, no increase of such basic rates shall become effective unless Toledo shall have furnished a notice to substantiate such increase to Whitehouse at least thirty (30) days prior to the effective date thereof. Whitehouse may elect, upon giving Toledo written notice of such election within thirty (30) days of receipt of notice of change of basic rates, to contest the increase on the basis that said increase is not substantiated. That portion of Toledo's amended basic rates representing an increase which are paid shall, to the extent of any increase therein, be considered on behalf of the users in the Whitehouse Water Distribution System and the municipality of Whitehouse to be paid under protest.

Section 9. Future Improvements. The County shall be responsible for the construction, operation, and maintenance of any future capital improvement projects necessary to supply the water specified in Section 4 of this Agreement.

Section 10. Adherence to Rules and Toledo Municipal Code. Whitehouse, as a customer, shall abide by the applicable terms of the Southwest Lucas County-Toledo Water Agreement, Toledo's Rules and Regulations, as well as Toledo Municipal Code sections, which are now or hereinafter in effect for Toledo's customers.
Section 11. **Water to be Used Only in Whitehouse Water Distribution System.** Whitehouse shall have the right to sell the said water herein agreed to be purchased by it solely to the customers within the Whitehouse Water Distribution System.

Whitehouse hereby agrees that it will not require any customers or potential customers within the Whitehouse Water Distribution System to annex to the Municipality of Whitehouse as a condition precedent to receiving water covered by this Agreement.

Section 12. **Renegotiation of Agreement.** Either party hereto shall have the right to request renegotiation of any of the terms of this Agreement, and, upon ninety (90) days written notice to the other party, the parties hereto shall meet for the purpose of undertaking such renegotiation. In the event, as the result of the foregoing renegotiation, the parties hereto mutually agree upon the modification of any of the terms of the within Agreement, such modification shall be submitted to the City of Toledo for its approval. Upon such approval being given, this Agreement shall be amended to reflect the agreed modification.

Section 13. **Advisory Board.** Should any situation arise during the term of this Agreement for which no clear provision is made by the Agreement or should any difference arise between the County and Whitehouse with respect to the interpretation and effect of this Agreement, including any of their respective rights, obligations, or liabilities hereunder, the controversy shall be investigated by the County and Whitehouse in accordance with the general purpose of this Agreement. Should the parties be unable to agree, a special Advisory Board shall be set up consisting of one member appointed by the County, one appointed by Whitehouse, and one appointed by Toledo and two others designated by the three so appointed. The five-member Advisory Board...
Board shall hold such hearings and make such investigations as it considers necessary and it shall make such findings and recommendations with respect to controversy, as it shall consider just and equitable in accordance with the intent and purpose of this Agreement. The cost of the fact finding by the Advisory Board shall be paid one-half (1/2) by the County and one-half (1/2) by Whitehouse.

Unless contrary to law, the decision of the Advisory Board shall be final and binding on the parties to this Agreement.

Section 14. **Term of Contract.** This Agreement shall expire on October 10, 2014 to coincide with the City/County agreement. In the event the City/County agreement is terminated prior to October 10, 2014; this agreement shall terminate at the same time.

Section 15. **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.

Section 16. **Termination by Operation of Law.** It is agreed by the parties hereto that if the intent and purpose of this Agreement cannot be legally carried out by virtue of the Statutes and Constitution of the State of Ohio, and the Charter of the Municipality of Whitehouse, this Agreement shall be null and void.

Section 17. **Approvals of Other Authorities.** This agreement shall be submitted to and shall require the approval of the City of Toledo.

Section 18. **Reservation Of Right To Amend Southwest Agreement.** The County does hereby specifically reserve and shall unconditionally have the right to, and may, without the consent or approval of Whitehouse to do so, amend and/or modify the Southwest Agreement in any manner whatsoever which is mutually agreed upon by the parties to the Southwest Agreement, namely the County and the City of Toledo,
providing such amendment and/or modification does not modify the terms of the within Agreement.

IN WITNESS WHEREOF, the County of Lucas, by its Board of Commissioners, and the Municipality of Whitehouse, by its Mayor and Municipal Administrator have hereunto set their hands the day and year first above-mentioned.

APPROVED AS TO CONTENT:

County Sanitary Engineer

Lucas County Resolution No: 02-735

LUCAS COUNTY, OHIO

By: Sandy Isenberg, President

By: Bill Copeland, Commissioner

By: Harry Barlos, Commissioner

THE MUNICIPALITY OF WHITEHOUSE

By: Mayor - Stanley J. Wielinski

By: Administrator - Randy J. Bukas

Date: 21 MAY, 2002

Date: __________, 2002

APPROVED AS TO FORM:

County Prosecuting Attorney

Whitehouse Village Solicitor
CONSENT AND APPROVAL OF THE CITY OF TOLEDO

The City of Toledo, Ohio acting through its Mayor, hereby approves and consents to the terms, conditions, and provisions of the within Agreement.

Mayor

APPROVED AS TO CONTENT:

Robert Stevenson
Public Utilities Director

APPROVED AS TO FORM:

Director, Law Department
SOUTHWEST LUCAS COUNTY - TOLEDO WATER AGREEMENT

This Agreement entered into this __________ day of ______, 1983, between the CITY OF TOLEDO, hereinafter designated "Toledo", acting through its City Manager and Director of Public Utilities, and the COUNTY OF LUCAS, hereinafter designated "County", acting through its Board of County Commissioners, hereinafter designated "County Commissioners", pursuant to Chapter 6103 of the Revised Code of the State of Ohio.

WITNESSETH:

WHEREAS, Toledo has heretofore been supplying surplus water to territories outside its municipal limits, in accordance with the provisions of Title III, Chapters 933, 935, 937 and 939 of the Toledo Municipal Code; and

WHEREAS, water mains, trunks and appurtenances located in the County outside of Toledo, through which Toledo water has been carried to consumers, have been installed by or under the supervision of the County Commissioners and maintained by them in accordance with the provisions of the Ohio Revised Code, including Chapter 6103, and have been so constructed as to constitute extensions of the City Water Distribution System; and

WHEREAS, there is a need for a water supply to adequately furnish water to existing and future consumers in the area hereinafter defined and referred to in this Agreement as the Southwest Lucas County-Toledo Water Service Area and it will be necessary in the future to supplement existing mains and trunks, to establish interconnecting trunk mains, and otherwise, to construct additional transmission facilities; and

WHEREAS, Toledo has surplus water to dispose of and is willing to sell the same, subject to the limitations and conditions herein provided, to outside consumers; and

WHEREAS, the County Commissioners, in pursuance of their authority under the Ohio Revised Code, including Chapter 6103 of the Ohio Revised Code, desire to contract for the supply of water to consumers in the area hereinafter defined; and

WHEREAS, it is more economical and feasible that the area hereinafter defined be furnished water through the existing Toledo Water Distribution System; and
WHEREAS, the subject matter and provisions of the original agreement executed October 11, 1974, and authorized by Ordinance 540-74, passed by the City of Toledo on June 11, 1974, and by Resolution of the County Commissioners dated June 11, 1974, are now being superseded by the terms, provisions and conditions hereinafter set forth in this Agreement dated May 31, 1983, since the County's desire to enlarge the Southwest Lucas County-Toledo Water Service Area and consolidate their water district in regard to the capital and maintenance charges, requires substantial modification of the said original agreement; and

WHEREAS, Toledo continues to be willing to furnish surplus water to the Southwest Lucas County-Toledo Water Service Area, and it is in the general public interest and to the mutual advantage of Toledo and the County that this Agreement be entered into;

NOW, THEREFORE, to meet the needs of the parties hereto, and in consideration of the mutual promises and agreements herein contained, and the performance hereof, it is agreed by and between Toledo and the County as follows:

SECTION 1. SUPERSSEDED AGREEMENT. The Agreement executed by and between Toledo and the County on October 11, 1974, shall be in full effect and force through May 30, 1983, and effective May 31, 1983, shall be deemed wholly superseded and replaced by this Agreement, subject to the payment of any accrued and unsatisfied obligations or liabilities due by the County to Toledo under the existing Agreement, all of which are hereby assumed by the County. The County does hereby agree to expeditiously pay all presently accrued and unsatisfied obligations or liabilities, if any, incurred under the Agreement of October 11, 1974, upon receipt of Toledo's invoice therefor. Nothing in this section shall be construed to affect the obligation to Toledo of persons other than the County for accrued billings and other liabilities.

SECTION 2. DEFINITIONS. For the purpose of this Agreement the terms defined in this section shall have the meaning herein ascribed to them:

A. DIVISION OF WATER shall mean the Division of Water of Toledo.

B. CITY WATER DISTRIBUTION SYSTEM shall mean water supply, treatment, storage, pumping and distribution system owned and operated by Toledo.
C. SOUTHWEST LUCAS COUNTY-TOLEDO-WATER SERVICE AREA is defined and to be known as the southwest area of the County located outside the corporate limits of Toledo as outlined on the map attached hereto and made a part hereof, and designated as Exhibit A and described as follows:

Starting at the intersection of the north line of the Ohio Turnpike and the east line of Interstate 475, called the POINT OF BEGINNING and hereinafter referred to as such; thence southerly along the east line of Interstate 475 to the east line of River Tract 27, Town 1 USR; thence southerly to the Maumee River and Lucas County-Wood County line; thence southwesterly along the Maumee River and Lucas County-Wood County line to the southwest line of Waterville Township; thence northwesterly along the southwest line of Waterville Township to the center line of Vollmer Road; thence northeasterly along the centerline of Vollmer Road to the centerline of Hertsfeld Road; thence northerly along the centerline of Hertsfeld Road to the north line of Section 14, T-6-N, R-9-E; thence westerly along the north line of Section 14 and Section 15, T-6-N, R-9-E to the centerline of the Berkey-Southern Road; thence northerly along the Berkey-Southern Road to the north line of Section 27, T-7-N, R-9-E; thence easterly along the north line of Section 27, T-7-N, R-9-E to the centerline of Whitehouse-Spencer Road; thence northerly along the centerline of Whitehouse-Spencer Road to the centerline of Sager Road; thence westerly along the centerline of Sager Road to the centerline of Wilkins Road; thence northerly along the centerline of Wilkins Road to a point 200' south of the centerline of Airport Highway; thence westerly on a line 200' south of and parallel to the centerline of Airport Highway to a point which is 200' east of the centerline of Waterville-Swanton Road; thence southerly on a line which is 200' east of and parallel to the centerline of Waterville-Swanton Road to a point which is 200' north of the centerline of Monclova Road; thence westerly on a line that is 200' north of and parallel to the centerline of Monclova Road to the Fulton-Lucas County line; thence northerly along the county line to the north line of the Ohio Turnpike; thence easterly along the north line of the Ohio Turnpike to the POINT OF BEGINNING.

D. COUNTY SANITARY ENGINEER shall mean the Lucas County Sanitary Engineer or his duly authorized representative.

E. SERVICE MAIN shall mean any eight (8) or ten (10) inch conduit.

F. TRUNK MAIN shall mean any water conduit twelve (12) inches in diameter and greater intended primarily to carry water for the supply of service mains.

G. UTILITIES DIRECTOR shall mean the Director of Public Utilities of Toledo.

H. WATER COMMISSIONER shall mean the Commissioner of Water of Toledo.
I. ANNEXATION shall mean the state of annexation proceedings when the provisions of Section 709.10 or Section 709.33 of the Revised Code of the State of Ohio, as now in effect or hereafter amended, have been fully complied with, including the passage of the necessary ordinances or comparable legislation accepting the annexed territory.

J. INCORPORATION shall mean that state in the proceedings when the provisions of Section 707.01 to 707.14 inclusive of the Revised Code of the State of Ohio, as now in effect or hereafter amended, have been fully complied with.

K. The meaning of all other terms utilized in this Agreement, unless the context specifically indicates otherwise, shall be the meaning as defined in Title III, Chapters 933, 935, 937 and 939 of the Toledo Municipal Code, as presently constituted or hereafter amended.

L. TITLE III, CHAPTERS 933, 935, 937 AND 939 OF THE TOLEDO MUNICIPAL CODE shall mean Chapters 933, 935, 937 and 939, Utilities, of the Toledo Municipal Code as presently constituted and in effect, which are set forth in Exhibit B, attached hereto and made a part thereof and amendments thereto. (In the event of amendment to said Chapters 933, 935, 937 and 939, Toledo shall inform the County of such proposed amendments a minimum of thirty (30) days prior to the effective date thereof.)

M. RULES, REGULATIONS AND STANDARDS shall mean those rules and regulations of the Utilities Director as presently in existence which are set forth in Exhibit C, attached hereto and made a part thereof, amendments thereto and those Rules, Regulations and Standards hereafter promulgated by the Utilities Director pursuant to Title III, Chapters 933, 935, 937 and 939 of the Toledo Municipal Code. (Toledo shall inform the County of any proposed amendments to such Rules, Regulations and Standards and those hereafter promulgated a minimum of thirty (30) days prior to the effective date of such amendment.)

N. WATER FACILITIES shall include service mains, trunk mains, pumping stations and other appurtenances necessary to supply water.

O. MASTER METER shall mean one single water meter to measure the total flow of water to various consumers who may or may not have submeters.

P. DEPARTMENT OF PUBLIC UTILITIES shall mean the Department of Public Utilities of Toledo.
Q. CONSUMER shall mean any individual, firm, company, association, society, corporation (govermental or otherwise), or group which has contracted for and utilizes Toledo water in the unincorporated portions of Lucas County within the boundaries of the Southwest Lucas County-Toledo Water Service Area. In addition in the event that the County shall enter into an Agreement to be approved by Toledo as hereinafter provided to furnish water to the Villages of Whitehouse, Waterville or Swanton as hereinafter provided such contracting Village shall be considered a single consumer for purposes of this Agreement.

SECTION 3. UTILIZATION AND TRANSMISSION OF WATER SUPPLY. As a means of monitoring the water being furnished to consumers under this Agreement and customers of consumers under separate agreements with villages as herein provided; and, further, as a method of protecting the health and welfare of all water users within the Southwest Lucas County-Toledo Water Service Area, no water facilities transmitting water furnished by Toledo shall be utilized for the transmission of water from any other source or supplier.

SECTION 4. EXTENSION AND CONSTRUCTION OF WATER FACILITIES BY COUNTY. Construction by the County of all water facilities shall be in accordance with Chapter 6103 of the Revised Code of Ohio. No extension and/or construction of water facilities in the Southwest Lucas County-Toledo Water Service Area and/or modification work of any nature whatsoever on any water facilities within or outside of the Southwest Lucas County-Toledo Water Service Area shall be commenced without the approval of the Division of Water and the Utilities Director, together with full compliance with the procedures set forth in this section. The County Commissioners shall make the proper application to the Division of Water for a report as to the feasibility of the aforesaid proposed service facilities. The said application shall be accompanied by the established fee required by Title III, Chapter 935, Section 935.06 of the Toledo Municipal Code. Upon approval of said application by the Division of Water and Utilities Director, construction plans for the said extension and/or construction of water facilities prepared in accordance with standards and specifications presently prescribed or hereafter prescribed by Toledo, shall be submitted to the Utilities Director for his written approval prior to the taking of bids or commencement of construction. Size and type of pipe and all other equipment and the manner of laying and constructing the same shall be in accordance with the standards presently or hereafter prescribed by Toledo. The Water Commissioner or his duly authorized representative shall be notified and may
inspect and approve service and trunk mains and related equipment and work in connection therewith, which shall conform to standards presently or hereafter prescribed by Toledo. No extension shall be made to serve a proposed subdivision within the Southwest Lucas County-Toledo Water Service Area unless such proposed subdivision has been approved by the proper authorities in accordance with Chapter 711 of the Revised Code of Ohio as presently in effect or as hereafter amended.

There shall be no connection of service mains to trunk mains constructed and installed or installed under this Agreement unless the location and construction of such connections and the connection itself shall be approved by the Utilities Director prior to installation. The County Commissioners shall, for the purpose of providing adequate facilities, install at their sole expense certain trunk mains, connecting lines and other necessary capital improvements in accord with a master plan approved by the Utilities Director; provided, however, incorporated areas in the Southwest Lucas County-Toledo Water Service Area may by agreement participate in the cost of the foregoing capital improvements; and further, that, in the event any such foregoing required capital improvements installed by the County are directly beneficial to Toledo, Toledo shall contribute a proportionate share of the expense of such installation incurred in an amount mutually agreed upon by the parties hereto, which amount shall equitably reflect the benefit to Toledo.

All work shall be performed at the sole cost and expense of the County which shall indemnify and save harmless Toledo from all claims, demands, causes of action, loss, cost, damages or expense proximately caused by or resulting from such work, except such as may be proximately caused or result from the negligence or willful misconduct of the officers, agents or employees or contractors of Toledo.

SECTION 5. EXTENSION AND CONSTRUCTION OF WATER FACILITIES BY TOLEDO. In the event it becomes necessary to construct additional improvements, facilities, or appurtenances or to effect the relining of lines or other work within the City Water Distribution System, as defined in Section 2, in order to supply the water requirements of the Southwest Lucas County-Toledo Water Service Area under this Agreement, the County shall pay for that portion of the cost as estimated of the said improvements, facilities, appurtenances, relining or other work which is attributable to the use of the same for purposes of supplying water to the Southwest Lucas County-Toledo Water Service Area. Toledo shall notify the County in writing of such estimated cost determination prior to completion of such plans.
SECTION 6. MATERIAL AND WORKMANSHIP. Materials and workmanship in the Southwest Lucas County-Toledo Water Service Area, with respect to, but not limited to, all service and trunk mains, reservoirs, tanks, pumping stations and other improvements constructed by the County shall conform with the standards and specifications presently or hereafter maintained by the Division of Water and shall be subject to the inspection and approval of the Water Commissioner or his duly authorized representative.

SECTION 7. MAINTENANCE AND OPERATION. Prior to conveyance to Toledo, as hereinafter provided, the County shall be responsible for the maintenance, operation and repair (in accord with Standards and Regulations of the Department of Public Utilities) of all service mains and trunk mains, pumping and booster stations, reservoirs, tanks, appurtenances, other improvements and all other water facilities located within the Southwest Lucas County-Toledo Water Service Area, whether now in existence or hereafter constructed under this Agreement, together with all maps and records pertaining thereto; provided, however, that Toledo is hereby authorized to effect repairs and maintenance, which, in Toledo's judgment and discretion, are of an emergency nature without requiring the request, consent and/or authorization of the County. Toledo shall be compensated by the County for maintenance and repair work referred to in this section as hereinafter provided in Section 16 of this Agreement. The County shall periodically inspect and police all water facilities, lines and appurtenances in the Southwest Lucas County-Toledo Water Service Area to insure continual operation; and Toledo shall without any charge whatsoever be furnished necessary access and rights-of-way required to permit it to inspect and test all such water facilities, lines and appurtenances. Toledo shall have the right and authority to use the aforesaid mains, stations, reservoirs, tanks and other improvements in existence at the time of the execution of this Agreement or constructed thereafter without any charge whatsoever for the purpose of supplying water to its consumers. The County shall provide at no cost to Toledo all necessary rights-of-way and work easements in public roads, streets, highways and other public grounds and ways, without payment of any kind or license fees of any kind, which may be required for the location, construction or maintenance of all water distribution equipment now existing and which may hereafter be installed for the purposes of this Agreement, and of any other Agreement or arrangement for the supplying of Toledo water to areas and consumers within or outside of the Southwest Lucas County-Toledo Water Service Area.
SECTION 8. INSTALLATION OF TAP BRANCHES. Installation of water tap branches within the Southwest Lucas County-Toledo Water Service Area shall be made by the Division of Water and charged to the consumer at ten (10%) percent in excess of the charge for water consumers within Toledo. Applications for the installation of water tap branches shall be made to the County Sanitary Engineer, and then upon approval by said Engineer, submitted to the Department of Public Utilities.

SECTION 9. METERS. Tap branches, installed by Toledo as provided for in the preceding section, shall be equipped with a meter of the same kind and standards of material and workmanship as is now or may hereafter be required by the Toledo Municipal Code or the Rules, Regulations or Standards of the Department of Public Utilities. The installation of all meters shall be made by the Division of Water according to the same regulations as are now or hereafter in force and effect within Toledo.

In the event an agreement is entered into between the County and the Villages of Whitehouse, Waterville or Swanton, and approved by Toledo as provided for in Section 13 of this Agreement, the County agrees, at its sole expense, with right of reimbursement to it by the Villages with which the Agreement is entered into, to furnish, install and maintain at points of delivery to said Villages, which shall be located immediately adjacent to the corporate boundary and/or area served by the purchasing Village, a satisfactory master meter of the same standards of material and workmanship as are now or may hereafter be required by the Division of Water standards, regulations and ordinances of Toledo now or hereafter lawfully in effect to the extent that the same shall be applicable. Said master meter shall serve the purpose of maintaining accurate records of water furnished said Villages as consumers. The location of the aforesaid points of delivery shall be mutually agreed upon between Toledo, the County and the Village affected by the meter to be installed.

All master meters shall be unrestrictively accessible to Toledo and the County and the parties hereto shall be furnished a key to each of the said devices. The meters shall be available at all times for inspection, calibration and reading by authorized officers and employees of the parties hereto. The Villages shall keep the said meters in good repair. Toledo is hereby authorized to effect repairs and maintenance of the said meters, which in its judgment and discretion, are of an emergency nature, without requiring the consent and/or authorization of the County and/or the said Village affected. Toledo shall be compensated by the Village involved for the entire cost of such emergency maintenance and repairs.
SECTION 10. READING OF METERS, BILLING AND COLLECTING. Toledo shall read the meters of consumers, prepare and mail all bills for water service charges and other items to consumers in the Southwest Lucas County-Toledo Water Service Area at the rates and charges as provided in Section 14 (A) and (B) of this Agreement. In the event an agreement is entered into between the County and the Villages of Whitehouse, Waterville or Swanton and is approved by Toledo as provided for in Section 13 of this Agreement, Toledo hereby agrees to read the master meters of each of the Villages entering into such Agreement. Toledo shall not be required to read the individual meters of water customers within the water service areas of said Villages. The foregoing shall be effected in accordance with the Department of Public Utilities' procedures, Chapter 933 of the Toledo Municipal Code and City Charter provisions, Ordinances of Toledo and Rules, Regulations and Standards related thereto as presently in effect and as hereafter prescribed.

Notwithstanding the foregoing provisions, at any time within the term of this Agreement that Whitehouse, Waterville or Swanton requests to be included in the Southwest Lucas County-Toledo Water Service Area, Toledo hereby agrees upon request to negotiate terms and conditions for providing individual customer metering, billing and collecting services equivalent to said services provided to other consumers in the Southwest Lucas County-Toledo Water Service Area.

Toledo shall remit to the County 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 Southwest Lucas County Toledo Water Service Area after deducting the amounts due Toledo which are the rates, charges, and fees set forth in Section 14 A of this Agreement. The amounts deducted and retained by Toledo shall constitute Toledo's compensation for services rendered by Toledo to consumers in the Southwest Lucas County-Toledo Water Service Area. In addition, with each such remittance to the County, Toledo shall furnish an accounting showing the amount billed and collected, and detailed additional charges due Toledo as provided for in Section 16 of this Agreement. Within thirty (30) days of receipt by the County of said accounting furnished, the County shall remit to Toledo the additional charges due Toledo provided for in Section 16 of this Agreement.

All water service charges billed to consumers within the Southwest Lucas County-Toledo Water Service Area shall be due and payable by such consumers on or before the date noted on the bill.
No provision of this Agreement shall be construed to abridge or otherwise impair the right of Toledo or the County to maintain any action or take other appropriate measures to collect delinquent water and sewer bills from consumers within the Southwest Lucas County-Toledo Water Service Area. The County agrees that Toledo shall have the right to effect any legal procedures deemed necessary to collect delinquent accounts (or charges) within the Southwest Lucas County-Toledo Water Service Area. If any consumer in the Southwest Lucas County-Toledo Water Service Area neglects or refuses to make payments as required or violates any of the provisions of Title III, Chapters 933, 935, 937 or 939 of the Toledo Municipal Code, Ordinances of Toledo and Rules and Regulations related thereto presently in effect or as hereafter amended, Toledo shall have the right to shut off water being furnished to such consumer upon giving notice and pursuant to such procedures as provided by Toledo's Department of Public Utilities' Regulations. In the event service is discontinued to a consumer within the Southwest Lucas County-Toledo Water Service Area who is delinquent, no service shall be permitted or resumed to such consumer until all delinquencies, including penalties established by Toledo's Department of Public Utilities' Regulations are paid in full or satisfactory payment arrangements approved by the Department of Public Utilities are made. The County Sanitary Engineer shall be notified of any final action taken by Toledo prior to the discontinuance of service to consumers in the Southwest Lucas County-Toledo Water Service Area.

SECTION 11. OBLIGATIONS OF CONSUMERS OF WATER IN THE SOUTHWEST TOLEDO WATER SERVICE AREA. Water service to consumers in the Southwest Lucas County-Toledo Water Service Area shall at all times be subject to the following:

A. Any consumer in the Southwest Lucas County-Toledo Water Service Area who has applied for service and signed an agreement with the Department of Public Utilities for service at a specified property shall be considered as accepting the provisions of this Agreement and all Ordinances of Toledo and the Rules, Regulations and Standards of the Department of Public Utilities. Said consumer shall be liable for all water and service charges for such premises.

B. Application for turning water on and off shall be made at the Office of the Department of Public Utilities in accordance with the Ordinances of Toledo and the general Rules, Regulations and Standards of the Department of Public Utilities.
C. Whenever it shall be found that Toledo water is being used in a
premises within the Southwest Lucas County-Toledo Water Service Area for which no
application has been made, the water shall be shut off and service not restored
until proper application has been made and all water unlawfully consumed has been
paid for with a penalty as provided for in the Rules and Regulations of the
Department of Public Utilities as presently constituted or hereafter amended.

SECTION 12. CONNECTION POINTS. Toledo shall deliver water to the County
at connection points mutually agreed upon by Toledo and the County as and when the
same may be needed to supply water to the Southwest Lucas County-Toledo Water
Service Area.

SECTION 13. WATER TO BE USED ONLY IN THE SOUTHWEST LUCAS COUNTY-TOLEDO
WATER SERVICE AREA. Water supplied by Toledo, in accordance with the terms,
conditions and provisions of this Agreement, shall be used only in the Southwest
Lucas County-Toledo Water Service Area as herein specified. However, it shall be
understood that the County, subject to Toledo's approval, shall, during the term of
this Agreement, be permitted to contract with the Villages of Whitehouse,
Waterville or Swanton for the furnishing of water at a point of delivery mutually
agreed upon by Toledo and the County and at rates established for outside consumers
which rates are provided for in Title III, Chapter 933, of the Toledo Municipal
Code.

The said Agreements between the County and the Villages of Whitehouse,
Waterville or Swanton shall not contain any terms, conditions and provisions which
conflict with or modify this Agreement; and no agreement between the County and the
Villages of Whitehouse, Waterville or Swanton shall be entered into without first
submitting the same to Toledo for approval. In the event an agreement is entered
into between the County and the Villages of Whitehouse, Waterville or Swanton which
is approved by Toledo as aforesaid, it shall include, but not be limited to,
provisions relating to rates to be charged by the County for water furnished, the
imposition and collection of a County Capital Improvements and/or Maintenance
Charge from the Villages of Whitehouse, Waterville and Swanton, the effects and
limitations of annexation, and the provisions as to master meters set forth in
Section 9 of this Agreement.
SECTION 14. WATER RATES. Rates and other charges and fees to be charged to and paid to Toledo by consumers in the Southwest Lucas County-Toledo Water Service Area upon billing by Toledo as provided in Section 10 hereof shall be imposed in the manner as provided by Section 15 of this Agreement. Such rates and other charges and fees are:

A. Rates for Water Furnished to Consumers Outside the City Limits. Consumers within the Southwest Lucas County-Toledo Water Service Area shall be charged and shall pay the water rates levied and assessed upon consumers outside Toledo as provided for in Title III, Chapter 933, Section 933.02 (b) of the Toledo Municipal Code as constituted and in effect as of the date of the execution of this Agreement, or in the event of the amendment of said water rates, the consumer shall pay the water rates as hereafter amended, said rates being subject to change by amendment in Toledo's Ordinances at any time, and in addition, those specific scheduled rates and fees applicable to such consumers, which rates and fees shall be established by Toledo pursuant to Chapters 933 and 935 of the Toledo Municipal Code, Ordinances of Toledo and Rules, Regulations and Standards relating thereto as presently in effect or hereafter amended.

In addition, charges not scheduled as shall hereafter be determined by the Utilities Director from time to time to be necessary to compensate Toledo for the cost of furnishing specific services to a consumer within the Southwest Lucas County-Toledo Water Service Area, or as provided by Chapters 933 and 935 of the Toledo Municipal Code as presently constituted or hereafter amended (all of which have been or will be adopted and rendered enforceable by the County, as provided for in Section 15 of this Agreement), shall be charged to consumers and paid to Toledo by such consumers. Toledo shall prepare and submit all costs for such charges to such consumers.

B. County Local Maintenance, Capital and Other Specific Charges and Fees. Local maintenance, capital or other specific charges and fees as authorized by resolution of the County Commissioners on consumers within the Southwest Lucas County-Toledo Water Service Area may be collected by Toledo and paid over to the County in the manner provided as part of the billing and collecting procedure of Section 10 of this Agreement. No change of such local charges shall become effective and be collected by Toledo unless the County shall notify Toledo and all consumers in the Southwest Lucas County-Toledo Water Service Area of any such change at least forty-five (45) days prior to the proposed effective date thereof. The aforesaid notice shall include a provision that such local charges
are being imposed by the County; and, further, the aforesaid notice shall be submitted to the Director of Public Utilities for his review and approval prior to being mailed or otherwise transmitted to consumers.

When this Agreement terminates by reason of Section 25 hereof, provided payments due Toledo as set forth by Sections 14 (A) and (B) of this Agreement have been fully made, any monies in the possession of Toledo collected as provided for in this section shall be paid over to the County.

Bills mailed after the execution date of this Agreement to consumers within the Southwest Lucas County-Toledo Water Service Area shall include the water rates and other charges for consumers outside the corporate limits of Toledo; and further, when imposed by the County, and Toledo is so notified in writing, said bills may include the County local maintenance, capital and other specific charges and fees.

SECTION 15. APPLICABILITY OF TOLEDO RULES AND RATES. By a duly enacted resolution fully complying with legal requirements, the County agrees to immediately adopt and enforce the provisions of Title III of Chapters 933, 935, 937 and 939 of the Toledo Municipal Code and Toledo City Charter provisions and Ordinances and Rules, Regulations and Standards of the Department of Public Utilities related thereto which are now in effect; and the County agrees that upon written notice to it by the City of any amendments to the foregoing, to immediately enact a resolution fully complying with legal requirements, adopting such amended provisions and the County agrees to enforce such amended provisions. All consumers within the Southwest Lucas County-Toledo Water Service Area shall be subject to and be bound and governed by the said foregoing adopted items. The County shall authorize the County Sanitary Engineer, as its duly authorized official, to enforce within the Southwest Lucas County-Toledo Water Service Area the said code, charter provisions, ordinances and other items of Toledo adopted by the County as herein provided and perform all functions pertaining thereto. Further, said enacted County resolution shall provide for full compliance by all consumers with Federal and State of Ohio Water Pollution Control Acts, applicable Statutes of Ohio and the Toledo items set forth in this paragraph. In the event the County fails to enforce compliance with the foregoing adopted items within the Southwest Lucas County-Toledo Water Service Area, the Utilities Director is hereby authorized to effect the enforcement thereof. Representatives of Toledo shall be permitted access to, with proper assistance provided by the County, all water facilities of
the County and the water facilities of all private consumers of the County's system for surveillance, sampling, testing, measurements and inspection.

As to those rates and other charges and fees provided by Section 14 hereof, the County Commissioners shall, by a duly enacted resolution fully complying with all legal requirements, immediately adopt and impose on consumers within the Southwest Lucas County-Toledo Water Service Area water rates levied upon consumers outside of Toledo city limits as provided in Title III of Chapter 933, Section 933.02 (b) of the Toledo Municipal Code as constituted and effective as of the date of the execution of this Agreement, and those applicable specific scheduled charges and fees established by Toledo pursuant to Chapters 933 and 935 of the Toledo Municipal Code, all as provided for in Section 14 (A) hereof. The County Commissioners shall also by a duly enacted resolution fully complying with all legal requirements give authority to Toledo to collect such County charges and fees as provided in Section 14 (B) of this Agreement. Toledo shall have the right to amend such rates and other charges as provided in Title III of Chapters 933 and 935 at any time, and the County Commissioners shall, by duly enacted resolution fully complying with all legal requirements, adopt and impose on consumers within the Southwest Lucas County-Toledo Water Service Area such amended rates and other charges and fees; provided, however, no increase of such charges then prevailing shall become effective unless the Utilities Director shall have furnished to the County at least twenty-six (26) days prior to the effective date thereof, a cost analysis and data to substantiate such increase.

The County shall, in the manner aforesaid, adopt and impose the rates and other charges and fees amended by Toledo to become effective on the date specified by Toledo, notwithstanding the fact that, in the opinion of the County, Toledo has not substantiated the increase. Provided, however, in the event the County shall elect upon giving Toledo written notice of such election within thirty (30) days of receipt of notice of change, to contest the increase on the basis that said increase is not substantiated, that portion of Toledo's amended rates and other charges and fees representing an increase of such which are paid shall, to the extent of any increase therein, be considered on behalf of the consumers to be paid under protest. Consumers so affected shall be entitled to an appropriate adjustment as to payment of the portion of the increase not substantiated in the event such adjustment is determined to be made by mutual agreement of the parties, or in the event final judicial determination is made ordering such adjustment of
payment. Furthermore, the County shall not modify or terminate any rates or other charges and fees imposed under the provisions of this subsection except in fulfillment of the requirements contained in this section relating to the adoption and imposition of amendments established by Toledo.

SECTION 16. ADDITIONAL CHARGES DUE TOLEDO. In addition to the water service charges and specific scheduled charges and fees applicable to consumers in the Southwest Lucas County-Toledo Water Service Area as provided for in Section 14 (A) of this Agreement, Toledo shall be entitled to receive and the County shall pay to Toledo, upon receipt of an invoice from Toledo, compensation for services performed by Toledo under this Agreement. Toledo shall be paid its entire cost (including direct and indirect costs as determined by Toledo) for the following services:

(A) For collecting, accounting for and remitting the County's charges as provided for in Sections 13 and 14 (B) of this Agreement. The 1983 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.

(B) For any service performed by Toledo under this Agreement, at the request of the County for which Toledo is not compensated by the water service charges and charges of an emergency nature as provided for in Section 7 herein, and specific scheduled or other charges and fees applicable to consumers within the Southwest Lucas County-Toledo Water Service Area as provided by Section 14 (A) of this Agreement.

SECTION 17. TOLEDO TO SUPPLY WATER; AMOUNT AND PRESSURE NOT GUARANTEED. Toledo undertakes, to the extent that it may lawfully do so and to the extent that it shall have a surplus water supply in excess of the requirements of Toledo consumers, to supply water to all consumers now or hereafter connected to the County Water Distribution System within the Southwest Lucas County-Toledo Water Service Area. It is, however, agreed and understood by the parties that such supply of water to the Southwest Lucas County-Toledo Water Service Area and the County is at all times subordinate to the needs of consumers within Toledo, and those requirements existing by virtue of water contracts entered into prior to October 11, 1974. The County agrees to abide by and enforce any emergency restrictions as to water use which may be imposed upon consumers within Toledo pursuant to Title III, Chapter 939, Section 939.14 of the Toledo Municipal Code. 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 emergencies, 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 the County and/or any person, firm, corporation and/or governmental body in the Southwest Lucas County-Toledo Water Service Area.

SECTION 18. WATER FOR SCHOOLS. County Commissioners and public officials in townships in the Southwest Lucas County-Toledo Water Service Area shall be authorized, upon obtaining permission of the Commissioner of Water and the County Sanitary Engineer, to use reasonable amounts of water from fire hydrants for the purpose of flushing public sewers. No use shall be made of water for private persons or private purposes.

SECTION 19. SANITARY ENGINEER TO FURNISH DETAIL PLANS. The Sanitary Engineer shall prepare, maintain current and furnish to the Division of Water detailed maps showing the location of all pipes, special castings, valves and fire hydrants heretofore and hereafter installed in the Southwest Lucas County-Toledo Water Service Area. The Sanitary Engineer shall furnish the Division of Water original cloth or mylar drawings of all improvements built within the Southwest Lucas County-Toledo Water Service Area.

SECTION 20. CONTRACTS WITH OTHER SUBDIVISIONS. 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 Southwest Lucas County-Toledo Water Service Area. Toledo shall have the right and authority to use all physical waterworks facilities heretofore or hereafter constructed or owned by the County together with, when completed, capital improvements and/or facilities which may be under construction, without any charge whatsoever for the purpose of supplying water to its customers within and outside of the Southwest Lucas County-Toledo Water Service Area.

SECTION 21. CHANGE IN AREA IN THE EVENT OF ANNEXATION TO TOLEDO. The provisions of Title III, Chapter 935 of the Toledo Municipal Code shall apply to any part of the Southwest Lucas County-Toledo Water Service Area which annexes to Toledo subsequent to the date of execution of this Agreement, and immediately upon annexation Toledo shall acquire as a part of the City Water Distribution System and the County Commissioners shall convey to Toledo all physical waterworks facilities heretofore constructed or owned by the County, together with, when completed capital improvements and/or facilities which may be under construction within such annexed area.
Toledo shall pay for the County water system acquired by annexation as follows:

As of the effective date of annexation to Toledo of the aforesaid area, a determination shall be made of the outstanding balances due for debt principal and interest payments incurred specifically for the physical waterworks facilities constructed by the County and located within the Southwest Lucas County-Toledo Water Service Area (hereinafter referred to as debt service charges). The aforesaid balances shall be verified and approved by both Toledo and the County. Upon verification and approval, Toledo shall assume and pay to the County, in the manner hereinafter provided, as compensation for such transfer of physical waterworks facilities in the annexed area, a pro rata amount to be determined and computed in the following manner:

Firstly: Determine the ratio of debt service charges billed to County consumers within the annexed areas for the period of twelve (12) months immediately preceding the effective date of said annexation to the entire amount of debt service charges billed all consumers in the Southwest Lucas County-Toledo Water Service Area during such period.

Secondly: Multiply the above ratio by the total outstanding debt principal and interest payments due as of the effective date of the annexation as determined and approved above, the product of which shall be the total amount due to the County.

Payments in installments shall be made by Toledo to the County for the portion of the County water system acquired by annexation to Toledo not less than thirty (30) days prior to the County's payment dates on its unpaid bond or note obligations issued for the aforesaid physical waterworks facilities. Appropriate credits shall be given to Toledo for monies received from consumers in the annexed area prior to annexation which are being held by the County for the next debt payment to become due. The initial payment by Toledo to the County shall be prorated as of the effective date of the annexation on a daily basis based upon the period of time remaining in the County's payment period since the last payment was due and payable. Notwithstanding the date on which payment is due as above set forth, in the event the initial payment becomes due in less than a thirty (30) day period prior to the County's payment date, such initial payment shall be made on the effective date of the aforesaid annexation.
The County shall remain solely obligated for any and all bonds or other obligations due currently or in the future which may have been incurred for any construction or other expenses of the County water system, including, but not limited to all obligations of the County to Toledo under the terms of this Agreement, and including that expense attributed to the annexed area prior to annexation.

The County and Toledo hereby agree that all payments provided for in this section shall constitute all of the capital obligations due by either party to the other under this Agreement as of the effective date of the annexation with respect to consumers within the annexed area.

Such annexed area shall cease to be a part of the Southwest Lucas County-Toledo Water Service Area. Toledo shall also be solely responsible for the performance and total cost thereof of all operation and maintenance services required henceforth from the effective date of the annexation of the part of the County water system transferred to Toledo by the annexation process.

The above transfer of facilities and payment of obligations shall be accomplished by both the County and Toledo so as to provide non-interrupted water service to all affected consumers. All water consumers in the area annexed to Toledo shall be released as of the effective date of the annexation from any and all County local maintenance, operation and other specific charges and fees for water services, if any, exclusive of capital charges which may be billed on the County property tax duplicate, and delinquencies and accrued charges and fees.

SECTION 22. CHANGE IN AREA IN THE EVENT OF ANNEXATION BY OTHER MUNICIPALITIES OR INCORPORATION. In the event that hereafter any territory in the Southwest Lucas County-Toledo Water Service Area shall incorporate or shall annex to any municipality other than Toledo, provisions of this Agreement shall continue to apply in all respects to such territory until such municipality shall enter into a new Agreement with the County. The new Agreement shall be submitted to Toledo for approval and upon being approved shall supersede this Agreement in respect to such territory. Such incorporation or annexing territory is deemed to have full knowledge of this Agreement and the contents thereof as amended from time to time. The parties to this Agreement hereby reserve and shall have all necessary easements
in public roads, streets, highways and other public grounds and ways without payment of any kind or license fees of any kind which (easements) may be required for the location, construction or maintenance of all water distribution equipment now existing and which may hereafter be installed for the purpose of this Agreement and of any other contract or arrangement for the supplying of Toledo water to areas within or outside of the Southwest Lucas County-Toledo Water Service Area. In the event the said incorporating or annexing territory refuses or fails, for any reason whatsoever, to provide the parties hereto with the said necessary easements, the said parties hereto, or either one of them, hereby reserves the right to discontinue service and/or refuse to grant any further service main extensions and/or water tap branches to such territory, and the parties hereto shall, by mutual agreement, determine the use and/or disposition of the main lines, connecting trunk lines and other capital improvements and water distribution equipment in such territory.

SECTION 23. EXISTING PRIVATE AGREEMENTS UNDER SECTION 307.73 OF THE REVISED CODE OF THE STATE OF OHIO. All private agreements for the construction of water line extensions in accordance with Section 307.73 of the Revised Code of the State of Ohio, entered into between the County Commissioners and private owners after the execution of this Agreement shall contain a provision that Toledo or any other municipality, to the extent that it may lawfully do so, will enforce such agreement in the event the area affected thereby annexes to Toledo or such other municipality. The County Commissioners, at the time of annexation, shall deposit with the Water Commissioner a certified copy of each such private agreement, whether executed before or after the date of this Agreement, and a certified copy of each resolution granting permission to construct and authorizing the collection of a proportionate share (as provided in said Section 307.73) and Toledo shall, to the extent it may lawfully do so, enforce the provisions contained in each such agreement.

SECTION 24. ADVISORY BOARD. Should any situation arise during the term of this Agreement for which no clear provision is made by the Agreement relating to the purpose of this Agreement, the controversy shall be investigated by Toledo and the County Commissioners in accordance with the general purpose of this Agreement. Should the parties be unable to agree, a special Advisory Board shall be set up,
consisting of one member appointed by Toledo, one appointed by the County Commissioners, and one designated by the two so appointed. The Advisory Board shall hold such hearings and make such other investigations as it considers necessary; and it shall make such findings and recommendations with respect to the controversy as it shall consider just and equitable in accordance with the intent and purpose of this Agreement. The cost of fact finding shall be paid one-half by Toledo and one-half by the County.

SECTION 25. TERM OF THE AGREEMENT. The term of this Agreement shall expire on October 10, 2014, which constitutes a period of forty (40) years from the date of the execution of the Agreement authorized by Ordinance No. 540-74 of the City of Toledo. Except as otherwise herein specifically provided, this Agreement shall have no retroactive effect. In the event the County and Toledo mutually agree that a regional water system, or its equivalent, shall be beneficial to the citizens and commerce of the area as a whole, this Agreement may be terminated or superseded as necessary to derive said benefits.

SECTION 26. TERMINATION BY OPERATION OF LAW. It is agreed by the parties hereto that if the intent and purpose of this Agreement cannot be legally carried out by virtue of the Statutes and Constitution of the State of Ohio and the Charter of the City of Toledo, this Agreement shall be null and void.

SECTION 27. 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.

SECTION 28. COMPLETE AND DETAILED AUDIT. For the term of this Agreement there shall be an annual detailed audit in accordance with generally accepted accounting practices of all the County's income and expenditures resulting from funds realized in connection with the Southwest Lucas County-Toledo Water Service Area. Said audit shall take place within three months after the closing of each fiscal year and copies of the same shall be furnished to both Toledo and the County. The aforesaid audit shall be conducted by a private certified public accountant chosen by and paid for by the County.
IN WITNESS WHEREOF, the City of Toledo, by its City Manager and Utilities Director, and the County of Lucas, by its Board of Commissioners, have caused this Agreement to be executed the day and year first above mentioned.

CITY OF TOLEDO

Approved as to Form

By Thomas E. Kovacik
Director of Public Utilities

City Manager

Approved as to Substance

LUCAS COUNTY

City of Toledo

By J. H. Terrill

Approved as to Substance and Form

By Francis E. Kelly

Lucas County Prosecuting Attorney

APPROVED AS TO FORM:

ANTHONY G. PIZZA
PROSECUTING ATTORNEY

by Assistant Prosecuting Attorney 3.16.83
Date