

Financing Term Sheet
John A. Shutsa & Associates, Inc.
and
The County of Summit
Seasons Road Private Sewer Development

EXHIBIT A

The County of Summit, Ohio ("County") will assist John A. Shutsa & Associates, Inc., ("Developer") with the financing of certain sanitary sewer improvements (the "Project") that will extend along Seasons Road in northern Summit County and a to-be constructed public roadway extending north off of Seasons Road. The Project will service certain property north of Seasons Road that is owned by Developer (parcels 3100308 and 3009908) and to-be acquired by Developer (portions of parcels 3100049 and 3100011, currently owned by Seasons Road Industrial Property, LLC), and will extend and connect to the County's existing sanitary sewer system in the general area. The relationship between the parties will be memorialized in a Development Agreement ("Agreement") and any other agreements or documents necessary to consummate the financing of the Project (i.e. private sewer development agreement, financing agreement, promissory note, etc). The County proposes that the general terms of the Agreement and associated documents would be structured as follows:

1. **Construction of Project.** Developer will be responsible for the design and construction of the Project to Summit County DOES standards, including procurement and oversight of design and construction of the Project. Upon completion of the Project and inspection and acceptance of the sewer by the County for ownership, the Project will be turned over to the County, and County will be responsible for ongoing maintenance, operation and repair of the Project. During construction of the Project, Developer will post, maintain and pay for a performance bond insuring completion of the Project in a form reasonably acceptable to the County.
2. **Loan of Funds.** County will loan funds to Developer for the construction of the Project in an amount not to exceed **\$425,000.00**. The loan will be made from the County's sewer enterprise fund, and will be funded from a loan to the County by the Ohio Water Development Authority ("OWDA"). The repayment term of the loan will be 20 years. During the construction period and prior to acceptance of the Project by the County, the loan will accrue no interest and no payments will be due. The repayment term will commence upon completion of the construction of the Project and acceptance by the County. During the repayment term, the principal will accrue interest at the same fixed rate as the funds loaned to the County by OWDA (the County anticipates said rate to be between 4.5% and 5.5%). The funds will be available to be drawn down by the Developer for the construction of the Project, as needed during construction, subject to approval of disbursements by the County. Said disbursements shall be paid to Developer upon submittal and review of documentation to the County detailing the costs of construction of the Project and verification by the County that submitted costs are valid construction costs. Developer has already paid for the design of the Project and said costs will not be borrowed from the County. Any cost to construct the Project in excess of **\$425,000.00** will be paid directly and solely by the Developer.

3. Security. The loan will be secured by an assessment against the real property owned by the Developer in the total amount loaned to the Developer, plus interest, over a period of 20 years, which will run concurrently with the loan provided to Developer under Section 2. The Agreement will set forth the manner and method of the assessment, and will further provide that the assessment will apply against the real property owned by the Developer and to be acquired by the Developer, provided, that in the event that the Developer subdivides the property into smaller parcels, the assessments shall be applied against said parcels in proportionate amounts to the benefit received through the Project, as agreed to by the parties in the Agreement.
4. Repayment. Developer will provide County a promissory note and repay the loan over the repayment term of 20-years, payable in equal semi-annual principal payments plus interest. The payments will be made through an assessment against the real property owned or to be acquired by the Developer, and the assessment will be paid and billed on a semi-annual basis. In the event Developer completes the Project and it is accepted by the County, the loan shall continue to be payable as set forth in the Agreement but the note shall be cancelled once the assessment has been placed on the tax duplicate for the real property.

If, prior to the assessment being placed against the real property, Developer sells or otherwise transfers any portion of the real property, then Developer shall provide County with a consent to the assessment signed by the new owner of that portion of the real property or will deposit with County a sum equal to the proportionate amount that would be assessed against that portion of the real property. Developer may also elect, prior to the assessment being placed against the real property, to subdivide the real property and to pay the portion of the assessment to the County for any portion of the subdivided property that Developer wishes to not be encumbered by an assessment, provided, however, that the parties agree that the portion of Developer's real property to be subdivided and sold to Big Dirt, LLC, may be subdivided and sold free from the assessment and the portion of the assessment that would otherwise be assessed against that subdivided lot will be assessed proportionately to the balance of Developer's real property.

Following the assessment being placed against the real property by the County, if Developer wishes to subdivide and/or sell any portion of the real property, Developer may elect to either deposit with County a sum equal to the proportionate amount of the assessment against that portion of the real property or the assessments shall continue to run with the property and the new owner of that portion of the real property shall pay the assessment.

5. Source of Funds. Following construction, County will borrow funds through OWDA for a term of 20 years at a fixed interest rate anticipated to be approximately 4.5 to 5.5%. However, both parties understand that the actual interest at the time of the borrowing of the funds may vary. The funds will be borrowed from OWDA following construction of the Project and acceptance of ownership of the Project by the County. Alternatively, at Developer's election, County may borrow the funds prior to the completion of

construction in order to take advantage of the then-current interest rate. Developer will assist County with any necessary actions to acquire the funds. County may elect, at County's option, to borrow the funds from an alternative source provided the interest rate is lower than the rate offered by OWDA at the time of borrowing.

6. Alternative Financing.

- a. Prior to commencement of construction of the Project, Developer may elect to obtain alternative funding. In such event, Developer shall notify County of the same in writing, and further financing arrangements between the parties shall terminate at that time.
 - b. During construction of the Project, Developer may obtain alternative funding, provided that Developer shall notify the County of the same in writing and shall reimburse County for all sums disbursed by County for the construction of the Project within 60 days of notification. In such event, all further financing arrangements between the parties shall terminate.
 - c. Following completion of construction, County shall inform Developer of the then-current interest rate to be charged by OWDA (or other funding source) at least 15 days prior to closing on the OWDA (or other funding source) loan to the County. If, at that time, Developer determines the interest rate to be unacceptable, Developer shall notify County within seven days of its intention to pursue alternative funding for the Project. In that event, Developer shall obtain such alternative funding and shall reimburse County for all sums disbursed by County for the construction within 60 days of notifying County of its intent to seek alternative funding. Such election will terminate all further financing transactions.
7. Pipe Capacity and Tap-In Fees. Developer will install sanitary sewer pipe of a capacity to allow tie-ins from future development of property along Seasons Road, which will be approved by County in its review of Developer's plans. In consideration of Developer's installation of pipe of such a capacity, County will not assess Developer for the tap-in fee associated with Developer's future construction of the Patriot Energy facility on the project site, provided, however, that Developer will continue to be responsible at the time of tap-in for the Patriot Energy facility for the portion of the tap-in fee that is remitted to the City of Stow through the County and is more generally known as the "impact charge." All other facilities, businesses or developments on the project site will be assessed the ordinary tap-in fee.
8. Default. A second mortgage shall be filed upon Closing against Developer's real property to ensure completion of the Project. In the event that Developer fails to fully construct the Project and funds have been disbursed by the County, or, if funds have been disbursed by the County and Developer elects for alternative financing under Section 6, herein, but fails to repay County for the funds disbursed by the County, thus resulting in the assessment not being placed on the Developer's real property, County may rely on said mortgage as security and the loan will accrue interest at 10%. In the event

Developer completes the Project and it is accepted by the County, the County shall file a satisfaction of mortgage and County's sole security from that point forward shall be the assessment.

9. Miscellaneous Items.

- a. Developer will be responsible for obtaining necessary performance and maintenance bonds. Construction of the Project is subject to the County's standards and inspection.
- b. Developer will be responsible for the payment of County's legal fees for any outside counsel necessary to prepare and/or review the Agreement and any other necessary documents/agreements, not to exceed the amount of \$5,000.00. Developer will be responsible for the payment of a construction service fee for the inspection and administrative functions performed by the County in relation to the Project consistent with other private sewer development agreements. Developer shall be responsible for payment of all costs incurred by Developer.
- c. The structure outlined above is subject to applicable Ohio law and must be approved by counsel for the County. Furthermore, all agreements are subject to the approval of Summit County Council.
- d. The above structure is not meant to constitute a binding offer or agreement, but rather a non-binding proposal for potential development of the Project. Nothing contained herein shall be binding unless and until incorporated into formal agreements and agreed to by the parties in writing.
- e. Developer shall not be required to utilize a public bidding process in the performance of the Project. Developer will be subject to applicable prevailing wage law regarding construction of the Project.

By signing below, the County and Developer acknowledge their intention to proceed with the negotiation and subsequent execution of the Agreement, and all other necessary documents pertaining to the construction and financing of the Project, incorporating, and subject to, the terms of this

THE COUNTY OF SUMMIT

JOHN A SHUTSA & ASSOCIATES, INC.

Russell M. Pry, Executive Date

John A. Shutsa, Jr. Date