

AGREEMENT

CWF NO. 644-C

PROJECT LOAN AND PROJECT GRANT AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE OLD COLONY BEACH CLUB ASSOCIATION UNDER THE CLEAN WATER FUND PROGRAM

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PROJECT LOAN AND PROJECT GRANT AGREEMENT
BETWEEN THE STATE OF CONNECTICUT AND
THE OLD COLONY BEACH CLUB ASSOCIATION

UNDER THE CLEAN WATER FUND PROGRAM

THIS AGREEMENT made and concluded at Hartford, Connecticut, this ____ day of _____, 2026, by and between the State of Connecticut (the “State”), acting herein by the Commissioner of the Department of Energy and Environmental Protection (“DEEP”), duly authorized under the provisions of Connecticut General Statutes, Section 22a-6(a)(2) and the Old Colony Beach Club Association, Connecticut, a municipal corporation (hereinafter referred to as the “Municipality”).

WITNESSETH, THAT

WHEREAS, Sections 22a-475 to 483, inclusive, of the Connecticut General Statutes, as amended (the “State Act”), provide that the State may make loans and/or grants to municipalities to finance the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of Pollution Abatement Facilities (as defined below);

WHEREAS, the Municipality has applied for a Project Loan and a Project Grant (as such terms are defined herein) from the State to finance the design and planning phase and/or the development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of a Pollution Abatement Facility.

NOW THEREFORE, KNOW YE THAT:

WHEREAS, the Municipality is now initiating its Project (as described herein in Section 2.1). The Municipality and the State mutually agree:

Section 1. Definitions

For the purposes of this Agreement, the following words and terms shall have the respective meanings set forth as follows:

“Account” means a banking account established by the Municipality in accordance with policies and procedures of the State for the receipt of ACH payments from the State. From time to time and at the request of the State, the Municipality will provide financial records of the transactions made within the Account(s) including bank statements.

“Advance” means each disbursement of Project Loan and Project Grant proceeds as set forth in Section 4.4 hereof, the form of request for which is shown in **Exhibit VII**.

“Agreement” means this Project Loan and Project Grant Agreement between the State and the Municipality.

“Audit” means an accounting and certification of all Eligible Project Costs incurred in accordance with the approved plans and specifications pursuant to Sections 7.12, 7.15 and 8.4 of this Agreement.

“Automated Clearing House” or “ACH” means the mechanism by which the State makes payments to the Municipality on any grants or loans, established pursuant to policy and procedures of the Office of the State Comptroller and administered through the Office of the Treasurer of the State of Connecticut. The Municipality is hereby responsible to ensure the maintenance of an Account to receive payment and to ensure the correct banking information is provided to the State on a timely basis.

“Bonds” means any obligation issued by the State, the proceeds of which are used to fund the Project Grant and/or Project Loan from the State to the Municipality.

“CEPA” means Connecticut Environmental Policy Act created pursuant to Connecticut General Statutes Section 22a-1 through 22a-1h.

“Claims” means all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

“Clean Water Fund” means the fund established under Connecticut General Statutes Section 22a-477.

“Code” means the Internal Revenue Code of 1986, as amended.

“Combined Sewer Project” means any Project undertaken to mitigate pollution due to combined sewer and drain systems.

“Commissioner” means the Commissioner of the Department of Energy and Environmental Protection of the State of Connecticut.

“Confidential Information” means any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual’s name, date of birth, mother’s maiden name, motor vehicle operator’s license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the State classifies as “confidential” or “restricted.” Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.

“Conservation and Development Plan” or “C & D Plan” means the Conservation and Development Policies Plan for Connecticut, published by the Office of Policy and Management pursuant to Connecticut General Statutes Section 16a-26 through 16a-30. Expenditures of state-administered funds in excess of \$200,000 are required by Connecticut General Statutes Section 16a-31 to be consistent with the C&D Plan. For purposes of this Agreement, consistency with the C&D Plan refers only to the facilities plan and sewer service area as defined in Section 1, while state-administered funds refer only to the Clean Water Fund monies administered by DEEP under this Agreement.

“Continuing Disclosure Agreement” means a Municipal Continuing Disclosure Agreement from the Municipality entered into in connection with the issuance of the Bonds relating to the Municipality’s obligation under the Rule, if required by the State pursuant to Section 7.17 hereof, substantially in the form attached hereto as **Exhibit V**.

“Contractor” means persons or entities that the Municipality enters into contracts with to perform services on the Project funded, in whole or at least in part, under this Agreement.

“Cross-Cutters” means the requirements of federal laws and Executive Orders that apply in Federal financial assistance programs.

“DAS” means the State of Connecticut Department of Administrative Services.

“DEEP” means the State of Connecticut Department of Energy and Environmental Protection.

“Eligible Loan Amount” means Eligible Project Costs minus the Project Grant.

“Eligible Project Costs” means the Total Project Costs determined by the Commissioner to be necessary and reasonable, minus Funds from Other Sources and the Local Share. The Eligible Project Costs may include the costs of all labor, materials, machinery and equipment, lands, property rights and easements, interest on Interim Funding Obligations, Project Loan Obligations and bond anticipation notes, including the costs of issuance thereof approved by the Commissioner, the costs of engineering reports/studies, plans and specifications, surveys or estimates of costs and revenues, engineering and legal services, auditing and administrative expenses, and all other expenses approved by the Commissioner, which are incident to all or part of the eligible Total Project Costs.

“Engineering Agreement” means the agreement dated March 30, 2019 between the Municipality and Fuss & O’Neill for professional services performed in connection with this Agreement. These agreements are on file at DEEP.

“EPA” means the United States Environmental Protection Agency.

“Event of Default” means an event of default specified in Section 9.1 of this Agreement.

“Facilities Plan” means an engineering document by which the Project has been justified including, but not limited to, a sewer service area map. The specific facilities plan titled “Wastewater Facilities Planning Report” and dated April 1, 2015 was approved by DEEP on October 23, 2017. The facilities plan is on file at DEEP.

“Federal Act” means the Federal Water Quality Act of 1987.

“Funds from Other Sources” means amounts contributed by the Municipality from any source whatsoever other than the Clean Water Fund or the Local Share for the purpose of paying the Municipality’s share of Total Project Costs.

“Grant Eligible Costs” means the portion of Total Project Costs that the EPA uses in making a grant pursuant to Part 35 of the Federal Water Pollution Control Act, as amended.

“IIJA” means the Infrastructure Investment and Jobs Act (IIJA) as further described in Section 6.13.

“Interim Funding Obligation” means a note issued by the Municipality in anticipation of a Project Loan Obligation in substantially the form as **Exhibit I** to this Agreement.

“Iron and Steel Products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials, as defined by the Consolidated and Further Continuing Appropriations Act, 2015.

“Local Share” means expenditures by the Municipality for the purchase of goods, materials and services utilized in planning, designing and constructing the Project, and specifically excludes any municipal repayments made pursuant to a Project Loan or a Project Loan Obligation.

“Maturity Date” for the Project Loan Obligation, means March 31, 2049, a date which is not less than twenty (20) years from the Scheduled Completion Date contained in this Agreement.

“MBE/WBE Requirements” means the program requirement to utilize minority business enterprises and women business enterprises for costs of the Project that are eligible for funding from the Clean Water Fund. For this Project, the MBE and WBE portions shall be 3.0% and 5.0% respectively.

“Municipality” means the Old Colony Beach Club Association, Connecticut, a municipal organization having authority to levy and collect taxes or make charges for its authorized functions as defined in Section 22a-475 of the Connecticut General Statutes and having the authority to contract as defined in Section 7-148(c) of the Connecticut General Statutes.

“New Municipality” means any municipality or municipalities in the State, which the Municipality and the State deem necessary and/or desirable to join with the Municipality in sharing the cost of funding the Project and the obligations with respect to the Project entered into by the Municipality, including this Agreement and any amendments thereto.

“Pollution Abatement Facility” means any equipment, plant, treatment works, structure, machinery, apparatus or land, or any combination thereof, which is acquired, used, constructed or operated for the storage, collection, reduction, recycling, reclamation, disposal, separation or treatment of water or wastes, or for the final disposal of residues resulting from the treatment of water or wastes, and includes, but is not limited to: pumping and ventilating stations, facilities, plants and works; outfall sewers, interceptor sewers and collector sewers; and other real or personal property and appurtenances incident to their use or operation.

“Program Income” means any investment income accrued on any Advance of the Project Loan and Project Grant during the period it is deposited in the Municipality’s Account.

“Project” means the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of a Pollution Abatement Facility by the Municipality as described in Section 2.1 of this Agreement.

“Project Budget” means the breakdown of the components of the Total Project Costs attached hereto as **Exhibit VI**.

“Project Grant” means the grant in the amount set forth in Section 2.2 of this Agreement from the Clean Water Fund of the State to the Municipality pursuant to Section 3.1 of this Agreement to finance a portion of the Eligible Project Costs.

“Project Loan” means the loan in the amount set forth in Section 2.2 of this Agreement from the Clean Water Fund of the State to the Municipality pursuant to Section 4.1 of this Agreement to finance a portion of the Eligible Project Costs.

“Project Loan Obligation” means a note or other obligation delivered by the Municipality to the State, to evidence the Municipality’s obligation to repay the permanent financing of the Project Loan, on or before the Maturity Date, in substantially the form as **Exhibit II** to this Agreement and authenticated and delivered pursuant to the Municipality’s authorizing resolution.

“Records” means all working papers and such other information and materials as may have been accumulated by the Municipality or the Municipalities Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.

“Rule” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Scheduled Completion Date” means March 31, 2029, or such earlier date should the Project be completed sooner than the Scheduled Completion Date or such later date as the Commissioner may otherwise determine; provided, however, in no event shall the Scheduled Completion Date be later than the date of completion of the Project.

“Sewer Service Area” shall mean those physical areas of the Municipality for which sewer service exists or is planned for within the design capacity of the wastewater treatment plant and is depicted in the sewer service area map included in the Municipality’s Facilities Plan.

“State Act” shall mean Sections 22a-475 to 483, inclusive, of the Connecticut General Statutes, as amended.

“Super Cross-Cutters” means requirements of other federal laws and Executive Orders that apply in federal financial assistance programs expressly related to socioeconomic Federal Civil Rights Laws 42 U.S.C. Sec. 2000d (Title VI of the Civil Rights Act of 1964), 33 U.S.C. Sec. 1251 (Section 13 of the Federal Water Pollution Control Act Amendments of 1972), 29 U.S.C. Sec. 794 (Section 504 of the Rehabilitation Act of 1973), 42 U.S.C. Sec. 6102 (The Age Discrimination Act of 1975).

“Total Project Costs” means the total costs paid or incurred by the Municipality for the Project, including but not limited to, Eligible Project Costs.

“Water Pollution Control Order” means the enforcement rights of the State provided pursuant to Water Pollution Control Order No. COWRMU-18001, if any.

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Section 2. The Project

Section 2.1 Project Description

The Project shall consist of the construction of gravity sewers, connections, and associated roadway, drainage, and green infrastructure improvements to alleviate a community pollution problem within the boundaries of Old Colony Beach Club Association as part of a centralized wastewater conveyance system terminating with discharge into East Lyme's existing sewer system, in accordance with the State Bond Commission approval dated August 1, 2025, and all modifications or amendments which are approved by the Commissioner. The Project will be owned and operated by the Municipality.

Section 2.2 Eligible Project Costs

The maximum allowable amount of the estimated Total Project Costs and Eligible Project Costs and sources of payment for such costs are set forth below:

Total Project Costs:	\$ 10,113,160.45
Funds from Other Sources:	\$ 0.00
Local Share:	\$ 291,395.00
Eligible Project Costs:	<u>\$ 9,821,765.45</u>
Amount of Project (State) Grant:	\$ 2,370,625.12
Amount of Federal Grant: (Base)	\$ 0.00
Amount of Federal Grant: (IIJA)	\$ 0.00
Amount of Federal IIJA Loan	\$ 0.00
Amount of Project Loan	<u>\$ 7,451,140.33</u>
Total Loan Amount (Federal IIJA Loan and Project Loan)	<u><u>\$ 7,451,140.33</u></u>

The Amount of Project Grant is calculated per Section 3.1.

A list of the Total Project Costs is set forth in the Project Budget to which the Municipality must adhere in aggregate, attached hereto as **Exhibit VI**, and incorporated herein by reference. Before delivery of the Project Loan Obligation, the Municipality shall provide a completed Closing Statement, as required in Section 6.1(b); the form of which is set out as **Exhibit VIII** to this Agreement.

Section 2.3 Project Signage

Prior to the start of any work funded by this Agreement, project signage shall be in place in accordance with DEEP's project signage guidelines. A Certificate of Compliance – Project Sign attached hereto as **Exhibit XII** must be completed and sent to the DEEP Municipal Wastewater Project Engineer prior to the first payment being made to the Municipality pursuant to this Agreement.

(The remainder of this page has intentionally been left blank.)

Section 3. The Grant

Section 3.1 The Project Grant

Subject to the terms and conditions of this Agreement, the State agrees to grant to the Municipality an amount not to exceed the Project Grant amount as set forth in Section 2.2 of this Agreement. The grant amount shall be determined in accordance with Connecticut General Statutes Section 22a-478(c) and DEEP regulations by identifying grant eligible costs, categorizing grant eligible costs by grant category (e.g., denitrification, infiltration/inflow, etc.) and applying the percentage of grant applicable to each grant category.

Pursuant to Section 10.10, the State's obligation to make the Project Grant shall terminate unless the conditions precedent to funding the Project Grant set forth in Section 6.1 of this Agreement and in **Exhibit IX** are satisfied.

Section 3.2 Increase in Project Grant

Subject to the terms and conditions of this Agreement and the approval of the State Bond Commission, the State may increase the amount of the Project Grant to the Municipality upon written evidence from the Municipality to the State that the actual amount of Grant Eligible Costs exceeds the estimated Project Grant figure set forth in Section 2.2 of this Agreement. The revised amount of the Project Grant shall be calculated in the same manner as provided in Sections 2.2 and 3.1 hereof.

Upon the approval of the State to increase the amount of the Project Grant pursuant to this Section 3.2, the Commissioner and the Municipality shall, in writing, amend Section 2.2 of this Agreement to reflect such increase in the Project Grant.

Section 3.3 Required Repayment of the Grant

If any Audit required pursuant to Sections 7.12, 7.15 and 8.4 hereof reveals that the actual Grant Eligible Costs are less than that amount set forth in Section 2.2, the Municipality shall, as soon as practicable, but not more than ninety (90) days after the State notifies the Municipality in writing of the results of the Audit, repay the difference between the Project Grant received and the Project Grant it would have received if the audited Grant Eligible Cost figure had been used to calculate the Project Grant, or provided that such amount is an Eligible Project Cost, finance such difference by including it as part of the Project Loan to the extent permitted by Section 4 hereof.

Section 3.4 Disbursement of Project Grant

Prior to any disbursements, the Municipality must establish an Account which is the sole instrument by which the Municipality will receive its Project Grant from the State. The Project Grant shall be disbursed subject to the review and approval by the State as an Advance and wired by the State to the Account in accordance with the process and procedures described in Section 4.4.

Section 4. The Loan

Section 4.1 The Loan Commitment

(a) Subject to the terms and conditions of this Agreement, the State agrees to lend to the Municipality, and the Municipality agrees to borrow from the State, an amount not to exceed the amount of the Project Loan as set forth in Section 2.2 hereof. The Project Loan shall bear interest at the rate of 2% per annum as more fully described in Section 4.3 hereof. Interest on any Interim Funding Obligation shall be computed on the basis of a year of 360 days and the actual number of days elapsed. Interest on any Project Loan Obligation shall be computed on the basis of a year of 360 days and twelve 30-day months.

(b) The amount of the Project Loan shall equal the Eligible Project Costs minus the Project Grant. The amount of the Project Loan may be increased by an amount equal to any reduction in the Project Grant required by Section 3.3 hereof, provided that such amount is for an Eligible Project Cost.

Section 4.2 Increase in Loan Commitment

(a) Subject to the terms and conditions of this Agreement and the approval of the State Bond Commission and to the extent permitted by state and federal law, the State may increase the amount of the Project Loan to the Municipality upon written evidence from the Municipality to the State that (i) the actual amount of Eligible Project Costs exceeds the estimated Eligible Project Costs set forth in Section 2.2 of this Agreement or (ii) provided that such amount is an Eligible Project Cost, may finance the difference between the Project Grant received and the Project Grant it would have received as set forth in Section 2.2 hereof. The revised amount of the Project Loan and the Project Grant shall be calculated in the same manner as provided in Sections 2.2 and 4.1 hereof.

(b) Upon the approval of the State to increase the amount of the Project Loan pursuant to this Section 4.2, the Commissioner and the Municipality shall, in writing, amend Section 2.2 of this Agreement to reflect such increase in the Project Loan.

Section 4.3 The Interim Funding Obligations and Project Loan

(a) The Municipality shall execute and deliver one or more Project Loan Obligations to evidence its obligation to repay the Project Loan. In anticipation of the issuance of any Project Loan Obligation, however, the Municipality may execute and deliver one or more Interim Funding Obligations, under which the Municipality may draw up to the amount of the Project Loan as set forth in Section 2.2 of this Agreement. Such draws shall be made in accordance with Section 4.4 of this Agreement. So long as the Municipality shall have Bond Anticipation Notes ("Notes") outstanding to finance the Project, the aggregate principal amount advanced pursuant to one or more Interim Funding Obligations shall not exceed the lesser of (1) the Project Loan Amount or (2) the amount equal to the Total Project Costs less Notes Outstanding, less Project Grants paid to the Municipality.

Any increase in the amount of the Project Loan as provided in Sections 4.1 and 4.2(a) of this Agreement shall be evidenced by the execution and delivery by the Municipality of an additional Interim Funding Obligation or Project Loan Obligation evidencing such increase. Each Interim Funding Obligation shall mature no later than six (6) months following the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum on the unpaid principal balance of each Project Loan Advance from the date of each such Project Loan Advance, shall be payable as to principal and interest on maturity, shall be dated and shall contain such terms and conditions as are required by law. Any existing Interim Funding Obligation may be refinanced when due by the execution and delivery of a new Interim Funding Obligation in an amount sufficient to refund the principal due on the Interim Funding Obligation to be refinanced and to provide that the unpaid interest on all prior Project Loan Advances shall continue to accrue from the date of each such prior Project Loan Advance, unless otherwise required by the State. Each Interim Funding Obligation or Project Loan Obligation shall be a general obligation of the Municipality for which the full faith and credit of the Municipality are pledged for the repayment of the Project Loan, or, to the extent not prohibited by law, shall be secured by a dedicated source for repayment of the Project Loan satisfactory to the State and not inconsistent with the Federal Act or the State Act.

(b) Any accrued interest shall be paid by the Municipality from other funds of the Municipality, unless upon request of the Municipality and approval of the State this interest will be advanced as part of the Project Loan Obligation, as long as no additional amount so advanced shall cause the Project Loan described in Section 2 to be exceeded.

(c) Within six (6) months after the Scheduled Completion Date, the Municipality shall execute and deliver a Project Loan Obligation, which shall be dated no later than the date of such execution and delivery.

The amount of the Project Loan Obligation shall not be less than the total of all Project Loan Advances made through the date of the Project Loan Obligation and if approved by the State, accrued interest thereon, minus any amounts repaid to the State. The Project Loan Obligation shall bear interest at the rate of two percent (2.00%) per annum on the unpaid principal balance and shall be payable as to principal and interest as provided in Section 4.5(a) hereof. The execution and delivery of the Project Loan Obligation will constitute a refunding of all existing Interim Funding Obligations and accrued interest thereon, if approved by the State, and the Project Loan Obligation shall be issued in an amount, which does not exceed the amount of the Project Loan as set forth in Sections 2.2 and 4.1 hereof.

Subsequent to the execution and delivery of the Project Loan Obligation, the Municipality may execute and deliver additional Interim Funding Obligations under which it may draw any undisbursed Project Loan amounts in accordance with Sections 4.4 and 7.15 of this Agreement. Any such Interim Funding Obligation may be refunded, and any increase in the Project Loan may be funded, by the execution and delivery of a subsequent Project Loan Obligation. Formal written amendment of this Agreement in accordance with Section 10.9 of this Agreement is required for extensions of terms and conditions.

(d) Any Interim Funding Obligation may be refunded by the execution and delivery of a subsequent Interim Funding Obligation issued if the State approves the inclusion of the design costs funded under this Agreement in a new Project Loan and Grant Agreement for construction costs related to the Project defined in Section 2.2.

Section 4.4 Disbursement of Project Loan and Project Grant Proceeds

Prior to any disbursements, the Municipality must establish an Account which is the sole instrument by which the Municipality will receive its Project Grant and Project Loan proceeds from the State. The Municipality agrees to submit to DEEP signed copies of the engineering agreement and MBE/WBE contracts prior to the first payment being made to the Municipality pursuant to this Agreement.

Proceeds of the Project Loan and Project Grant shall be disbursed, subject to the review and approval by the State, as an Advance and wired by the State to the Account upon the written request thereof from the Municipality to the State accompanied by evidence that such amounts have been incurred by or on behalf of the Municipality for the payment of Total Project Costs. Each such request from the Municipality shall indicate (a) the total amount of the costs incurred for the Project which have not been included in any prior Advance request, (b) the total amount of such costs which are Eligible Project Costs, (c) the total amount of such costs which are Grant Eligible Costs, (d) the amount of the Project Grant Advance (the applicable percentage of which will be as provided in Connecticut General Statutes Section 22a-478 (c) and is detailed in Sections 2.2 and 3.1), and (e) the amount of the Project Loan Advance (the amount in (b) minus the amount of the Project Grant Advance in (d)), (f) invoices shall not be submitted more frequently than monthly. Provided the Municipality submits its monthly invoice request with evidence of such amounts on or before noon of the second (2nd) business day of the month, the State agrees that it shall wire payment of the Project Grant Advance and the Project Loan Advance to the Account by the thirteenth (13th) business day of such month. In the event the State does not receive a Municipality's monthly disbursement request by the time and in the manner set forth in this paragraph, the State cannot guarantee a payment will be made by the State to the account by the thirteenth (13th) business day.

Within 90 days after the Scheduled Completion Date, the municipality shall submit all related invoices and other necessary executed documents (e.g., change orders, as built, etc.) to DEEP to ensure reimbursement of permanently funded final project costs and the issuance of a final Project Loan Obligation.

Each time a deposit is made to the Account, the Municipality will receive a deposit notice from the Office of the State Comptroller evidencing the amount of the deposit. As soon as feasible following the disbursement of each Advance, the State shall send to the Municipality a spreadsheet evidencing as of the date of each Advance the date and amount of each Project Grant Advance and Project Loan Advance and the interest

accrued on all Project Loan Advances, and if applicable, the date and amount of principal repaid by the Municipality on all Project Loan Advances, the principal balance remaining unpaid to the Municipality on all Project Loan Advances. Such spreadsheet shall constitute the endorsement to Schedule 1 of the Interim Funding Obligation.

Section 4.5 Required Repayment of Obligations

(a) Except as otherwise provided herein and in the State Act with respect to the Interim Funding Obligation and unless otherwise required by law, the Municipality shall repay each Project Loan Obligation (i) in monthly installments commencing not later than one month after the execution of the Project Loan Obligation, or (ii) in one single installment representing 1/20 of total principal, not later than one year from the Scheduled Completion Date and monthly installments thereafter; provided, however, the last installment of principal on any Project Loan Obligation shall be payable not later than the Maturity Date. Interest on each Project Loan Obligation shall be paid in arrears on each principal repayment date. Monthly installments of principal may be substantially equal or may be in amounts which substantially equalize the aggregate amount of principal and interest due on each monthly installment due date, except that on the first repayment date all accrued interest shall be paid.

(b) If any Audit required pursuant to Sections 7.12, 7.15 and 8.4 hereof reveals that the actual Eligible Project Costs are less than the amount set forth in Section 2.2, the Municipality shall, as soon as practicable, but not more than ninety (90) days after the State notifies the Municipality in writing of the results of the Audit, repay the difference between the Project Loan received and the Project Loan it would have received had the audited Eligible Project Cost figure been used to calculate the Project Loan. Any such repayment shall be applied first to reduce the outstanding amount of any Interim Funding Obligations and second to repay any Project Loan Obligation in the manner described in Section 4.6 hereof.

Section 4.6 Optional Prepayment of Principal

(a) The Municipality may, on or after ten (10) years from the date of any Project Loan Obligation, without penalty, prepay any Project Loan Obligation in whole or in part in any amount, together with accrued interest to the date of such prepayment on the amount prepaid. Prepayments shall be applied to the principal of the Project Loan Obligation in the inverse order of maturity of the installments of principal due thereon or in such other order as may be acceptable to the Municipality and the State. Prepayments shall be in whole multiples of \$5,000 only, provided that if the principal amount of any installment outstanding is less than \$5,000, payment shall be made in such amount. The Municipality must send written notification of the prepayment at least thirty (30) days before any such prepayment.

(b) If the Municipality plans to fund the loan prepayment with the proceeds of its bonds, the Municipality should consult with the State and with the Municipality's own bond counsel in regard to any tax considerations.

Section 4.7 Method of Payments

All payments of principal and interest on any Interim Funding Obligation or any Project Loan Obligation shall be made by the Municipality or the Municipality's paying agent by check, draft, or by wire transfer, with this Agreement number noted thereon and made payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Suite 2003, Hartford, CT 06106, Attn: Clean Water Fund Financial Administrator, or to such other place as the State shall designate in writing to the Municipality.

Section 4.8 New Municipality

Whenever the Municipality and State deem it necessary and/or desirable to do so, they may, by mutual consent, permit a New Municipality in the State to join with the Municipality in the funding of the Project (i) by amending the appropriate sections of this Agreement, (ii) by the execution and delivery of a new Project Loan and Project Grant Agreement, or (iii) by amending this Agreement and by executing and delivering a new Project Loan and Project Grant Agreement (the "New Agreement"). In such case, whenever a Project Loan Obligation of the Municipality is due to be delivered under the New Agreement, a Project Loan Obligation of the New Municipality may be delivered to the State in lieu thereof in an amount equal to its pro-rata portion of the Project Loan. In addition, whenever a New Municipality is added, a Project Loan Obligation of the New Municipality may be substituted for an existing Project Loan Obligation of the Municipality in an amount equal to its pro-rata portion of the Project Loan and in such event, the existing principal amount outstanding of the Project Loan Obligation shall be correspondingly reduced in the amount equal to the amount of the Project Loan Obligation issued by such New Municipality. At no time shall the substitution of a Project Loan occur if such substitution would cause the aggregate dollar amount of the Project Loan Obligation delivered with respect to the Project to be less than the Project Loan. Once a Project Loan Obligation of the New Municipality is delivered, such New Municipality shall not be obligated to pay the principal and interest for which the Municipality or any other New Municipality is liable.

Section 5. Representations and Warranties

The Municipality hereby makes the following representations and warranties to the State which representations and warranties will survive the delivery of the Interim Funding Obligation and the Project Loan Obligation and the making of the Project Loan and the making of the Project Grant:

Section 5.1 Existence and Power

The Municipality is, and, except as provided in Section 7.5 hereof, will continue to be, a body corporate and politic, validly existing under the laws of the State, with the power and authority to execute and deliver this Agreement and to execute and deliver the Interim Funding Obligation, if applicable, and the Project Loan Obligation and to perform its obligations hereunder and thereunder.

Section 5.2 Authority

The execution and delivery by the Municipality of this Agreement, the Interim Funding Obligation, if applicable, and the Project Loan Obligation have been duly authorized by the Municipality in conformity with all applicable laws, including any charter requirements and that no proceedings or authority for the execution and delivery of this Agreement, the Interim Funding Obligation, if applicable, and the Project Loan Obligation have been repealed, rescinded or revoked.

Section 5.3 No Litigation Pending

No litigation of any nature is now pending or, to the best of the Municipality's knowledge, threatened which would restrain or enjoin the execution or delivery of this Agreement, the Interim Funding Obligation, if applicable or the Project Loan Obligation, or in any manner questioning the Municipality's ability to undertake the Project or its authority to execute and deliver this Agreement, the Interim Funding Obligation, if applicable or the Project Loan Obligation, or affecting the validity hereof and thereof.

Section 5.4 Expenditure of Project Grant and Project Loan by Municipality

The Municipality reasonably expects to complete the Project on or prior to the Scheduled Completion Date and agrees that all monies received by the Municipality from the Project Grant will be expended to pay the costs of the Project as described in Section 2 hereof.

Section 5.5 Validity

This Agreement, the Interim Funding Obligation, if applicable, and the Project Loan Obligation, upon the execution and delivery hereof and thereof and the disbursement of an Advance of the Project Loan, will be legal, valid, and binding obligations of the Municipality enforceable against it in accordance with their respective terms and the Interim Funding Obligation, if applicable, and the Project Loan Obligation shall constitute a general obligation of the Municipality secured by the full faith and credit of the Municipality to pay the principal thereof and the interest thereon.

Section 5.6 Events of Default

No Event of Default specified in Section 9.1 hereof, and no event, which with the lapse of time or the giving of notice or both would become an Event of Default, has occurred and is continuing.

Section 6. Conditions Precedent

The obligation of the State to make the Project Loan and the Project Grant is subject to the following conditions precedent.

Section 6.1 Written Documentation

(a) Prior to making the Project Loan and the Project Grant, the Municipality shall deliver to the State the following:

- (1) Written assurance satisfactory to the Commissioner that the Municipality will undertake and complete the Project with due diligence;
- (2) All applications and other documents and information required by the Commissioner, including but not limited to (a) plans and specifications prepared for the Project approved by the Commissioner, and (b) Facilities Plans and Sewer Service Area Map of the Project, and (c) written evidence that the Project is consistent with the Conservation and Development Plan;
- (3) Written evidence that the Municipality has established an Account, as required by Section 3.4 and Section 4.4, in substantially the form as shown in **Exhibit XI** hereof;
- (4) Written evidence that the Municipality has available to it or has made arrangements satisfactory to the Commissioner to obtain the necessary Local Share and Funds from Other Sources to pay that portion of Total Project Costs for which it is legally obligated which are not met by the Project Loan and Project Grant pursuant to Section 2.2;
- (5) Written assurance that the Municipality will comply with the Audit requirements of Sections 7.12, 7.15 and 8.4 of this Agreement;
- (6) Written assurance from the Municipality that it has obtained the insurance required by Section 7.10 of this Agreement, and that the Municipality will review the Contractor's written proof of insurance to ensure that it meets all the requirements of Section 7.10 of this Agreement;
- (7) Written evidence satisfactory to the Commissioner, that the Municipality will issue a general obligation note for which the full faith and credit of the Municipality are pledged for the repayment of the Project Loan in substantially the form as shown as **Exhibit I** to this Agreement in respect to the Interim Funding Obligation and the form as shown as **Exhibit II** to this Agreement with respect to the Project Loan Obligation.
- (8) Evidence satisfactory to the State that the Municipality has addressed the conditions identified in **Exhibit IX** attached hereto and made a part hereof; and

(9) All properly executed forms and applications prescribed by the Commissioner pursuant to law. The execution and delivery of this Agreement by the Municipality to the State shall constitute the written assurances required by clauses (1), (3), (4), (5) and (6) above.

(b) Before delivery of the Project Loan Obligation, the Municipality shall provide a completed Closing Statement, the form of which is attached hereto as **Exhibit VIII**.

Section 6.2 Evidence of Municipal Action

Prior to the execution of this Agreement, the Municipality shall deliver to the State evidence of all municipal action taken by the Municipality to authorize the execution and delivery of this Agreement, the Interim Funding Obligation and Project Loan Obligation and the performance of its obligations hereunder and thereunder, certified by an authorized official of the Municipality, as further described in **Exhibit IV** attached hereto, and such other papers and documents as the Commissioner may reasonably request.

Section 6.3 Opinion of Bond Counsel

Prior to the disbursement of any Project Loan Advance pursuant to each Interim Funding Obligation and prior to the delivery of any Project Loan Obligation, the Municipality shall deliver to the State a written opinion from a recognized bond counsel satisfactory to the State substantially in the form of **Exhibit III** hereto, to the effect that (a) the making and performance by the Municipality of this Agreement and, as applicable, the Interim Funding Obligation or the Project Loan Obligation has been duly authorized by all necessary municipal action, (b) this Agreement constitutes a legal, valid and binding obligation of the Municipality enforceable against it in accordance with its terms, and (c) as applicable, the Interim Funding Obligation and the Project Loan Obligation when executed and delivered and upon disbursement of an Advance of the Project Loan will constitute a legal, valid and binding general obligation of the Municipality enforceable against it in accordance with its respective terms, for which the full faith and credit of the Municipality are pledged for the payment of the principal thereof and the interest thereon.

Section 6.4 Signature and No Litigation Certificate

Prior to the delivery of this Agreement, each Interim Funding Obligation and Project Loan Obligation, the State shall have received from the Municipality a Signature and No Litigation Certificate satisfactory to the State.

Section 6.5 No Event of Default

Prior to the delivery of this Agreement, each of the Interim Funding Obligation and Project Loan Obligation and the payment of any Advance, no Event of Default and no event which with the lapse of time or the giving of notice or both would become such an Event of Default, shall have occurred and be continuing.

Section 6.6 Representations and Warranties

The representations and warranties of the Municipality contained in Section 5 hereof were true and correct on the date of this Agreement and shall remain true and correct on the date of the Project Loan and the Project Grant.

Section 6.7 Compliance with Federal and State Law and Regulations and Cross-Cutters

The Municipality shall at all times comply with all applicable Federal and State laws and regulations pertaining to the Project including, without limitation, compliance related to Super Cross-Cutters. Additionally, the Municipality shall at all times comply with the following Cross-Cutters:

Archaeological and Historic Preservation Act
Clean Air Act, Section 306
Clean Water Act, Section 508
Coastal Barriers Resources Act

Coastal Zone Management Act
Debarment and Suspension, Executive Order No. 12549
Endangered Species Act
Farmland Protection Policy Act
Floodplain Management (EO 11988)
Magnuson-Stevens Fisheries Conservation and Management Act
Wetland Protection (EO 11990) (Amended by EO 12608)
Wild and Scenic Rivers Act
Uniform Relocation Assistance and Real Property Acquisition Policies Act (Equivalency projects)

The Municipality agrees to comply with the regulations adopted pursuant to Section 22a-482 of the State Act and the requirements of Section 7.12(a) and 7.15 of this Agreement, except as may be waived by the Commissioner.

Section 6.8 Procedures for Compliance with Davis-Bacon Act

The Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7) requires that all construction contracts awarded by the Municipality of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 Code of Federal Regulations [CFR] part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, Contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, Contractors shall be required to pay wages not less than once a week. The Municipality shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The Municipality must conduct laborer interviews, at the frequency and manner prescribed in 29 CFR Part 5. The Municipality shall report all suspected or reported violations to the EPA.

Section 6.9 Compliance with Federal Regulations Concerning Grants and Agreements including Use of American Iron and Steel "AIS" Requirement

Pursuant to the regulations contained in 2 CFR 180, Subpart C, the Municipality acknowledges that this Agreement is a "covered transaction" within the meaning of 2 CFR 180.200, and that it must comply with 2 CFR Part 180, Subpart C, including certain responsibilities regarding doing business with debarred persons as more fully described in 2 CFR Part 1532 and pursuant to Executive Order 12549 Suspension and Debarment Regulations.

Pursuant to the Consolidated and Further Continuing Appropriations Act, 2015, none of the funds from the Project Loan or the Project Grant shall be used to pay Eligible Project Costs or the costs for the construction, alteration, maintenance, or repair of treatment works unless all of the Iron and Steel Products used in the Project are produced in the United States (the "Use of American Iron and Steel requirement"). All projects must adhere to this requirement unless otherwise determined to be exempt or receive a waiver.

Any request by the Municipality to receive a waiver from the Use of American Iron and Steel requirement must be submitted in writing to DEEP. In order to obtain a waiver, EPA must make a finding as to the issuance of the waiver to the AIS requirements.

Section 6.10 Compliance with Federal Regulations Regarding Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment

The following provision is required by 2 CFR § 200.216 and applies to all obligations and expenditures of EPA financial assistance funding on or after August 13, 2020:

(a) All recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by the companies and corporations listed on <https://sam.gov/SAM/> (or any subsidiary or affiliate of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase:

(i) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by the companies and corporations listed on <https://sam.gov/SAM/>

(or any subsidiary or affiliate of such entities);

(ii) telecommunications or video surveillance services provided by such entities or using such equipment; and

(iii) telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) consistent with 2 CFR § 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for obligating or expending EPA funds for covered telecommunications and video surveillance services or equipment or services as described in 2 CFR § 200.216 to:

(i) procure or obtain, extend or renew a contract to procure or obtain;

(ii) enter into a contract (or extend or renew a contract) to procure; or

(iii) obtain the equipment, services, or systems. Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in Public Law 115-232, section 889, are recorded in the System for Award Management exclusion list.

Section 6.11 Requirement of a Fiscal Sustainability Plan

Pursuant to the Federal Water Pollution Control Act, all recipients of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works must develop and implement a fiscal sustainability plan (FSP) or certify that it has developed and implemented such a plan. The FSP shall include at a minimum (a) an inventory of critical assets that are a part of the treatment works; (b) an evaluation of the condition and performance of inventories assets or asset groupings; (c) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; (d) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities. The FSP must be submitted to the DEEP no later than the Scheduled Completion Date.

Section 6.12 Reporting Requirements

(a) Under the Federal Funding Accountability and Transparency Act (FFATA), Public Law 109-282, as amended, and FFY2010 Appropriation, Public Law (FFY2010)111-85, as amended, all sub-recipients are required to report detailed information on the Project and activities utilizing CWSRF monies. This includes, but is not limited to, information regarding the Municipality, the Project, and contractors as a result of completion of projects or activities utilizing CWSRF monies. The Municipality shall submit all required reporting information to DEEP in the format and frequency prescribed by DEEP.

(b) Upon commencement of Project construction activities and continuing until the project is complete, the Municipality shall report MBE/WBE utilization to comply with EPA requirements.

Section 6.13 Compliance with Federal Requirements Related to Build America Buy America

The Infrastructure Investment and Jobs Act (IIJA) expanded domestic sourcing requirements with the inclusion of the Build America, Buy America Act (BABA). Any Municipality that is a recipient of federal grant funds must comply with all applicable federal requirements (including those imposed by the Infrastructure Investment and Jobs Act (IIJA), Public Law No. 117-58) including, but not limited to:

(1) that all of the iron and steel manufactured products and construction materials used in the Project are produced in the United States (the “Build America, Buy America Requirements”) unless (i) a waiver was obtained pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the Municipality has been otherwise advised that the Build America, Buy America Requirements are not applicable to the Project; and

(2) compliance with all record keeping and reporting requirements under all applicable legal authorities including reports required by the EPA and the State including, but not limited to, information on costs and Project progress.

The Municipality understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and State entities, and (ii) any failure by the Municipality to comply with the applicable federal requirements and this Agreement may result in termination of the State’s obligation to make the Project Loan and Project Grant pursuant to Section 10.10 of this Agreement.”

Section 6.14 Compliance with Federal Grant Funding Requirements

As a sub-recipient of federal grant funding the Municipality must comply with the EPA’s General Terms and Conditions effective October 1, 2025, attached hereto **Exhibit XIII**.

Section 7. Agreements of the Municipality

Section 7.1 Construction

The Municipality shall undertake and complete the Project in accordance with the final plans and specifications developed and approved by the Commissioner, no later than the Scheduled Completion Date, unless otherwise extended by the Commissioner. Should the project schedule not meet the Scheduled Completion Date, the Municipality must notify the State in writing to request an extension no later than 45 days before the Scheduled Completion Date.

The Municipality agrees to permit sewer connections only from facilities within the approved Sewer Service Area as may be amended, which has been determined to be consistent with the C&D Plan. The Municipality agrees to submit any revisions to the sewer service area to DEEP for approval. If DEEP

determines that any proposed revision is inconsistent with the C&D Plan, the Municipality may apply for an interim change to the C&D Plan in accordance with Connecticut General Statutes Section 16a-32. Any such application shall include a copy of DEEP's written determination, and shall be submitted to OPM for processing in accordance with the Regulations of Connecticut State Agencies Section 16a-32-1-6.

Section 7.2 Municipality to Pay Excess Cost of Project

The Municipality agrees to pay that part of the Total Project Costs which exceeds all funding it may receive.

Section 7.3 Audit and Inspection of Plants, Places of Business and Records

During the construction of the Project, the Municipality during reasonable hours, shall allow the State, DEEP and any of their officers, agents or employees to inspect its records and come onto its property from time to time for the purpose of monitoring progress and for providing required reports and information under applicable federal and state laws.

Section 7.4 Maintenance of Project Records

The Municipality shall establish and maintain a separate account for the receipt and disbursement of all Eligible Project Costs for the Project. These records shall be maintained for the period of time described in Section 7.12(b) of this Agreement.

Section 7.5 Maintenance of Existence

Until payment in full of the Interim Funding Obligation and Project Loan Obligation, the Municipality shall, to the extent permitted by law, maintain its existence as a body corporate and politic, validly existing under the laws of the State; provided, however, that the Municipality may merge with or into another municipality so long as the surviving entity is a body corporate and politic validly existing under the laws of the State and such surviving municipality assumes all of the Municipality's obligations under this Agreement and, as applicable, the Interim Funding Obligation and Project Loan Obligation.

Section 7.6 Use of Proceeds

The Municipality shall use the proceeds of the Project Loan and the Project Grant solely to pay, or reimburse itself for paying, Eligible Project Costs. The Municipality shall promptly disburse the proceeds of such Project Loan and Project Grant after it receives notice that such proceeds have been deposited in the Municipality's Account. The amount of any Program Income accumulated in the Account by the Municipality shall be treated as Clean Water Fund money which the Municipality shall pay to the State upon demand and which may be used by the State at its own discretion to fund any Clean Water Fund project.

Section 7.7 Tax Compliance

The Municipality agrees and covenants that it shall take no action and permit no action to be taken that would adversely affect, and shall not fail to take any action necessary to be taken in order to maintain, (1) the exclusion from gross income for federal income tax purposes of interest payable on the Bonds, or (2) the qualification of interest payable on the Bonds as not an item of tax preference under the Code for purposes of the alternative minimum tax imposed on individuals and corporations (hereinafter, collectively "Tax Exemption for the Bonds"). The Municipality shall complete the tax questionnaire furnished to it by the State and submit such questionnaire to DEEP prior to or concurrently with the execution of the Agreement. In addition, the Municipality agrees and covenants that it shall at all times do and perform all acts and things reasonably requested by the State in order to maintain the Tax Exemption for the Bonds. The Municipality further agrees and covenants that:

(a) Any contract or agreement that the Municipality enters into with a non-governmental person to manage, operate, maintain or provide other services with respect to the Project or any portion of the Project,

will comply with the guidelines set forth in Internal Revenue Service Revenue Procedure 2017-13 (or any successor thereto) or otherwise will not result in private business use of the Project or any portion thereof within the meaning of Section 141(b) of the Code, and

(b) Not less than thirty (30) days prior to entering into any such contract or agreement, it will obtain an opinion, acceptable, in the sole discretion of the State addressed to the State and to the State's bond counsel, of counsel for the Municipality experienced in municipal finance matters to the effect that such contract or agreement complies with the guidelines set forth in Internal Revenue Service Revenue Procedure 2017-13 (or any successor thereto) or otherwise does not result in the private business use of the Project or any portion thereof within the meaning of Section 141(b) of the Code.

(c) Notwithstanding the foregoing, the Municipality may not enter into any arrangement with any non-governmental person as described in (a) unless (1) the Municipality submits the arrangement to the State for its approval not less than thirty (30) days before the arrangement is entered into, and (2) the State determines in its sole discretion that such arrangement will not adversely affect the Tax Exemption for the Bonds.

Section 7.8 Reserved

Section 7.9 Executive Orders of the Governor

(a) All references in this Agreement to any Federal, State, or local law, statute, public or special act, executive order, ordinance, regulation or code (collectively, "Enactments") shall mean Enactments that apply to this Agreement at any time during its term, or that may be made applicable to this Agreement during its term. This Agreement shall always be read and interpreted in accordance with the latest applicable wording and requirements of the Enactments. Unless otherwise provided by Enactments, the Municipality is not relieved of its obligation to perform under this Agreement if it chooses to contest the applicability of the Enactments or the State's authority to require compliance with the Enactments.

(b) This Agreement is subject to the provisions of Executive Order No. 3 of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. 17 of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of this Agreement as if they had been fully set forth in it.

(c) This Agreement may be subject to (1) Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services; (2) Executive Order No. 61 of Governor Dannel P. Malloy promulgated December 13, 2017, concerning the Policy for the Management of State Information Technology Projects, as issued by the Office of Policy and Management, Policy ID IT-SDLC-17-04. If any of the Executive Orders referenced in this subsection is applicable, it is deemed to be incorporated into and made a part of this Agreement as if fully set forth in it.

Section 7.10 Insurance

(a) The Municipality shall require all Contractors who work on the Project to carry commercial general liability insurance, professional liability insurance, auto liability insurance, workers' compensation, and employers' liability insurance, in amounts that meet or exceed the minimum insurance guidelines as set forth in **Exhibit X**, attached hereto and incorporated herein by reference. All such insurance required under this Agreement shall be in full force and effect during the planning, design or construction period of the Project, as applicable.

(b) The Municipality shall maintain, or cause the Contractor to maintain, Builders Risk insurance providing coverage for the entire work at the project site, and shall cover portions of work located away from the site but intended for use at the site, and shall also cover portions of the work in transit. Coverage shall be written on a replacement cost, Completed Value basis in an amount equal to the projected completed value of the project as well as subsequent modifications. The Municipality shall require that such Builder's Risk insurance maintained by the Municipality or the Contractor shall name the State as loss payee.

(c) The Municipality shall require each Contractor who works on the Project to provide, prior to the commencement of work, a certificate of insurance as evidence to the Municipality that such Contractor is carrying the insurance required under this Agreement.

(d) The Municipality shall maintain sufficient levels of insurance to protect the Municipality and the State's interests in such Project until the Municipality's legal obligations under this Agreement have been satisfied.

Section 7.11 Indemnification

The Municipality agrees to indemnify and hold the State, its officials, agents and employees harmless from and against any and all Claims, suits, actions, costs, and damages resulting from the negligent performance or non-performance by the Municipality or any of its officials, agents, or employees of the Municipality's obligations under this Agreement, as it may be amended or supplemented from time to time. It is further understood that such indemnity shall not be limited by any insurance coverage which may be required herein.

Section 7.12 Audits

(a) The Municipality agrees that it will have its financial records audited at the close of the Municipality's fiscal year and provide that audit to the Commissioner, all in accordance with Connecticut General Statutes Sections 7-394b, 7-395 through 7-397 and Sections 4-230 through 4-236 and any applicable regulations, which are or may be promulgated.

(b) The Municipality further agrees that the Auditors of Public Accounts of the State shall have access to all records and accounts of the Municipality concerning the Project and that it shall maintain project accounts in accordance with generally accepted accounting principles. To provide such access, the Municipality agrees that it shall preserve all of its records and accounts concerning the Project until all Interim Funding Obligations and Project Loan Obligations are paid in full.

(c) Compliance with the audit requirements of Chapter 55b of the Connecticut General Statutes as amended and the accompanying regulations shall be deemed in full compliance with the audit requirements of this Section 7.12.

(d) As a "non-state entity", within the meaning of Connecticut General Statute § 4-230, the Municipality shall provide for an annual financial audit acceptable to DEEP for any expenditure of state-awarded funds made by the Municipality. Such audit shall include any management letter and audit recommendations.

(e) Any Municipality that expends \$1,000,000 or more in federal funds in any fiscal year of such Municipality must (1) comply with the Federal Single Audit Act of 1984, P.L. 98-502 and the Amendments of 1996, P.L. 104-156, which requires such Municipality to have a single audit or a program-specific audit conducted in accordance with 2 CFR 200 Part 200, Subpart E within the earlier of 30 calendar days after receipt by the Municipality of the auditor's report or 9 months after the end of the Municipality's audit period; (2) upload the single audit or program-specific audit to the General Services Administration (GSA) Federal Audit Clearinghouse (FAC) website at <https://www.fac.gov>; (3) notify the State when such audit has been conducted; and (4) provide the State a copy of such audit within 30 days of completion; and (5) inform the State of any

findings and recommendations contained in the audit pertaining to the federal funding received pursuant to this Agreement. Any Municipality that expends \$500,000 or more in State financial assistance in any fiscal year of such Municipality must comply with the Connecticut General Statutes Sections 7-394a, 7-396 through 7-397, inclusive, and the Single Audit Act, Connecticut General Statutes Sections 4-230 through 236, inclusive, and regulations promulgated thereunder.

(f) The Municipality shall provide to the Commissioner access to any data, as defined in Conn. Gen Stat. Sec. 4e-1, concerning this Agreement that are in the possession or control of the Municipality upon demand and shall provide the data to the Commissioner in a format prescribed by the Commissioner and the State Auditors of Public Accounts at no additional cost.

Section 7.13 Waiver of Governmental Immunity

The Municipality hereby waives governmental immunity as a defense against the State and shall not use the defense of such governmental immunity against the State in the adjustment of Claims or in the defense of any suit arising out of this Agreement.

Section 7.14 Expenses

The Municipality will pay all reasonable expenses of the State arising out of the enforcement of this Agreement (including without limitation reasonable counsel fees).

Section 7.15 Completion of Project; Audit

(a) Upon completion of the Project or the Scheduled Completion Date, whichever is sooner, the Municipality will provide to the State written documentation certifying the accuracy of the Project Costs. Documentation shall describe Eligible Project Costs by category which have been paid and Eligible Project Costs by category which have not yet been paid, along with an estimate of the amounts and the anticipated date of payment. Such costs shall include any known or anticipated Claims, even if the amount cannot be reasonably ascertained, and a description of each claim, the possible amount of each claim, possible payment dates, and the anticipated means of resolving each claim. The statement shall also identify any expenditures made by the Municipality that are not in compliance with the terms of this Agreement.

(b) After reviewing the documentation, the State will notify the Municipality within thirty (30) days, unless otherwise notified, after the submission of the documentation if a final project audit will be required in accordance with this Section. If no Audit by the State will be required, the State shall inform the Municipality of the amount of the projected Project Loan Obligation and any accrued interest on any outstanding Interim Funding Obligations to date.

(c) If an audit will be required by the State pursuant to subsection (b) of this Section, prior to the issuance of a Project Loan Obligation, the Municipality shall engage an independent auditor as defined in Section 7-391 of the Connecticut General Statutes, as amended, to prepare and deliver to the State an audit and statement of the Project. The audit shall be submitted to the State no later than sixty (60) days after notification by the State pursuant to Section 7.15(b) and shall be undertaken at the expense of the Municipality, but may be considered an Eligible Project Cost, and shall meet the requirements of Section 7-394a and 7-396 through 7-397, inclusive, of the Connecticut General Statutes, as amended. The audit of the Project shall be performed in accordance with generally accepted auditing standards and shall describe Eligible Project Costs and ineligible Project Costs by category which have been paid and have not yet been paid including an estimate of the unpaid amounts and the anticipated date of payment. Such costs shall also include any known or anticipated Claims, even if the amount cannot be reasonably ascertained, and a description of each claim, the possible amounts of each claim, possible payment dates, and the anticipated means of resolving each claim. Within ninety (90) days after such submission, unless otherwise notified, the State shall review the Audit and inform

the Municipality of the amount of the projected Project Loan Obligation and any accrued interest on any outstanding Interim Funding Obligation.

(d) The amount of any Project Loan Obligation may also include (i) accrued interest on the Interim Funding Obligation if approved by the State pursuant to Section 4.3(b) and (ii) any Eligible Project Costs (x) which can be reasonably estimated, (y) which are scheduled for disbursement within one year from the Scheduled Completion Date and (z) which have not been advanced to pay costs of the Project, and will not cause the amount of the Project Loan to be exceeded. The estimated cost may be advanced to the Municipality, upon such conditions as the State shall impose, and held by the Municipality and applied as provided in Sections 4.4 and 7.6 hereof, except that the Municipality shall disburse proceeds from the Account only and promptly after it has completed a request (similar to a request for an Advance as provided in Section 4.4) and received approval of such request from the State.

(e) Any Eligible Project Costs, which are not funded by the Project Loan Obligation or Advances under a Project Grant, may be funded by a subsequent Interim Funding Obligation, Project Loan Obligation or Project Grant, provided that no such Interim Funding Obligation, Project Loan Obligation or Project Grant shall cause the aggregate amount of Project Loan or Grant Advances to exceed the Project Loan and Project Grant as described in Section 2. The Commissioner shall establish a new Scheduled Completion Date for the portion of the Project related to such Total Project Costs subject to subsection (g) below.

(f) Any Eligible Project Costs, which would cause the amount of the Project Loan or the Project Grant to be exceeded, may be funded through the execution of a new Project Loan and Project Grant Agreement and the delivery of a new Interim Funding Obligation or a new Project Loan Obligation, as the case may be, after approval by the State as provided in Sections 3.2 and 4.2, if required. The Commissioner shall establish a new Scheduled Completion Date for the portion of the Project related to such Total Project Costs subject to subsection (g) below.

(g) The State may require that any subsequent Interim Funding Obligation be permanently funded by the issuance of a new Project Loan Obligation issued no later than six months after the new Scheduled Completion Date. In any case, repayment of principal and interest on any such Project Loan Obligation shall commence within one month from the date of issue of the Project Loan Obligation. In any case where any subsequent Project Loan Obligation has been issued pursuant to Subsections (e) and (f) of this Section 7.15, the Municipality agrees to cause to be prepared and delivered to the State a supplemental written document certifying Project Costs in the same manner as provided in Subsection (a) above or Audit in the same manner as provided in Subsection (b) above on or before the issuance of such subsequent Project Loan Obligations. Notwithstanding any section of this Agreement to the contrary, the term of any Project Loan Obligation issued in accordance with Subsection (d) of Section 7.15 hereof shall not exceed the Maturity Date or 20 years from the Scheduled Completion Date contained in the first Project Loan and Project Grant Agreement.

Section 7.16 Maintenance of Project

The Municipality shall operate and maintain the Project properly after completion of construction, shall connect only those facilities to the sewage system that are located within the approved service area, shall own such Project and shall comply with all existing statutes, rules, and regulations applicable to the operation of the Project for the life of the Project, including compliance with CEPA requirements. The covenant contained in this Section 7.16 shall survive the making of the Project Loan and the Project Grant until payment in full of all Interim Funding Obligations and all Project Loan Obligations.

Section 7.17 Continuing Disclosure; Official Statement

The Municipality acknowledges that from time to time it will be contacted by representatives of the State with requests for information and certifications in connection with the State's issuance of bonds for clean

water and drinking water purposes. The Municipality agrees that it will provide all requested information completely, accurately and in a timely manner.

The obligation of the Municipality pursuant to this Section 7.17 shall include the execution of a Continuing Disclosure Agreement in the form attached hereto as **Exhibit V** and/or other certifications related hereto, in each case when requested by the State based on applicable requirements and materiality standards under the Rule. Municipalities with loans or with the potential for loans which exceed 10% of the outstanding principal amount of the State's bonds issued under the State's clean water and drinking water programs further agree to provide or cause to be provided to the State and/or directly to information repositories such annual financial information, operating data regarding the Project, audited financial statements and any other financial information as may be required by the State, in its sole judgment, to comply with the Rule in connection with issuance of Bonds. Further, the Municipality agrees to provide to the State such information with respect to the Municipality as may be requested by the State for inclusion in an appendix to the State's official statement or other offering documents relating to the offering and sale of Bonds.

The Municipality further agrees that throughout the term of this Agreement, it will promptly notify the State Treasurer's office of any event which could have a material adverse impact on its Project or the ability of the Municipality to repay its Project Loan, including, but not limited to, the filing of any litigation relating to the Project or the source of repayment of the Project Loan.

Section 7.18 MBE/WBE Requirements

The Municipality agrees to use good faith efforts to utilize minority business enterprises and women business enterprises for costs of the Project that are eligible for funding from the Clean Water Fund in accordance with the percentages listed in the definition of MBE/WBE Requirements in this Agreement. The MBE/WBE Requirement may be fulfilled by either contracting with MBE/WBE certified firms or by good faith efforts to utilize such enterprises (as approved by DEEP) or a combination of both. The Municipality agrees to submit to DEEP signed MBE/WBE contracts prior to the first payment being made to the Municipality pursuant to this Agreement and upon request from DEEP provide additional information on such contracts as may be required in order for DEEP to comply with EPA reporting requirements.

Section 7.19 Confidential Information

DEEP will afford due regard to the Municipality's request for the protection of proprietary or confidential information which DEEP receives. However, all materials associated with the Contractor's bid and this Agreement are subject to the terms of the Connecticut Freedom of Information Act ("FOIA") and all corresponding rules, regulations and interpretations. In making such a request, the Municipality may not merely state generally that the materials are proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that the Municipality believes are exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with the FOIA must accompany the request. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Municipality that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the FOIA. To the extent that any other provision or part of this Agreement, especially including the Contractor's bid, the Records and the specifications, conflicts or is in any way inconsistent with this section, this section controls and shall apply and the conflicting provision or part shall not be given effect. If the Municipality indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as "CONFIDENTIAL," DEEP will endeavor to keep said information confidential to the extent permitted by law. DEEP, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The Municipality shall have the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no

event shall DEEP or the State have any liability for the disclosure of any documents or information in its possession which DEEP believes are required to be disclosed pursuant to the FOIA or other requirements of law.

Section 8. Agreements of the State

Section 8.1 Loan and Grant

The State agrees to make loans and grants to the Municipality as described in Section 2 of this Agreement.

Section 8.2 Term of Agreement

The State agrees that the Agreement shall terminate when the State has notified the Municipality that full and final payment of all Interim Funding Obligations and all Project Loan Obligations have been made and all agreements have been met unless this Agreement is terminated pursuant to Section 10.10 of this Agreement.

Section 8.3 Notification of Approval

The State has no obligation to make any payments under the terms of this Agreement until said Municipality is notified by the Department of Energy and Environmental Protection that said Agreement has been approved by the Attorney General of the State and the Municipality has requested payment for services performed on the Project.

Section 8.4 Audit and Project Grant and Project Loan

Upon receipt of the information provided for in Section 7.15, the State will notify the Municipality in writing of the following:

(a) The amount of Grant Eligible Costs and Eligible Project Costs expended, the amount of estimated Grant Eligible Costs and Eligible Project Costs, to be incurred upon payment of all estimated Total Project Costs including any adjustments to the amount of Grant Eligible Costs and Eligible Project Costs, if applicable, the amount of the Project Grant disbursed to the Municipality, and the amount by which the Project Grant and Project Loan disbursed exceeds or is less than the applicable Project Loan amounts and statutory percentage with respect to the Project Grant and as specified in Section 2.2 hereof.

(b) If the documentation or Audit in accordance with Section 7.15 demonstrates that the Municipality received disbursements of the Project Grant or Project Loan in excess of what it was entitled to receive pursuant to this Agreement, the Municipality shall repay the State such excess amounts pursuant to Section 3.3 or Section 4.5 hereof.

(c) If the Project Grant or Project Loan received is less than the amount the Municipality was entitled to receive pursuant to this Agreement, the State shall promptly process a request for an Advance of the unpaid portion of the Project Grant or Project Loan but not in excess of the Project Grant or Project Loan. If such Audit and statement demonstrate that the Project Grant or Project Loan is less than the Project Loan amount or the estimated Grant Eligible Costs or the amount of Eligible Project Costs as specified in Section 2.2 to be incurred upon payment of all estimated Total Project Costs minus the amount of estimated Project Grant, the State shall as soon as practicable increase the Project Grant or Project Loan, as applicable, pursuant to Section 3.2 or Section 4.2 hereof.

Section 9. Defaults

Section 9.1 Events of Default

An Event of Default shall be deemed to exist under this Agreement and the Interim Funding Obligation or Project Loan Obligation upon the occurrence of any of the following events or conditions:

(a) Default in the payment of the principal of the Interim Funding Obligation or Project Loan Obligation when the same shall be due and payable; or

(b) Default in the payment of the interest on the Interim Funding Obligation or Project Loan Obligation when the same shall be due and payable; or

(c) Failure by the Municipality to observe or perform any covenants contained in Section 7.5 of this Agreement; or

(d) Failure by the Municipality to observe or perform any other covenant contained in this Agreement and the continuance thereof for a period of thirty (30) days unless the Municipality notifies the State in writing within such thirty (30) day period that for some reason beyond its control it is unable to observe or perform such covenant, in which case no Event of Default shall occur if the Municipality is proceeding in good faith and with due diligence to correct such failure, or complete the Audit, as the case may be, but shall occur at the time the Municipality fails to so proceed; or

(e) Any representation or warranty made by the Municipality herein, or any statement, certificate or other data furnished by the Municipality or any of its agents in connection with the Project proves to be incorrect in any material respect as of the making or furnishing thereof and the Municipality fails to correct such failure within thirty (30) days after written notice to the Municipality by the State; or

(f) The Municipality shall (1) apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of any of its assets; (2) be unable, or admit in writing its inability to pay its debts as they mature; (3) file or permit the filing of any petition, arrangement, reorganization, or the like under any insolvency or bankruptcy law, or the adjudication as a bankrupt, or the making of an assignment for the benefit of creditors or the consenting to any form of arrangement for the satisfaction, settlement or delay of debt or the appointment of a receiver of all or any part of its properties; or (4) any action shall be taken by the Municipality for the purposes of effecting any of the foregoing; or

(g) Except as provided in Section 7.5, the Municipality shall commence any proceeding to dissolve or be dissolved or cease to legally exist.

(h) Notwithstanding anything contained in this Section to the contrary, with the prior approval of the Commissioner in the form of a certificate that extends the date a new Interim Funding Obligation or Project Loan Obligation must be delivered, a failure by the Municipality to deliver a new Interim Funding Obligation or Project Loan Obligation by the date specified in this Agreement shall not constitute an Event of Default hereunder.

Section 9.2 Remedies

(a) If an Event of Default shall occur and be continuing, then the State may declare, by notice to the Municipality, that the principal of and interest accrued on any outstanding Interim Funding Obligation and Project Loan Obligation are immediately due and payable in full automatically without further notice or demand of any kind.

(b) If the Municipality fails to comply with the covenants contained in Section 7 and an Event of Default shall occur and be continuing, the State may declare by notice to the Municipality that the Project Grant is to be refunded by the Municipality to the State, whereupon the amount of the Project Grant shall become due and payable automatically without further notice or demand of any kind.

(c) In addition to the remedies provided in subsections (a) and (b) of this Section 9.2, the State shall be entitled to seek injunctive relief upon the occurrence and continuance of a breach by the Municipality of any agreement contained in Section 7 of this Agreement. If an Event of Default has occurred and is continuing, the parties recognize that such breach may result in irreparable injury to the State which does not have an adequate remedy at law, and the State therefore may be entitled to injunctive relief.

Section 10. Miscellaneous

Section 10.1 Waivers

(a) The Municipality hereby waives diligence, presentment, demand, protest, and notice of dishonor.

(b) The State shall not be deemed to have waived any of its rights under this Agreement or any Interim Funding Obligation or Project Loan Obligation unless such waiver is in writing and signed by the Commissioner on behalf of the State. No delay or omission on the part of the State in exercising any right under this Agreement or any Interim Funding Obligation or Project Loan Obligation shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any future default. All rights and remedies of the State under this Agreement or any Interim Funding Obligation or Project Loan Obligation shall be cumulative and may be exercised singularly or concurrently.

(c) Nothing in this Agreement shall prevent or restrict the enforcement rights of the State provided pursuant to the Water Pollution Control Order.

Section 10.2 Notices

(a) Any notice from one party to the other party, in order for such notice to be binding thereon, shall be in writing addressed to:

(i) when the State is to receive such notice:

(1) Emma Cimino
Acting Commissioner
Department of Energy and Environmental Protection
79 Elm Street
Hartford, CT 06106

and,

(2) The Honorable Erick Russell
Office of the Treasurer
165 Capitol Avenue, Suite 2003
Hartford, CT 06106
Attn: SRF Financial Administrator

(ii) when the Municipality is to receive such notice:

(1) Douglas Whalen
Chairman – Board of Governors
Old Colony Beach Association
P.O. Box 10
Old Lyme, CT 06371

and,

Frank Noe
WPCA Chairman

Old Colony Beach Club Association
P.O. Box 10
Old Lyme, CT 06371

(b) Be delivered in person, by overnight delivery or be mailed United States Postal Service “Certified Mail” to the address recited herein as being the address of the party to receive such notice; and

(c) Contain complete and accurate information in sufficient detail to properly and adequately identify and describe the subject matter thereof.

The term “notice” as used herein, shall be construed to include but not be limited to any request, demand, authorization, direction, waiver, and/or consent of the party as well as any document(s) provided, permitted, or required for the making or ratification of any change, revision, addition to or deletion from the document, contract, or agreement in which this “notice” specification is contained.

Any party hereto may designate alternate persons (by name, title and affiliation) to which such notice(s) is (are) to be addressed; and/or alternate locations to which the delivery of such notice(s) is (are) to be made, provided notice of such designation is given as provided herein.

Section 10.3 Sovereign Immunity

The parties acknowledge and agree that nothing in this Agreement shall be construed as a modification, compromise or waiver by the State of any its rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of this Agreement. To the extent that this section conflicts with any other section, this section shall govern.

Section 10.4 Forum and Choice of Law

The parties hereto deem this Agreement to have been made in the City of Hartford, State of Connecticut. The parties hereto further agree that it is fair and reasonable for the validity and construction of this Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Municipality waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

Section 10.5 Interpretation

This Agreement shall be construed as a whole according to its fair meaning. Unless the context indicates otherwise, the term “or” shall be deemed to include the term “and” and the singular or plural number shall be deemed to include the other. Section headings used in this Agreement are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement. As used in this Agreement, the masculine, feminine or neuter gender shall be deemed to include the others whenever the context so indicates or requires.

Section 10.6 Severability

If any provision of this Agreement is declared invalid by a final judgment of a court with competent jurisdiction, the remaining provisions of this Agreement shall continue to bind the parties.

Section 10.7 Survival of Representations, Warranties and Covenants

Except as otherwise provided herein, all representations, warranties, covenants and agreements contained in this Agreement and the Interim Funding Obligations and Project Loan Obligations or made in writing in connection with this Agreement shall survive the execution and delivery of this Agreement and the Interim Funding Obligations and Project Loan Obligations and shall continue in full force and effect until all amounts payable on account of the Interim Funding Obligations and Project Loan Obligations and this Agreement shall have been paid in full and this Agreement shall have terminated.

Section 10.8 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the Municipality, the State and their respective successors or assigns. Except as provided in this Agreement, the rights and obligations of the Municipality shall not be assigned without the prior written consent of the State. Except as provided in this Agreement, the rights and obligations of the State shall not be assigned without the prior written consent of the Municipality; provided, however, such rights and obligations of the State, including the loan made pursuant to this Agreement, and such right to receive any payments under this Agreement, any Interim Funding Obligation and any Project Loan Obligation may be assigned by the State without the written consent of such Municipality for the purpose of pledging such amounts or the right to receive such amounts to the bondholders of revenue bonds (including the Bonds) to be issued by the State.

Section 10.9 Amendments

Formal written amendment of the Agreement is required for extensions to the final date of the Agreement period and for changes to terms and conditions specifically stated in the original Agreement and any prior amendments including but not limited to:

1. revisions to the maximum allowable Eligible Project Costs,
2. revisions to the Project Budget in the aggregate, or
3. any other revisions determined material by the State.

Section 10.10 Termination

The State may terminate the obligation to make the Project Loan and Project Grant, with sixty (60) days written notice, if the State determines that such termination is in the best interest of the State and the Municipality fails to perform its obligations under this Agreement. After giving notice, the State has discretion not to terminate the Project Loan and Project Grant if the Municipality performs its obligations to the satisfaction of the State.

Section 10.11 Effective Date

The effective date of this Agreement is the date upon which this fully executed Agreement is approved by the Attorney General of the State.

Section 10.12 Whistleblowing

This Agreement may be subject to the provisions of Section 4-61dd of the Connecticut General Statutes. In accordance with such statute, if an officer, employee or appointing authority of the Municipality takes or threatens to take any personnel action against any employee of the Municipality in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Municipality shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil

action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (i) of such statute, the Municipality shall post a notice of the provisions of the statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the Municipality.

Section 10.13 Disclosure of Records

This Agreement may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with such statute, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.

Section 10.14 Breach

If either party breaches this Agreement in any respect, the non-breaching party shall provide written notice of such breach to the breaching party and afford the breaching party an opportunity to cure such breach within ten (10) days (unless a different number of days is stated in such written notice) from the date that the breaching party receives such notice. Such right to a cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. Such notice may include a date this Agreement will terminate in the event the breach is not cured by the date stated in such notice and, unless otherwise notified by the non-breaching party in writing prior to the termination date stated therein, no further action shall be required of any party to effect the termination of this Agreement on the termination date set forth in such notice. If the notice does not set forth an effective Agreement termination date, then the non-breaching party may terminate this Agreement by giving the breaching party no less than twenty four (24) hours' prior written notice. If the State believes that the Municipality has not performed according to this Agreement, the State may withhold payment pursuant to this Agreement, in whole or in part, pending resolution of such performance issue, provided that the State notifies the Municipality in writing prior to the date that the payment would have been due.

(The remainder of this page has intentionally been left blank.)

IN WITNESS WHEREOF, the parties hereto have caused this Project Loan and Project Grant Agreement to be duly executed as of the day and year first above written.

STATE OF CONNECTICUT DEPARTMENT OF
ENERGY AND ENVIRONMENTAL
PROTECTION

By: _____
Emma Cimino
Acting Commissioner

Date

WITNESSES:

OLD COLONY BEACH CLUB ASSOCIATION

By: _____
Douglas P. Whalen
Chairman

Date

WITNESSES:

OLD COLONY BEACH CLUB ASSOCIATION

By: _____
Enzo Radineri
Treasurer

Date

(MUNICIPALITY'S SEAL)

APPROVED AS TO FORM:

By: _____
Attorney General

Date

Exhibit I Form of Interim Funding Obligation

\$ _____

UNITED STATES OF AMERICA
STATE OF CONNECTICUT

Interim Funding Obligation

The _____, Connecticut (the "Municipality"), for value received, hereby unconditionally promises to pay to the State of Connecticut (the "State"), pursuant to the terms and conditions of a Project Loan and Project Grant Agreement dated _____, 20____, between the Municipality and the State (the "Agreement") up to the principal sum of \$ _____, or the aggregate unpaid principal amount of all Project Loan Advances made by the State to the Municipality pursuant to the Agreement, whichever is less, together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of all Project Loan Advances and the interest thereon shall be payable on or before _____. Interest on the aggregate unpaid principal amount of all Project Loan Advances shall be payable at the rate of two percent (2%) per annum from the date of each Project Loan Advance. Interest on this Interim Funding Obligation shall be computed on the basis of a year of three hundred sixty (360) days and the actual number of days elapsed.

The State will endorse on Schedule 1 to this Interim Funding Obligation an appropriate notation evidencing each Project Loan Advance, the date of such Project Loan Advance, the amount of principal prepaid as of the date of such Project Loan Advance, if any, and the principal balance remaining unpaid as of the date of such Project Loan Advance on account of the principal thereof and the Municipality agrees that the amount of the principal balance remaining unpaid as shown on said Schedule 1 from time to time shall constitute the principal amount owing to the State pursuant to this Interim Funding Obligation, absent manifest error.

The Municipality agrees to make all payments in lawful money of the United States, to pay interest at the rate specified above and to pay all costs including reasonable attorneys' fees, incurred by the State in the collection of this Interim Funding Obligation. Both the principal of and interest on this Interim Funding Obligation shall be payable in lawful money of the United States of America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Suite 2003, Hartford, Connecticut 06106, Attn: Clean Water Fund Financial Administrator or to such other place as the State shall designate in writing to the Municipality.

The Interim Funding Obligation has been executed and delivered subject to the terms and conditions of this Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Interim Funding Obligation is within every debt and other limit prescribed by law or by the Municipality. This Interim Funding Obligation is a general obligation of the Municipality and the full faith and credit of the Municipality are pledged to the payment of the principal of and interest on this Interim Funding Obligation as the same may become due.

IN WITNESS WHEREOF, the _____ of _____, Connecticut, has caused its seal to be affixed hereto and this Interim Funding Obligation to be signed in its name by the manual signatures of its _____ and _____, all as of the ____ day of _____, ____.

By _____

Its _____

(SEAL)

OPINION OF COUNSEL

In our opinion, the above Interim Funding Obligation will be a valid and binding obligation of the Municipality when the Municipality has received a Project Loan Advance.

Attorneys-At-Law

CERTIFICATION OF BANK

This is to certify that the within Interim Funding Obligation is one of the particular issue described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving the legality of this issue has been rendered by _____, Attorney-at-Law, of _____, Connecticut.

By _____
(Bank Officer)

SCHEDULE 1

[illegible]

Advances and payments of Principal pursuant to an Interim Funding Obligation dated as of _____, between the State of Connecticut and the _____.

Exhibit II Form of Project Loan Obligation

\$ _____

UNITED STATES OF AMERICA

STATE OF CONNECTICUT

Project Loan Obligation

The _____, Connecticut (the "Municipality"), for value received, hereby unconditionally promises to pay to the State of Connecticut (the "State"), pursuant to the terms and conditions of a Project Loan and Project Grant Agreement dated _____, 20____, between the Municipality and the State (the "Agreement"), the principal sum of \$_____, together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of this Project Loan Obligation shall be payable in equal monthly installments of \$_____ commencing on _____ (not later than one year after the Scheduled Completion Date as set forth in the Agreement) and shall be payable thereafter on _____ in each month until such Project Loan Obligation is paid in full; provided however, the last installment of principal repayment shall be payable not later than twenty (20) years from the date of the Scheduled Completion Date.

Interest on the aggregate unpaid principal amount of this Project Loan Obligation shall be payable monthly commencing on the date not later than one year from the date of this Project Loan Obligation (such date for the payment of such interest shall be the same date on which the principal installment is paid) and monthly thereafter at the rate of two percent (2%) per annum. Interest on this Project Loan Obligation shall be computed on the basis of a year of three hundred sixty (360) days and twelve 30-day months.

The Municipality agrees to make all payments in lawful money of the United States, to pay interest at the rate specified above and to pay all costs, including reasonable attorneys' fees, incurred by the State in the collection of this Project Loan Obligation. Both the principal of and interest on this Project Loan Obligation shall be payable in lawful money of the United States of America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Suite 2003, Hartford, Connecticut 06106, Attn: Clean Water Fund Financial Administrator or to such other place as the State shall designate in writing to the Municipality.

This Project Loan Obligation has been executed and delivered subject to the terms and conditions of the Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in this Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Project Loan Obligation is within every debt and other limit prescribed by law or by the Municipality. This Project Loan Obligation is a general obligation of the Municipality and the full faith and credit of the Municipality are pledged to the payment of the principal of and interest on this Project Loan Obligation as the same become due.

IN WITNESS WHEREOF, the _____ of _____, Connecticut, has caused its seal to be affixed hereto and this Project Loan Obligation to be signed in its name by the manual signatures of its _____ and _____, all as of the ____ day of _____, 20____.

By _____

Its _____ (SEAL)

OPINION OF COUNSEL

In our opinion, the above Project Loan Obligation will be a valid and binding obligation of the Municipality when the Municipality has received a Project Loan Advance.

Attorneys-At-Law

CERTIFICATION OF BANK

This is to certify that the within Project Loan Obligation is one of the particular issue described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving legality of this issue has been rendered by _____, Attorney-at-Law, of _____, Connecticut.

By _____
(Bank Officer)

Exhibit III Form of Opinion of Bond Counsel

[Date], 20____

State of Connecticut
Department of Energy and Environmental Protection
79 Elm Street
Hartford, Connecticut 06106

City/Town of
Address

_____, Connecticut _____

Sirs/Madams/To Whom It May Concern:

We have examined certified copies of the proceedings of the *****, Connecticut (the “Municipality”) and other proofs submitted to us relative to the execution and delivery of the Project Loan and Project Grant Agreement, dated _____, _____ by and between the State of Connecticut, acting by and through the Commissioner of the Department of Energy and Environmental Protection, and the Municipality (the “Agreement”) and the \$_____ Interim Funding Obligation dated _____, _____ (the “Obligation”). Capitalized terms used herein shall have the meanings ascribed thereto in the Agreement.

We have also examined the executed Agreement and the Obligation.

We are of the opinion that the execution and delivery of the Agreement and the Obligation and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary municipal action, that the Agreement constitutes a legal, valid and binding obligation of the Municipality enforceable against it in accordance with its respective terms, and that the Obligation will constitute a legal, valid and binding obligation of the Municipality for which the full faith and credit of the Municipality are pledged to the payment of the principal thereof and the interest thereon when the Project Loan funds have been advanced to the Municipality pursuant to the Agreement.

The foregoing opinion is qualified to the extent that the enforceability of the Agreement and the Obligation against the Municipality is subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors’ rights existing or hereafter enacted applicable to municipal corporations and to general principles of equity (regardless of whether such enforceability is considered a proceeding in equity or at law).

Respectfully yours,

Exhibit IV Form of Issuance Certificate and Certificate as to No Litigation

FORM OF ISSUANCE CERTIFICATE

I, *****, *****, of the *****, Connecticut (the “Municipality”), HEREBY CERTIFY:

1. That the Project Loan and Grant Agreement dated, _____, 20____, by and between the State of Connecticut, and the Municipality (the “Agreement”), was duly executed in the name and on behalf of the Municipality by the execution thereon of the signature of the undersigned, _____ (Name) _____, _____ (Title) _____, [and by the signature of the undersigned, _____ (Name) _____, _____ (Title) _____].
2. The \$ _____ Interim Funding Obligation, dated _____, (the “Obligation”) was duly executed in the name and on behalf of the Municipality by the execution thereon of the signature of the undersigned, _____ (Name) _____, _____ (Title) _____, and by the signature of the undersigned, _____ (Name) _____, _____ (Title) _____; and that said Obligation bears the seal of said Municipality.

I further certify that on the dated date of the Project Loan and Grant Agreement and on the date hereof, the officers listed below were and are the duly elected or appointed, qualified officers authorized to execute the Agreement and the Obligation in the name and on behalf of the Municipality holding the offices indicated by the official titles opposite their names and that the seal which has been impressed on the Obligation and upon this certificate is the legally adopted, proper and only official seal of the Municipality.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>

IN WITNESS WHEREOF, I have hereto affixed the corporate seal of said _____ (Seal) of _____ and my signature as of the _____ day of _____, _____.

Title:

*****[Municipality]

FORM OF CERTIFICATE AS TO NO LITIGATION

I, _____, HEREBY CERTIFY in connection with the \$ _____ Interim Funding Obligation, dated _____, (the "Obligation") that I am the _____ of the _____, Connecticut (the "Municipality") that (i) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or, to the best of my knowledge, threatened against the Municipality, in any way contesting or affecting the validity of enforceability of the Obligation, or contesting titles of officers of the Municipality executing the Obligation, or contesting any of the proceedings taken with respect to the issuance of Obligation, the application of monies to the payment of the Obligation or the use of proceeds of the Obligation; nor, to the best of my knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligation, and (ii) there is no controversy or litigation of any nature now pending or threatened by or against the Municipality wherein an adverse judgment or ruling would have a material adverse impact on the financial condition of the Municipality or adversely affect the power of the Municipality to levy, collect and enforce the collection of taxes or other revenues for the payment of the Obligation.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, _____.

Title: _____

*****[Municipality]

Exhibit V Municipal Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, each Borrower included in Appendix A of the Final Official Statement will agree, pursuant to a Municipal Continuing Disclosure Agreement for the 20__ Bonds to be executed by the Borrower substantially in the following form, to provide, or cause to be provided, (i) certain annual financial information and operating data, and (ii) timely notice of a failure of the Borrower to provide the required annual financial information on or before the date specified in the Municipal Continuing Disclosure Agreement for the 20__ Bonds.

This Municipal Continuing Disclosure Agreement (the “Agreement”) is made as of the ____ day of ____, 20__ by the _____ (the “Borrower”) acting by its undersigned officer, duly authorized, for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the State dated ____, 20__ prepared in connection with the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Objective Criteria” means any Borrower whose total loans outstanding, undrawn commitments and expected additional loan commitments equals in the aggregate 10% or more of the aggregate principal amount of the State’s State Revolving Fund Revenue Bonds issued under the State’s SRF Program to fund the State’s Clean Water Fund and Drinking Water Fund Programs then outstanding.

“Repository” means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

“Rule” means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Borrower agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 20__) as follows:

(i) Financial statements of the Borrower’s general fund, special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and general fixed assets and general long-term obligations account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Borrower prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) To the extent not included in the financial statements described in (i) above, the financial information and operating data relating to the Borrower contained in Appendix A of the Final Official Statement.

(b) The financial statements and other financial information and operating data described above will be provided on or before the eight months after the close of the fiscal year for which such information is being provided. The Borrower's fiscal year currently ends on June 30.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or an annual information statement of the Borrower.

(d) The Borrower reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated state statutory principles as in effect from time to time; provided that the Borrower agrees that the exercise of any such right will be done in a manner consistent with the Rule.

Section 3. Material Events.

The Borrower agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:

- (i) bankruptcy, insolvency, receivership or similar event of the Borrower;
- (ii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (iii) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and
- (iv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

For purposes of events (iii) and (iv) above, the term "financial obligation" is defined as a (1) debt obligation, (2) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (3) guarantee of (1) or (2). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Borrower agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Borrower to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Borrower or by any agents who may be employed by the Borrower for such purpose from time to time.

Section 6. Termination.

The obligations of the Borrower under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the State determines that (A) the Borrower ceases to be an obligated person meeting the Objective Criteria with respect to the Bonds within the meaning of the Rule and the State's Continuing Disclosure Agreement with respect to the Bonds and (B) all Borrowers meeting the Objective Criteria have entered into Municipal Continuing Disclosure Agreements with respect to the Bonds.

Section 7. Enforcement.

The Borrower acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Borrower shall fail to perform its duties hereunder, the Borrower shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertaking set forth in Section 4 of this Agreement) from the time the Borrower's Comptroller/Treasurer/Authorized Official, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Borrower is:

_____.

In the event the Borrower does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Borrower expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Borrower shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided however, nothing in this Agreement shall be construed as prohibiting the Borrower from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Borrower elects to provide any such additional information, data or notices, the Borrower shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Borrower may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Borrower, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule taking into account any amendments or interpretations of the Rule as well as any changes in circumstances as of the date of such amendment to this Agreement or waiver, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than two-thirds of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

CITY/TOWN/DISTRICT OF _____

By _____
Authorized Official

Exhibit VI Budget

CWF#: 644-C OLD COLONY BEACH CLUB ASSOCIATION

Category	Contractor	Contract #	Cost	Funds from Other Sources	Grant	Loan	Local Share	Notes
Construction Engineering	F&O		695,000.00	0.00	173,750.00	521,250.00	0.00	
Design	F&O		596,000.00	0.00	149,000.00	447,000.00	0.00	
Legal			199,265.00	0.00	0.00	199,265.00	0.00	
Construction	Genovesi		6,922,664.50	0.00	1,657,817.38	4,973,452.12	291,395.00	
Contingency			861,857.95	0.00	215,464.49	646,393.46	0.00	
Interest			140,000.00	0.00	0.00	140,000.00	0.00	
Administrative			2,063.00	0.00	515.75	1,547.25	0.00	
Misc. Construction			696,310.00	0.00	174,077.50	522,232.50	0.00	
<i>Totals:</i>			10,113,160.45	0.00	2,370,625.12	7,451,140.33	291,395.00	

Exhibit VII Form of Request for Advance

UNDER THE INTERIM FUNDING OBLIGATION

The **** ** ***** (the "Municipality") hereby requests that an advance be made to the Municipality upon the \$_____ Interim Funding Obligation issued by the Municipality to the State pursuant to the Project Loan and Project Grant Agreement No. _____, entered into between the Municipality and the State, dated_____, (the "Project Loan Agreement") 20____, in the amount of \$_____ to be made by the 13th business day of the month, or such other date as designated by the State. The Municipality requires such advance to pay Total Project Costs as defined in the Project Loan Agreement.

The Municipality hereby represents that (i) no default or any event that, but for the giving of notice or lapse of time or both, would constitute an event of default has occurred or is continuing under the Project Loan Agreement and (ii) the representations contained in the Project Loan Agreement are true and correct as of the date hereof.

By_____

Authorized Officer

Exhibit VIII Closing Statement

State of Connecticut Department of Energy and Environmental Protection
Clean Water Fund Project Loan Obligation CWF # ***-C

Municipality: *****

Execution Date: xx/xx/xxxx

Loan Advances received prior to / / \$ - 0 -

Loan Advances deposited today* - 0 -

Accrued Interest through / / ** - 0 -

Amount of Project Loan Obligation \$ - 0 -

* This amount has been deposited today by the State in the Municipality's Account.

** Interest accrued on Interim Funding Obligations through / / is \$ - 0 - , of which \$ - 0 - has been funded by the \$ - 0 - Project Loan Obligation.

[The balance of \$ - 0 - has been paid by the Municipality separately today by check or wire.]

The Municipality acknowledges that the loan advance identified above, made on / / is for Project Costs due and payable within 30 days of the closing date for the following:

	<u>Loan</u>
Construction	\$ - 0 -
Legal	\$ - 0 -

The Municipality may not withdraw any funds from the account until invoices for such services have been submitted to DEEP.

The Municipality also acknowledges that any unspent loan advances remaining in the Account as of ___ / ___ / ___ must be returned to OTT by _____ or within ___ days of _____ to be applied to prepayment of the Project Loan Obligation.

* This amount has been deposited today by the State in the Municipality's Account.

Any unspent grant advanced funds remaining in the account as of / / must be returned to OTT by or within days of and will be reallocated at the discretion of the State.

Funding Summary:

	Item #	Date	\$\$ GRANT	\$\$ LOAN	Local Share/ Other Financing	\$\$ Total
Bond Commission Approval:						
Bond Commission Approval:						
<i>Total approved by Bond Commission</i>						
Contract Totals (IFO):						
Final Costs (PLO):						
Bond Commission totals less PLO values = Amounts to de-commit:						

Please note that as of ___/___/___ the State will de-commit the remaining unused loan amount of \$_____ - 0 - and unused grant amount of \$_____ - 0 - .

Dated this ___/___/___ .

STATE OF CONNECTICUT
DEPARTMENT OF ENERGY AND
ENVIRONMENTAL PROTECTION

By_____

By_____

Title: _____

Title: _____

CC: Kymberly Ciani, Department of Energy and Environmental Protection
Julie Wilson, Department of Energy and Environmental Protection
Arqum Gul, Office of the State Treasurer
Jacqueline Harris, Office of the State Treasurer
SRF Financial Administrator, Office of the State Treasurer

Exhibit IX Conditions Precedent

Conditions Precedent

Refer to Section VI of the Agreement for conditions precedent to the obligation of the State to make the Project Loan.

Notwithstanding anything contained in the Agreement to the contrary, the Municipality shall not be entitled to a Project Loan Advance, unless and until the Municipality has delivered satisfactory documentation to the State, evidencing the Municipality's compliance with the requirements of the State Act, the Federal Act and all other applicable state and federal laws and regulations pertaining to the Project. Such documentation shall include, but not be limited to, the outstanding submittals below and shall be reviewed and approved by the Commissioner of DEEP in writing.

Required Documentation:

Date to be provided:

No additional conditions precedent at the time of this Agreement.

Acknowledged by: _____

Print Name:

Title:

Date:

Exhibit X Insurance Requirements

INSURANCE AND RISK MANAGEMENT BOARD RECOMMENDATIONS FOR MINIMUM INSURANCE REQUIREMENTS

Insurance Guidelines (Limits and Scope)

Before commencing work, the Municipality shall require each Contractor who works on the Project to obtain, at its own cost and for the duration of the contract, the following insurance:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage coverage. If a general aggregate is used, the general aggregate limit shall apply separately to the project or the general aggregate limit shall be twice the occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the Contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract then automobile coverage is not required.
3. Workers' Compensation and Employers Liability: Statutory coverage in compliance with the Compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with minimum of \$100,000 each accident, \$500,000 Disease – Policy limit, \$100,000 each employee.
4. Professional Liability: \$1,000,000 each occurrence.

Insurance Provisions

- A. The Municipality and State of Connecticut, its officers, officials, employees, agents, boards and commissions shall be named and endorsed as an Additional Insured on the Commercial General Liability insurance and the Automobile Liability insurance.
- B. Contractor shall assume any and all deductibles in the described insurance policies.
- C. The Contractor's insurer shall have no right of recovery or subrogation against the Municipality or the State of Connecticut and the described insurance shall be primary coverage.
- D. Each required insurance policy shall not be suspended, voided, cancelled or reduced except after 30 days prior written notice by certified mail, has been given to the Municipality.
- E. "Claims Made" coverage is unacceptable, with the exception of Professional Liability.
- F. Insurance is to be placed with insurers with a current AM Best Rating of no less than A-, VII.
- G. Contractor shall include all subcontractors as insured under its policies or shall obtain separate certificate of insurance evidencing insurance requirements herein.
- H. Contractor shall furnish to Municipality a certificate of insurance prior to commencement of work.

Exhibit XI Authorization for ACH Payments

INSTRUCTIONS FOR REQUESTING PAYMENTS ELECTRONICALLY

Thank you for your interest in the Comptroller's Vendor Direct Deposit (ACH) Program. Attached please find the Vendor Direct Deposit (ACH) Election Form for Clean Water Funds. You should only submit this form when instructed to do so by a representative of either the State Treasurer's Office, Department of Energy and Environmental Protection (DEEP), or Department of Public Health.

Please provide a completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification). This is a federal form that certifies the Taxpayer Identification Number (Federal Employer Identification Number or Social Security Number). This form allows us to make sure the information recorded in our Vendor File is current. You may access a fillable version of the form at www.irs.gov/pub/irs-pdf/fw9.pdf.

If the account type is a checking account, attach a voided check to the Vendor Direct Deposit (ACH) Election Form. For accounts which you do not write checks from please include a letter from your bank which shows the ABA routing number, account number, and the name(s) on the account.

Keep a copy of the Vendor Direct Deposit (ACH) Election Form for your records. You must inform the ACH/VSS Unit of any changes to the information provided in writing to the below address or by email to osc.apdvf@ct.gov. Please return completed forms to:

**Office of the State Comptroller
Accounts Payable Division ACH/VSS Unit
165 Capitol Avenue, 3rd Floor
Hartford, CT 06106-1775**

If you choose to participate in this program:

- Altered forms will not be accepted. You must submit a signed copy of this form along with a signed W-9 and one form of account verification (Voided Check, Deposit Slip, Bank Letter).
- Upon approval, **all** clean water payments from the State of Connecticut issued by the Office of the State Comptroller Accounts Payable Division will be deposited electronically to the bank account you designate.
- Remittance information may be viewed by accessing our accounting system through Vendor Self-Serve (VSS). Please visit our website at www.osc.ct.gov/vendor/ for information on the VSS system. When we receive your completed Vendor Direct Deposit (ACH) Election Form we will contact you regarding a User ID and password for VSS. Additionally, your financial institution may provide you with addenda information at the time of deposit. Contact your financial institution for more information on receiving electronic addenda.
- Your financial institution's ability to receive payments from us and properly credit your account will be verified with the transmission of a test transaction to your account. Further instructions will be sent to the contact email you list in the form's VSS field. They will describe how to validate your ACH (EFT) test transaction. Failure to follow these instructions may delay your participation in this program. Once you have confirmed receipt of all test data, including accessing the remittance information in VSS, please contact the ACH/VSS Unit at (860) 702-3397 or by email at osc.apdvf@ct.gov.
- Changes to your bank account information can only be authorized by the individuals listed on the Vendor Direct Deposit (ACH) Election Form. To request changes to the authorized individuals please contact the ACH/VSS Unit at osc.apdvf@ct.gov.
- To process a change to your destination account number or financial institution you will need to submit another application package with the new information. Changes can take up to a week from the receipt of the form. To stop payment to a closed account immediately contact the ACH/VSS Unit by email at osc.apdvf@ct.gov.
- When contacting us by email, always include the ACH(EFT) in the subject line.

Thank you for your interest in this program.

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
Accounts Payable Division
165 Capitol Avenue
Hartford, CT 06106-1775

e-mail questions to osc.apdvvf@ct.gov

Part 1 Vendor Information

Vendor Name: _____ FEIN/SSN#: _____
Contact Name: _____ Phone: (____) _____ Ext: _____
Title: _____ Fax: (____) _____
Address: _____

City: _____ State: _____ Zip: _____
Contact E-Mail: _____
Vendor Self-Serve (VSS) contact email(s): _____

Please list below the name of the individual(s) who are authorized to make changes to the bank account information.

Name	Phone	Email Address
_____ (____)	_____ (____)	_____
_____ (____)	_____ (____)	_____

Part 2 Account Information

Bank Name: _____

Routing & Transit #: (ABA#):

Account Type:

--	--	--	--	--	--	--	--	--	--

- ☐ Checking ☐ Savings
☐ Money Market Savings Account
☐ DDA Checking ☐ DDA Savings

Account #:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account Change

If you are already enrolled and are changing accounts, enter the last four digits of the old account below.

--	--	--	--

I hereby authorize the State of Connecticut (hereinafter "State") to electronically deposit any payments made through the Office of the State Comptroller's Accounts Payable Division to the bank account specified above. This authorization is to remain in full force and effect until the State has received written notification from me of its termination in such time and manner as to afford the State and the bank named above a reasonable opportunity to act upon it. In the event that the State notifies the bank that funds have been deposited to the company's account in error, I hereby authorize the State of Connecticut Office of the Treasurer to initiate a reversal of the payment in accordance with National Automated Clearing House Association (NACHA) regulations and direct the bank to return said funds to the State as soon as possible. In the event that for any reason, the bank is unable to return said funds to the State, I hereby authorize the State to recover those funds by any of the following methods: (1) deducting the amount of said funds from any future payments from the State until the amount of erroneous deposit has been recovered in full; (2) making written demand on the company for return of said funds, in which case the company hereby agrees to return said funds in full to the State within two (2) weeks of receipt of such written demand; or (3) any combination of methods (1) and (2) above. The company further agrees that if such funds are not repaid to the State, the company will be liable for all costs of collection, including reasonable attorneys' fees incurred by the State in the collection of such funds, together with the maximum interest permitted by law.

I have read, understand, and agree to the above statement.

Signature: _____ Date: _____

This form along with a completed IRS Form W-9 and a voided check or preprinted deposit slip can be submitted by:
Fax - (860)772-1727 Email – OSC.APDVVF@CT.GOV or USPS to the address below.
Office of the State Comptroller, Accounts Payable Division ACH/VSS Unit, 165 Capitol Avenue, 3rd Floor, Hartford, CT 06106-1775

Exhibit XII Certificate of Compliance – Project Signage

**Department of Energy and Environmental Protection
Bureau of Water Protection and Land Reuse
Clean Water State Revolving Fund**

Certification of Compliance – Project Signage

Town:
CWSRF Project Name:
CWSRF Project Number:

Project Signage Details:

The above referenced construction project that received funding from the Clean Water State Revolving Fund has complied with the Connecticut Department of Energy and Environmental Protection – Bureau of Water Protection and Land Reuse’s Project Signage Guidelines.

Sign was erected at or near the project location.

Date sign was erected: _____

Attach photo of project sign.

Certification:

I hereby certify that the information provided above is true and correct to the best of my knowledge.

Name (please print): _____

Title: _____

Signature: _____

Date: _____

Exhibit XIII EPA General Terms and Conditions Effective October 1, 2025

A link to the EPA General Terms and Conditions Effective October 1, 2025, can be found on the Department of Energy & Environmental Protection Agency's website under the heading:

“EPA General Terms and Conditions for all Clean Water Fund Agreements”

<https://portal.ct.gov/deep/municipal-wastewater/financial-assistance-for-municipal-wastewater-projects#:~:text=EPA%20General%20Terms%20and%20Conditions%20for%20all%20Clean%20Water%20Fund>