

AGREEMENT NO. CWF 626-C

PROJECT LOAN AND PROJECT GRANT AGREEMENT
BETWEEN THE STATE OF CONNECTICUT AND THE
METROPOLITAN DISTRICT

UNDER THE CLEAN WATER FUND PROGRAM

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BETWEEN THE STATE OF CONNECTICUT AND THE METROPOLITAN DISTRICT

UNDER THE CLEAN WATER FUND PROGRAM

THIS AGREEMENT, made and concluded at Hartford, Connecticut, this 27th day of August, 2009, by and between the State of Connecticut (the "State"), acting herein by the Commissioner of the Department of Environmental Protection (the "DEP"), duly authorized under the provisions of Connecticut General Statutes, Section 22a-6(a)(2) and The Metropolitan District of Hartford, Connecticut (the "Municipality"), a municipal corporation.

WITNESSETH, THAT

WHEREAS, Sections 22a-475 to 483, inclusive, of the Connecticut General Statutes, as amended (the "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.

WHEREAS, the federal American Recovery and Reinvestment Act of 2009 (ARRA) provides the authorization of funds for 50% subsidy to communities in making assistance available for construction costs of the upgrading of wastewater treatment facilities.

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 the account established by the Municipality in the Tax-Exempt Proceeds Fund as required by Section 3.4 and Section 4.4 hereof.

“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 VIII**.

“ARRA” means the American Recovery and Reinvestment Act of 2009.

“Audit” means an accounting and certification of all Eligible Project Costs incurred in accordance with the approved plans and specifications pursuant to Section 8.4, 8.5, 7.12 and 7.15 of this Agreement.

“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.

“Buy American Requirements” means the requirement set forth in the ARRA that all of the iron, steel and other manufactured goods used as construction material in the Project must be produced or manufactured in the United States.

“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 Environmental Protection of the State of Connecticut.

“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.

“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 refers only to the Clean Water Fund monies administered by DEP 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**.

“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.

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

“Facilities Plan” means an engineering document which the project has been justified including, but not limited to, a sewer service area map. The specific facilities plan is titled “Long Term Control Plan” and dated October, 2005.

“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, which the Federal Environmental Protection Agency uses in making a grant pursuant to Part 35 of the Federal Water Pollution Control Act, as amended.

“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.

“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.

“MBE/WBE Requirements” means the program requirement to utilize minority business enterprises and women business enterprises for portions of the work in the preparation of the engineering report. For this project, the MBE and WBE portions shall be 2% and 3% respectively.

“Municipality” means The Metropolitan District a municipal organization having authority to levy and collect taxes or make charges for its authorized function as defined in Section 22a-475 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 established within the Tax-Exempt Proceeds Fund.

“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, in substantially the form as **Exhibit II** to this Agreement.

“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 January 31, 2012 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.

“Tax-Exempt Proceeds Fund” means the fund, established pursuant to Connecticut General Statutes, Section 3-24a, as amended, currently managed by Reich & Tang Mutual Fund, 600 Fifth Avenue, 9th Floor, New York, New York 10020, and administered through the Office of the Treasurer of the State.

“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. WC-5434.

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Section 2. The Project

Section 2.1 Project Description

The Project shall consist of the construction of a separate storm drainage pipeline in the vicinity of Homestead Avenue, Tower Avenue, Burton Street and Granby Street, in accordance with the State Bond Commission approval dated August 4, 2008, 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:	\$ <u>80,518,603</u>
Less Funds from Other Sources:	\$ <u>0</u>
Less Local Share	\$ <u>20,518,603</u>
Eligible Project Costs:	\$ <u>60,000,000</u>
Amount of Project Grant:	\$ <u>30,000,000</u>
Amount of Project Loan:	\$ <u>30,000,000</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).

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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 DEP 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. The amount of the Project Grant shall be twenty percent (20%) of all Grant Eligible Costs or thirty percent (30%) of all Grant Eligible Costs related to nitrogen removal or fifty percent (50%) of all Grant Eligible Costs related to combined sewer overflow or twenty-five (25%) of all Grant Eligible Costs for small communities or any combination thereof.

Pursuant to Section 10.11, 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 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 Grant Eligible Costs 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 less 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. If an Audit required pursuant to Sections 7.12, 7.15 and 8.4 hereof or information contained on the Disadvantaged Business Enterprise Payment Report submitted on the form attached hereto as Exhibit XII reveals that the MBE/WBE Requirements have not been met, the

Commissioner may assess a penalty which would result in a required repayment or reduction in the grant obligation and the Municipality may be assessed a penalty as described in Section 7.18 hereof.

Section 3.4 Disbursement of Project Grant

Prior to any disbursements, the Municipality must establish an Account with the Tax-Exempt Proceeds Fund. The Account 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 3.5 Audit Requirements for State Grants

For purposes of this paragraph, the word "Contractor" shall be read to mean "nonstate entity," as that term is defined in Conn. Gen. Stat. § 4-230. The Contractor shall provide for an annual financial audit acceptable to the Department for any expenditure of state-awarded funds made by the Contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The Contractor will comply with federal and state single audit standards as applicable.

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 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. To the extent permitted by law, the Municipality agrees to establish a dedicated source for repayment of the Project Loan satisfactory to the State and not inconsistent with the Federal Act, and pursuant to Section 6.1(a)7, provide written assurance of the Municipality's system of charges, assessments and other revenues. The Municipality shall issue a general obligation note in satisfaction of this requirement.

(b) Pursuant to Section 10.11, the State's obligation to make the Project Loan shall terminate unless the conditions precedent to funding the Project Loan set forth in Section 6.1 of this Agreement are satisfied.

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 the actual amount of Eligible Project Costs exceeds the estimated Eligible Project Costs set forth in Section 2.2 of this Agreement. The revised amount of the Project Loan 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. 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 2% 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 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.

(b) Within six (6) months of 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 by the Scheduled Completion Date and if approved, accrued interest thereon, minus any amounts repaid to the State. The Project Loan Obligation shall bear interest at the rate of 2% 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 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 10.10 of this Agreement is required for extensions of terms and conditions.

(c) Interest on any Interim Funding Obligation and the Project Loan Obligation shall be computed on the basis of a year of 360 days and twelve 30-day months.

Section 4.4 Disbursement of Project Loan and Project Grant Proceeds

Prior to any disbursements, the Municipality must establish an Account with the Tax- Exempt Proceeds Fund. The Account is the sole instrument by which the Municipality will receive its Project Grant and Project Loan proceeds from the State. 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 and the amount of Grant Eligible Costs related to nitrogen removal, (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)). Provided the Municipality submits such request and evidence 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. Each time a deposit is made to the Account, the Municipality will receive a deposit notice from the Tax-Exempt Proceeds Fund evidencing the Account and 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, the date and amount of principal repaid by the Municipality on all Project Loan

Advances, the principal balance remaining unpaid by the Municipality on all Project Loan Advances, and the interest accrued 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 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 Scheduled Completion Date, 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 twenty (20) years from the Scheduled Completion 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 8.5, 7.12 and 7.15 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 less 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. If an Audit required pursuant to Section 8.5 or Section 7.12 hereof reveals that the MBE/WBE Requirements have not been met, the Municipality may be assessed a penalty as described in Section 7.18 hereof.

Section 4.6 Optional Prepayment of Principal

(a) The Municipality may, at any time, prepay any Interim Funding Obligation in whole or in part in any amount, together with accrued interest to the date of such prepayment on the principal amount prepaid. Prepayments shall be applied against Project Loan Advances, which have been outstanding the longest. The Municipality must send written notification of the prepayment before, or at the time of, prepayment.

(b) The Municipality may, at any time, 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 before, or at the time of, prepayment.

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 by check, draft, or by wire transfer, with the Agreement number noted thereon and made payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 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 the 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 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 all monies received by the Municipality from the Project Grant will be expended to pay the costs as described in Section 2.

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 Policies Plan for Connecticut (C&D Plan);

(3) Written evidence that the Municipality has established an Account with the Tax-Exempt Proceeds Fund; as required by Section 3.4 and Section 4.4.

(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, 8.4, and 8.5 of this Agreement,

(6) Written assurance from the Municipality that it will require each Contractor who performs services on the Project to submit written proof to the Municipality that each Contractor has 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 in substantially the form as shown in **Exhibit VII**, that the Municipality has a plan for levying a system of charges, assessments and other revenues which are sufficient together with other available funds of the Municipality, to repay the Project Loan from the State to the Municipality.

(8) 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), (6), and (7) above.

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

Section 6.2 Evidence of Municipal Action

Prior to the making of the Project Loan and Project Grant 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, 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 and/or that the Municipality has validly established a dedicated source of repayment of the Project Loan as described in Section 4.1 hereof.

Section 6.4 Signature and No Litigation Certificate

Prior to the delivery of each Interim Funding Obligation and Project Loan Obligation, the State shall have received from the Municipality a signature and no litigation certificate substantially in the form of **Exhibit IV** to this Agreement.

Section 6.5 No Event of Default

Prior to the delivery of 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 on the date of this Agreement and shall remain on the date of the Project Loan and the Project Grant true and correct.

Section 6.7 Compliance with Federal and State Requirements

The Municipality shall at all times comply with all applicable federal and State laws and regulations pertaining to the Project. The Municipality agrees to comply with the regulations adopted pursuant to Section 22a-482 of the Act and the requirements of Section 7.12(a), 7.15 of this Agreement, and to comply with all provisions thereof 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 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 shall report all suspected or reported violations to U.S. Environmental Protection Agency.

Section 6.9 Buy American Requirement Under ARRA

Unless a determination is made by DEP prior to the award of the Project Loan or the Project Grant that the Buy American Requirement is inapplicable based on circumstances described therein, as it applies to that portion of the Project that will be funded with ARRA monies, all of the iron, steel and other manufactured goods used as construction material in the Project must be produced or manufactured in the United States. Upon completion of the Project and determination by DEP, the Municipality shall submit certification regarding such compliance in the form of Exhibit XI hereof.

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.

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 DEP for approval. If DEP 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 DEP'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 further agrees to pay that part of the Total Project Costs, which exceeds all funding it may receive.

Section 7.3 Inspection of Project by State

During construction of the Project, the Municipality shall allow the State, DEP, and any of their officers, agents, or employees to come onto its property from time to time for the purpose of monitoring construction progress.

Section 7.4 Maintenance of Project Records

The Municipality shall establish and maintain separate accounts for the receipt and disbursement of all Eligible Project Costs for this 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"). 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 97-13 (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 97-13 (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-government 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 Nondiscrimination

References in this section to "contract" shall mean this Contract and references to "contractor" shall mean the Contractor.

(a) The following subsections are set forth here as required by section 4a-60 of the Connecticut General Statutes:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved; (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; (5) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.

(b) If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) "Minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are

active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

(d) Determination of the contractor's good faith efforts shall include but shall not be limited to the following factors: The contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(e) The contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

(f) The contractor shall include the provisions of sections (a) and (b) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(g) The following subsections are set forth here as required by section 4a-60a of the Connecticut General Statutes:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies

of the notice in conspicuous places available to employees and applicants for employment; (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and (4) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.

(h) The contractor shall include the provisions of section (g) above in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(i) For the purposes of this entire Non-Discrimination section, "contract" includes any extension or modification of the contract, "contractor" includes any successors or assigns of the contractor, "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders. For the purposes of this section, "contract" does not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

Section 7.9 Executive Orders of the Governor

The Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen 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 the

Contract as if they had been fully set forth in it. At the Contractor's request, the State agency shall provide a copy of these orders to the Contractor. The Contract may also be subject to Executive Order No. 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions.

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. The Municipality shall require that such commercial general liability insurance maintained by the Contractor shall name both the Municipality and the State as additional insured, as described in **Exhibit X**, Insurance Requirements.

(b) Contractor shall 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.

(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's and the State's interest in such Project until the Municipality's legal obligations under this Agreement have been satisfied.

Section 7.11 Indemnification

To the extent permitted by law, 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 Obligation 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 full compliance with the audit requirements of this Section 7.12.

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, 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. The Municipality agrees to submit to the Department signed MBE/WBE contracts prior to the first payment being made to the Municipality pursuant to this Agreement and to submit a completed MBE/WBE utilization verification form in substantially the form attached hereto as **Exhibit XII** signed by the Scheduled Completion Date. After reviewing the documentation, the State will notify the Municipality if a final project audit will be required in accordance with this Section. If no Audit

will be required, within sixty (60) days after the submission of the documentation, the State shall inform the Municipality of the amount of the projected Project Loan Obligation and any accrued interest on any outstanding Interim Funding Obligation. This interest, unless paid by the Municipality from other funds of the Municipality, will be advanced as part of the Project Loan Obligation. No additional amount so advanced shall cause the Project Loan to be exceeded.

(b) If required pursuant to subsection (a) 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 undertaken at the expense of the Municipality, but may be considered an Eligible Project Cost, shall meet the requirements of Section 7-394a and 7-396 through 7-397, inclusive, of the Connecticut General Statutes, as amended, shall be performed in accordance with generally accepted auditing standards and shall identify any expenditures made by the Municipality that are not in compliance with the terms of this Agreement. The statement shall describe Eligible Project Costs by category which have not yet been paid and an estimate of their amounts and their 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 amounts of each claim, possible payment dates, and the anticipated means of resolving each claim.

(c) If required pursuant to subsection (b) of this Section, the Audit shall be submitted to the State no later than sixty (60) days after the completion of the Project or Scheduled Completion Date whichever is sooner. Within sixty (60) days after such submission, 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. This interest, unless paid by the Municipality from other funds of the Municipality, will be advanced as part of the Project Loan Obligation. No additional amount so advanced shall cause the Project Loan to be exceeded. The Project Loan Obligation may be issued prior to the completion of the Audit in an amount agreed to by the State and the Municipality.

(d) Any Eligible Project Costs (i) which can be reasonably estimated, (ii) which are scheduled for disbursement within one year from the Scheduled Completion Date and (iii) which have not been advanced to pay costs of the Project, but will not cause the amount of the Project Loan to be exceeded, may be included in the Project Loan Obligation, and 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 Advances under a subsequent Project Grant, provided that no such Interim Funding Obligation, Project Loan Obligation or Advance shall cause the aggregate amount of Project Loan Advances to exceed the Project Loan or the aggregate amount of Project Grant Advances to exceed the Project Grant. The Commissioner shall establish a new Scheduled Completion Date for the portion of the Project related to such Total Project Costs. Any other Eligible Project Costs not funded hereunder may be funded under subsection (f) 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 Bond Commission 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. The State may require that any such 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.

(g) Notwithstanding any section of this Agreement to the contrary, the term of any Project Loan Obligation issued in accordance with subsections (e) and (f) of Section 7.15 hereof shall not exceed twenty (20) years from the original Scheduled Completion Date contained in the first Project Grant and Project Loan Agreement. 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. Except as provided in this Subsection, all the provisions of Subsections (a), (b), (c), (d), (e) and (f) above shall be followed in connection with the issuance of any such Project Loan Obligation.

(h) Notwithstanding the foregoing, the Municipality receiving federal funds must comply with the federal Single Audit Act of 1984, P.L. 98-502 and the Amendments of 1996, P.L. 104-156. The Municipality receiving State funds 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.

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 design life of the Project. 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 the Interim Funding Obligation and the Project Loan Obligation.

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. Borrowers 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 Loan, including, but not limited to, the filing of any litigation relating to the Project or the source of repayment of the 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 portions of the work in the preparation of the engineering report 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 the DEP engineer) or a combination of both. If the Municipality

fails to comply with the MBE/WBE Requirements, the Municipality agrees that such failure may result in a reduction or repayment obligation on the part of the Municipality as provided in Section 3.3 hereof.

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 Termination

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 cancelled 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 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

Upon receipt of the information provided for in Section 7.15, the State will review the documentation or Audit and within 60 days notify the Municipality in writing of the following:

(a) The amount of Grant Eligible Costs expended, the amount of estimated Grant Eligible Costs to be incurred upon payment of all estimated Total Project Costs including any adjustments to the amount of Grant Eligible Costs, if applicable, the amount of the Project Grant disbursed to the Municipality, and the amount by which the Project Grant disbursed exceeds or is less than the applicable percentage as specified in Section 3.1 of such Grant Eligible Costs expended; and

(b) If the documentation or Audit in accordance with Section 7.15 demonstrates that the Municipality received disbursements of the Project Grant 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 hereof. If the Project Grant 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 but not in excess of the Project Grant. If such Audit and statement demonstrate that the Project Grant is less than the applicable percentage as specified in Section 3.1 of estimated Grant Eligible

Costs to be incurred upon payment of all estimated Total Project Costs, the State shall as soon as practicable increase the Project Grant pursuant to Section 3.2 hereof.

Section 8.5 Audit and Project Loan

Upon receipt of the information provided for in Section 7.15, the State will review such documentation or Audit and within 60 days notify the Municipality in writing of the following:

(a) The amount of Eligible Project Costs expended, the amount of estimated Eligible Project Costs to be incurred upon payment of all estimated Total Project Costs including any adjustments to the amount of Eligible Project Costs, if applicable, the amount of the Project Loan disbursed to the Municipality, and the amount by which the Project Loan disbursed exceeds or is less than the applicable amount available for the Project Loan as specified in Section 2.2; and

(b) The amount of the projected Project Loan Obligation, as provided in Subsection 7.15 (a) or (b); and

(c) The amount of estimated Eligible Project Costs to be incurred upon payment of all estimated Total Project Costs, including any adjustments to the amount of Eligible Project Costs, if applicable, and the amount by which the Project Loan exceeds or is less than the amount of such estimated Eligible Project Costs less the amount of the estimated Project Grant as calculated in Section 8.4 above.

(d) If the documentation or Audit in accordance with Section 7.15 demonstrates that the Municipality received disbursements of the 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 4.5 hereof. If the 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 Loan but not in excess of the Project Loan. If such Audit and statement demonstrate that the Project Loan is less than the amount of Eligible Project Costs to be incurred upon payment of all estimated Total Project Costs minus the amount of the estimated Project Grant, the State shall as soon as practicable increase the Project Loan pursuant to 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.

(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 an 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, whereupon the same shall be due and payable 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 the Interim Funding Obligation or Project Loan Obligation unless such waiver be in writing and signed by the State. No delay or omission on the part of the State in exercising any right under this Agreement or the 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 the 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) Commissioner of Environmental Protection
79 Elm Street
Hartford, CT 06106
and,

(2) Office of the Treasurer
55 Elm Street

Hartford, CT 06106
Attn: CWF Financial Administrator

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

The Metropolitan District
P.O. Box 800
555 Main Street
Hartford, CT 06142-0800
Attn: Treasurer

(b) Be delivered in person 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 Litigation

The parties acknowledge and agree that nothing in this Agreement shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State 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 the Agreement. To the extent that this section conflicts with any other section, this section shall govern.

The Agreement shall be deemed to have been made in the City of Hartford, State of Connecticut. Both Parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State, 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 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. 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 10.4 Connecticut Law

This Agreement and the rights and obligations of the parties hereunder and under the Interim Funding Obligation and Project Loan Obligation shall be governed by, and construed in accordance with, the laws of the State.

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 Obligation and Project Loan Obligation or made in writing in connection with this Agreement shall survive the execution and delivery of this Agreement and the Interim Funding Obligation and Project Loan Obligation and shall continue in full force and effect until all amounts payable on account of the Interim Funding Obligation and Project Loan Obligation 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 Incorporation of Other Documents

The Municipality's application for a Project Grant and Project Loan filed with the Commissioner in connection with the Project are incorporated herein and made a part hereof as if they were fully set forth herein.

Section 10.10 Amendments

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

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

Section 10.11 Cancellation

The State may terminate the obligation to make the Project Loan and Project Grant, with sixty (60) days written notice, if 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 10.12 Effective Date

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

Section 10.13 Other Provisions of State Contracts

The following section is set forth here as required by Section 4-61dd(e) of the Connecticut General Statutes: Each contract between a state or quasi-public agency and a large state contractor shall provide that, if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the contractor in retaliation for such employee's disclosure of information to the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of Section 4-61dd of the Connecticut General Statutes, the contractor 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 the contract. 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 executive head of the state or quasi-public agency may request the Attorney General to bring a civil action in the superior court for the judicial district of Hartford to seek imposition and recovery of such civil penalty.

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.

WITNESSES:

STATE OF CONNECTICUT DEPARTMENT OF ENVIRONMENTAL PROTECTION

Carmen Colon
Carmen Colon

Amey Marrella August 27, 2009
Amey Marrella Date
Acting Commissioner

Rosalynn Grzywinski
Rosalynn Grzywinski

WITNESSES:

THE METROPOLITAN DISTRICT

Cynthia A. Nadoly

By: Leo Balla August 17, 2009
Chairman Date

Kristine C. Shaw

WITNESSES:

THE METROPOLITAN DISTRICT

Cynthia A. Nadoly

By: Joanna Zuzarella 8/12/09
Treasurer Date

Kristine C. Shaw

(SEAL)

APPROVED AS TO FORM:

By: W B A-K 9/11/09
Associate Attorney General Date

Exhibit I Form of Interim Funding Obligation

\$ _____

UNITED STATES OF AMERICA
STATE OF CONNECTICUT
(City) (Town) (Borough) (District)
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 _____ 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 twelve 30-day months.

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, 55 Elm Street, 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 Interim Funding 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 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)

Exhibit II Form of Project Loan Obligation

\$ _____ , _____

UNITED STATES OF AMERICA
STATE OF CONNECTICUT
(City) (Town) (Borough) (District)

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, 55 Elm Street, 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 the 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 Environmental Protection
165 Capitol Avenue
Hartford, Connecticut 06106

City/Town of
Address
_____, Connecticut _____

Sirs:

We have examined certified copies of the proceedings of the (Town, City, District), 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 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 Signature No Litigation Certificate

ISSUANCE CERTIFICATE
SIGNATURE AND NO LITIGATION CERTIFICATE

We, _____ (Name) and _____ (Name), _____ (Title) and _____ (Title), respectively, of the (Town, City, Borough, District) of _____, Connecticut, HEREBY CERTIFY that the Project Loan and Project Grant Agreement dated _____, 20____, by and between the State of Connecticut, and the (Town, City, Borough, District) of _____, Connecticut, ("Agreement") and the \$_____ of Interim Funding [Project Loan] Obligation, dated _____, 20____ (the "Obligation") were on the date hereof duly and completely executed in the name and on behalf of the (Town, City, Borough, District) of _____, Connecticut; by the execution thereon of the signature of the undersigned, (Name)____, (Title)____, and by the signature of the undersigned, (Name)____, (Title)____; and that said Agreement and said Obligation bear the seal of said _____ (Town, City, Borough, Dist).

We further certify that on the date hereof we were and are the duly elected or appointed, qualified and acting officers authorized to execute said Agreement and said Obligation in the name and on behalf of the (Town, City, Borough, Dist.) holding the offices indicated by the official titles opposite our names and that the seal which has been impressed on said Agreement and said Obligation and upon this certificate is the legally adopted, proper and only official seal of the (Town, City, Borough, Dist) of _____.

We further certify that no litigation of any nature is now pending or threatened restraining or enjoining the execution or delivery of said Agreement or Obligation, the payment of interest on or principal of said Obligation, the collection of taxes to pay the same or in any manner questioning the authority or proceeding for the execution or delivery of said Agreement or Obligation or affecting the validity of the same; that the title of neither of the foregoing officers is being contested; and that no proceedings or authority for the execution and delivery of the Agreement and the Obligation have or has been repealed, rescinded or revoked.

I, _____ (Name), _____ (Title) of _____ hereby certify that I have affixed my signature as such officer to the certificate of _____, as certifying bank on said Obligation.

IN WITNESS WHEREOF, we have hereto affixed the corporate seal of said _____ (Seal) of and our signatures as of the _____ day of _____, _____.

<u>Expiration of Signature</u>	<u>Official Title</u>	<u>Office</u>
_____	_____	_____
_____	_____	_____

Signatures above and upon the described Obligation guaranteed as those of the officers respectively designated.

(Bank)

By _____
Authorized Officer
City/Town/District Attorney/Town Clerk

FORM OF CERTIFICATE AS TO NO LITIGATION

I, _____, HEREBY CERTIFY in connection with the Obligations (defined below) that I am the City/Town/District Attorney of the City/Town/District of _____ (the "Borrower") in the State of Connecticut (the "State") and am an attorney-at-law admitted to practice in the State; 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 Borrower, in any way contesting or affecting the validity of enforceability of the Obligations, or contesting titles of officers of the Borrower involved in the issuance of the Obligations, or contesting any of the proceedings taken with respect to the issuance of Obligations, the application of monies to the payment of the Obligations or the use of proceeds of the Obligations; nor, to the best of my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations, and (ii) there is no controversy or litigation of any nature now pending or threatened by or against the Borrower wherein an adverse judgment or ruling would have a material adverse impact on the financial condition of the Borrower or adversely affect the power of the Borrower to levy, collect and enforce the collection of taxes or other revenues for the payment of the Obligations, which has not been disclosed to the State.

The "Obligations" herein referred to the Borrower's loan obligations issued or which are expected to be issued by the Borrower to the State and securing the State's Clean Water Fund Revenue Bonds.

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

City/Town/District Attorney/Town Clerk

CITY/TOWN/DISTRICT OF _____
Town Clerk

FORM OF INCUMBENCY CERTIFICATE

I HEREBY CERTIFY in connection with the execution and delivery of the Project Loan Agreement, dated the _____ day of _____, _____ by and between the State of Connecticut and the Town of _____ (the "Municipality"), and of the \$_____ Interim Funding Obligation of the Municipality, dated as of the _____ day of _____, _____, that:

I am the Clerk of the Municipality. On the date of this certificate the officers of the Municipality listed below were duly chosen, qualified, and acting officers of the Municipality, holding the offices indicated in the official titles following their respective names with the terms expiring on the dates indicated thereafter:

<u>Name</u>	<u>Official Title</u>	<u>Term Expiration</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have signed this certificate and impressed on this certificate the seal of the Town of _____ as of the _____ day of _____, _____

[SEAL]

Clerk

Exhibit V Municipal Continuing Disclosure Agreement

This Municipal Continuing Disclosure Agreement (the "Agreement") is made as of the _____ day of _____, _____ by the [City/Town/District] of _____ (the "Borrower") acting by its undersigned officer, duly authorized, in connection with the issuance of \$ _____ State of Connecticut (the "State") Clean Water Fund Revenue Bonds, _____ Series, dated _____, _____ (the "Bonds"), 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:

A "Final Official Statement" means the official statement of the State dated _____ prepared in connection with the Bonds.

"MSRB" means Municipal Securities Rulemaking Board established under the Securities Act of 1933, as amended, or any successor thereto.

"NRMSIR" means any nationally recognized municipal securities information repository recognized by the SEC from time to time. As of July 1, 2009, an Electronic Municipal Market Access System ("EMMA"), established by the MSRB, located on the World Wide Web at <http://emma.msrb.org>, will be the only NRMSIR and will replace the four existing nationally recognized municipal securities information repositories, as well as the Central Post Office disclosure service, unless such reporting procedures are subsequently amended by MSRB rule.

"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 Clean Water Fund Revenue Bonds then outstanding under the State's Clean Water Fund Program.

"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.

"SID" means any state information depository established or designated by the State of Connecticut and recognized by the SEC from time to time. As of the date of this Agreement, no SID has been established or designated by the State of Connecticut.

Section 2. Annual Financial Information

(a) The Borrower agrees to provide or cause to be provided of each NRMSIR and any SID, 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 _____) 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 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 date eight months after the close of the fiscal year for which such information is being provided. The Borrower's fiscal year currently ends on _____.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents previously provided to each NRMSIR, any SID, or SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. 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

(Not applicable to Borrower)

Section 4. Notice of Failure of Provide Annual Financial Information

The Borrower agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or the MSRB, (ii) any SID, and (iii) the State, 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 [Municipal Officer], 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) 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.

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

(c) 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) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the affect that such amendment or waiver would not materially impair the interests of 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 (i) each NRMSIR or the MSRB, and (ii) any SID. 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.

[CITY/TOWN/DISTRICT] OF _____

By _____
Authorized Official

Exhibit VI Budget

<i>Category</i>	<i>Contract #</i>	<i>Cost</i>	<i>Funds from Other Sources</i>	<i>Grant</i>	<i>Loan</i>	<i>Local Share</i>
CONSTRUCTION	2008-49	22,889,625.00	0.00	11,303,532.50	11,586,092.50	0.00
	2008-91	8,202,650.00	0.00	2,952,525.00	2,952,525.00	2,297,600.00
	BURTON	11,771,143.00	0.00	4,633,476.50	4,633,476.50	2,504,190.00
	GRANBY	20,406,200.00	0.00	7,808,462.00	7,525,902.00	5,071,836.00
CONTINGENCY	2008-49	2,288,963.00	0.00	1,144,481.50	1,144,481.50	0.00
	2008-91	500,000.00	0.00	250,000.00	250,000.00	0.00
	BURTON	611,057.00	0.00	305,528.50	305,528.50	0.00
	GRANBY	2,090,620.00	0.00	0.00	0.00	2,090,620.00
EASEMENTS	2008-91	12,500.00	0.00	0.00	0.00	12,500.00
	GRANBY	10,000.00	0.00	0.00	0.00	10,000.00
ENGINEERING SERVICES	2008-49	2,849,898.00	0.00	1,424,949.00	1,424,949.00	0.00
	2008-91	159,090.00	0.00	79,545.00	79,545.00	0.00
	BURTON	195,000.00	0.00	97,500.00	97,500.00	0.00
	GRANBY	627,186.00	0.00	0.00	0.00	627,186.00
FORCE ACCOUNT	2008-49	350,000.00	0.00	0.00	0.00	350,000.00
	2008-91	153,500.00	0.00	0.00	0.00	153,500.00
	BURTON	210,000.00	0.00	0.00	0.00	210,000.00
FORCE ACCOUNT INTEREST	GRANBY	550,000.00	0.00	0.00	0.00	550,000.00
	2008-91	181,704.00	0.00	0.00	0.00	181,704.00
	BURTON	564,467.00	0.00	0.00	0.00	564,467.00
LEGAL	GRANBY	1,300,000.00	0.00	0.00	0.00	1,300,000.00
	2008-49	115,000.00	0.00	0.00	0.00	115,000.00
	2008-91	15,000.00	0.00	0.00	0.00	15,000.00
	BURTON	15,000.00	0.00	0.00	0.00	15,000.00
MATERIALS TESTING	GRANBY	15,000.00	0.00	0.00	0.00	15,000.00
	2008-91	10,000.00	0.00	0.00	0.00	10,000.00
	2008-49	750,000.00	0.00	0.00	0.00	750,000.00
POLICE SERVICE	2008-91	150,000.00	0.00	0.00	0.00	150,000.00
	BURTON	200,000.00	0.00	0.00	0.00	200,000.00
	GRANBY	300,000.00	0.00	0.00	0.00	300,000.00
PROPERTY ACQUISITION	2008-49	850,000.00	0.00	0.00	0.00	850,000.00
RAILROAD	2008-49	125,000.00	0.00	0.00	0.00	125,000.00
UTILITY RELOCATION	2008-49	1,250,000.00	0.00	0.00	0.00	1,250,000.00
	2008-91	250,000.00	0.00	0.00	0.00	250,000.00
	BURTON	50,000.00	0.00	0.00	0.00	50,000.00
	GRANBY	500,000.00	0.00	0.00	0.00	500,000.00
<i>Project Totals:</i>		80,518,603.00	0.00	30,000,000.00	30,000,000.00	20,518,603.00

Exhibit VII Certification of System of Charges, Assessments and Other Revenues

(TOWN, CITY, DISTRICT)

I, _____, _____ OF THE
_____ (the "Municipality") DO HEREBY CERTIFY as follows:

1. The Municipality has a plan for levying a system of charges, assessments and other revenues sufficient, along with other available funds of the Municipality, to repay the Clean Water Fund loan from the State to the Municipality.
2. That such plan for levying a system of charges, assessments and other revenues is sufficient to repay the Clean Water Fund loan from the State to the Municipality.
3. That such plan is either attached or described or provided as Schedule A and hereby made a part of this certificate
4. That Schedule A will be updated upon completion of the Project and execution of Obligations under the terms of the Project Loan and Project Grant Agreement, dated _____, by and between the Commissioner of the Department of Environmental Protection and the Municipality (the "Agreement").
5. Captioned terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement.
6. The debt limitation certificate hereto attached as Schedule B is true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand as of the Municipality, as of the day of _____.

(TOWN, CITY, DISTRICT)

Name:

Title:

Schedule A

SYSTEM OF CHARGES, ASSESSMENTS AND OTHER REVENUE

Schedule B

MUNICIPAL DEBT LIMITATION

Exhibit VIII Form of Request for Advance

UNDER THE INTERIM FUNDING OBLIGATION

The _____, Connecticut (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 _____, 20____, in the amount of \$_____ to be made on _____. 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 Sections 5.1 through 5.6 of the Project Loan Agreement are true and correct as of the date hereof.

By _____
Authorized Officer

Exhibit IX Closing Statement

State of Connecticut Department of Environmental Protection
Clean Water Fund Project Loan Obligation CWF # xxx-x

Municipality: xxxxxxxxxxxxxx
Execution Date: xx/xx/xxxx

Loan Advances received prior to <u> / / </u>	\$ <u> </u> - 0 -
Loan Advances deposited today*	<u> </u> - 0 -
Accrued Interest through <u> / / </u> **	<u> </u> - 0 -
Amount of Project Loan Obligation	<u><u> </u></u> - 0 -

* This amount has been deposited today by the State in the Municipality's Tax-Exempt Proceeds Fund 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.]

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

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

The Municipality also acknowledges that any unspent loan advances remaining in the Account as of / / will be applied to prepayment of the Project Loan Obligation.

Grant Advances made prior to <u> / / </u>	\$ <u> </u> - 0 -
Grant Advances to be deposited*	\$ <u> </u> - 0 -

* This amount has been deposited today by the State in the Municipality's Account in the Tax-Exempt Proceeds Fund

Any unspent grant advanced funds remaining in the account as of ___ / ___ / ___ 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 Comm</i>						
Contract Totals (IFO):						
Final Costs (PLO):						
Bond Comm totals less PLO values = Amts 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
DEPT. ENVIRONMENTAL PROTECTION

[CITY OF xxxxxxxx]

By _____

By _____

Title: _____

Title: _____

CC: Susan Hawkins
Sharon Dixon Peay

**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-owed 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 as Additional Insured.
- 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 with certificate of insurance prior to commencement of work.

Exhibit XI "Buy American" Certification

STATE OF CONNECTICUT
STATE REVOLVING FUNDS (SRF)
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

CERTIFICATION OF AARA "BUY AMERICAN" PROVISION

Instructions

This certification letter must be completed and signed by the applicant's administrative official or his/her designated representative and submitted to the State after construction or installation of an approved project is complete.

Date:	Project #:	DW/CW SRF #:
System Name:		
PWSID# (if any):	Town:	
Project Name:		
I hereby certify,		
(please check <u>one</u> of the following <u>and</u> provide documentation as necessary)		
<input type="checkbox"/> That the "Buy American" provision included in Section 1605 of the American Recovery and Reinvestment Act of 2009 (ARRA) <u>has been met</u> and that all iron, steel, or other manufactured goods used in the project named above have been produced in the United States.		
<input type="checkbox"/> That the "Buy American" provision included in Section 1605 of the American Recovery and Reinvestment Act of 2009 (ARRA) <u>was unable to be met</u> . Not all of the iron, steel, or other manufactured goods used in the project named above have been produced in the United States. Documentation is attached stating why this provision was not met.		
_____ Signature of Administrative Official or His/Her Designated Representative		
Print Name: _____		
Title: _____		
Date Signed: _____ Telephone: _____		

Exhibit XII Disadvantaged Business Enterprise Payment Report-Contractor/Consultant

STATE OF CONNECTICUT - DEPARTMENT OF ENVIRONMENTAL PROTECTION
CLEAN WATER FUND

CWF PROJECT #:
MUNICIPALITY:
PROJECT DESCRIPTION:
CONTRACTOR/CONSULTANT NAME:
CONTRACT VALUE(CWF Eligible):

(Report on Clean Water Fund Eligible portion only of Contracts; Contractor Reports on Change Orders also)

LIST SUMMARY OF ALL DISADVANTAGED BUSINESS ENTERPRISE PAYMENTS

MBE			
COMPANY NAME	ADDRESS	CONTRACT VALUE	TOTAL MONIES
TOTAL PAYMENTS		\$0.00	\$0.00
% ATTAINED		0.00%	0.00%
<i>This section for use by DEP:</i> GOOD FAITH EFFORT TO ATTAIN GOAL APPROVED BY ENGINEER? YES, NO, N/A PENALTY/WITHHOLDING %: _____		PAYMENT GOAL%:	
		(Shortage)/Excess %:	0.00%
WBE			
COMPANY NAME	ADDRESS	CONTRACT VALUE	TOTAL MONIES PAID
TOTAL PAYMENTS		\$0.00	\$0.00
% ATTAINED		0.00%	0.00%
<i>This section for use by DEP:</i> GOOD FAITH EFFORT TO ATTAIN GOAL APPROVED BY ENGINEER? YES, NO, N/A PENALTY/ WITHHOLDING %: _____		PAYMENT GOAL%:	
		(Shortage)/Excess%:	0.00%
TOTAL PENALTY %: _____			
TOTAL ELIBIGLE CWF PROJECT COST: \$ _____			
TOTAL PENALTY AMOUNT: \$ _____			

Certified By: _____
 Authorized Representative