ORDINANCE C-41-10

AN ORDINANCE TO AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE THE LOAN AGREEMENT AND PROMISSORY NOTE WITH THE OHIO DEPARTMENT OF DEVELOPMENT FOR A LOGISTICS & DISTRIBUTION STIMULUS LOAN AND TO DECLARE AN EMERGENCY

WHEREAS, the City of Grove City is moving forward with improvements to the 1-71/SR 665 Interchange due to safety, congestion and bridge deterioration, and geometric deficiencies; and

WHEREAS, Ordinance C-21-10 approved the Loan Approval Confirmation and Commitment with the Ohio Department of Development for a $2 million dollar forgivable Logistics & Distribution Stimulus Loan; and

WHEREAS, the City must now approve the Loan Agreement and Promissory Note.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GROVE CITY, STATE OF OHIO, THAT:

SECTION 1. The City Administrator is hereby authorized to execute the Loan Agreement, Promissory Note and other necessary and related documents with the Ohio Department of Development for a $2 million dollar forgivable Logistics and Distribution Stimulus Loan as set forth in Exhibit A, or as may be adjusted by the Director of Law.

SECTION 2. An emergency exists for the health, safety and general welfare of the community in that the closing for the Loan must occur on or before July 27, 2010 as set forth in the previously approved "Loan Approval Confirmation and Commitment", therefore, this ordinance shall go into immediate effect.

Ted A. Berry, President of Council

Passed: 07-19-10

Richard L. Stage, Mayor

Effective: 07-19-10

Attest:

Tami K. Kelly, MMC, Clerk of Council

I certify that this
ordinance is correct as to form.

Stephen J. Smith, Director of Law

C-41-10
Exhibit A

C & W DRAFT 6/17/10

LOAN AGREEMENT
(LOGISTICS & DISTRIBUTION INFRASTRUCTURE FUND)

This Loan Agreement (the "**Agreement**") is made effective as of _____, 2010 by and between the Director of Development of the State of Ohio (the "**Director**"), as lender, and The City of Grove City, a body politic and corporate organized under the laws of the State of Ohio ("**Borrower**"), as borrower. Capitalized terms have the meanings given them in Article 1 of this Agreement.

Recitals

A. The Director is authorized by Section 166.25 of the Ohio Revised Code to provide financial assistance to pay the allowable costs of eligible logistics and distribution projects. Borrower intends to undertake the project further described in Exhibit A to this Agreement (the "**Project**"), and Borrower applied for financial assistance from the Director in support of the Project. The Project is being undertaken by Borrower in facilities and operations that will create and/or retain jobs and support the development of the logistics and distribution industry in Ohio.

B. The Director determined, based on the information provided by Borrower in its application and otherwise, including its representations and warranties in this Agreement, that the Project is an eligible logistics and distribution project and that providing financial assistance for the Project is consistent with Ohio law and furthers the public policy set forth in Chapter 166 of the Ohio Revised Code.

C. The financial assistance to be provided to Borrower for the Project has been reviewed and approved by the Development Financing Advisory Council of the State of Ohio on January 25, 2010 and by the Controlling Board of the State of Ohio on March 8, 2010.

NOW, THEREFORE, in consideration of the foregoing premises and the representations and agreements of the parties as set for the below, the Director and Borrower agree as follows:

1. Definitions.

1.1 Defined Terms. Capitalized terms shall have the meanings given them in this Section 1.1.

"Agreement" means this Loan Agreement, as it may be modified, amended, supplemented or replaced from time to time.

"Annual Report" has the meaning given that term in Section 4.2

"Borrower" means the borrower identified in the preamble, its successors and permitted assigns.

"Closing" means the closing of the Loan transaction contemplated by this Agreement as provided in Section 8.

"Default Rate" means the default rate of interest computed as set forth in Section 2.5 of this Agreement.

"Director" means the Director of Development of the State of Ohio in his or her official capacity.

"Event of Default" means any of the events described in Section 9.1 of this Agreement.

"Loan" means the loan made by the Director to Borrower in the amount set forth in Section 2.1 of this Agreement.

"Loan Documents" means this Agreement, the Note and each other agreement or document executed by the parties pursuant this Agreement, as it may be modified, amended, supplemented or replaced from time to time, and each certificate and other document to be delivered by a party pursuant to this Agreement or any such other agreement or document.

"Maturity Date" means the date which is thirty (30) days after the Project Completion Date.

"Note" means the Cognovit Promissory Note substantially in the form attached to this Agreement as Exhibit B to be executed and delivered by Borrower to the Director pursuant to Section 2.1 of this Agreement.

"Organizational Documents" means, as applicable, articles of incorporation, code of regulations or by-laws, articles of organization, operating agreement, partnership agreement or other similar document adopted or filed in connection with the creation, formation, organization or governance of an entity, each as such document may be amended from time to time.

"Project" has the meaning given it in Recital A.

"Project Completion Date" means 36 months after Closing, or such later date as the Director may agree in writing upon request for an extension made by Borrower in writing at least sixty (60) days prior to the scheduled Project Completion Date.

"Project Construction Period" means the time from the Closing through the Project Completion Date, being the period during which Borrower will construct the Project.

"Reporting Term" has the meaning given that term in Section 4.2.

1.2 Statutory Terms. Any term defined in Chapter 166 of the Ohio Revised Code shall have the meaning given it in that Chapter.

2. Loan and Use of Proceeds.

2.1 Loan. The Director hereby agrees to lend to Borrower up to Two Million Dollars ($2,000,000), and Borrower hereby agrees to accept the Loan on the terms and subject to the conditions of this Agreement. The Loan shall be evidenced by the Note.

2.2 Use of Proceeds. Borrower shall use the proceeds of the Loan only for allowable costs of the Project. Borrower shall undertake and complete the Project substantially as described in Exhibit A. Borrower may not use the Loan proceeds for any purpose other than to pay or be reimbursed for allowable costs of the Project.

2.3 Required Contribution. It is a condition of the Loan that Borrower provides additional funds from other sources to pay Project costs in excess of the Loan amount. Such additional funds shall include Borrower's required contribution in an amount not less than $4,217,000. Borrower represents and warrants to the Director that, as of the date of this Agreement, Borrower has obtained such additional funds or that Borrower has a binding commitment for such additional funds and, with the exercise of reasonable diligence, will have obtained such additional funds no later than the time such funds will be required to pay Project costs as and when such costs are incurred and payable.

2.4 Disbursement. The Director shall disburse the Loan proceeds on a reimbursement basis after the Closing following receipt of draw requests in form and substance acceptable to the Director.

Disbursements will be made for up to six (6%) of allowable costs covered by each draw request; at least ninety-four percent (94%) of allowable costs must be funded by Borrower from other sources of funds committed to the Project.

2.4.1 Draw Request. Borrower shall submit draw requests in the form required by the Director, together with supporting documentation evidencing the allowable costs against which the draw is requested and the progress of the Project. Borrower may submit draw requests from time to time, but not more frequently than once in any 30-day period. Except for the final draw request, periodic draw requests shall be submitted in amounts not less than $50,000.

2.4.2 Timing. Borrower may not submit any draw requests more that sixty (60) days after the Project Completion Date, and the Director shall have no obligation under this Agreement to disburse Loan proceeds against any draw request submitted more than sixty (60) days after the Project Completion Date. If Borrower has not fully drawn, or cannot fully draw, the maximum Loan amount in accordance with the terms of this Agreement, the Loan amount shall be the amount of Loan proceeds actually disbursed to Borrower pursuant to this Agreement, and the parties shall amend the Note to reflect as the principal amount the actual Loan proceeds disbursed.

2.4.3 Affirmation. Each draw request shall be deemed an affirmation by Borrower as of the date of such draw request, that (a) Borrower has sufficient funds to complete the Project; (b) the representations and warranties of Borrower as set forth in the Loan Documents remain true and correct; (c) no default or Event of Default has occurred and is then continuing under the Loan Documents; (d) each item for which disbursement is requested is an allowable cost of the Project and is necessary for the Project; and (e) no item for which disbursement is requested is the subject of a duplicative disbursement request.

2.5 Interest Rate. Interest shall accrue on the principal amount of the Loan from time to time outstanding at the annual rate of one percent (1%) until the Loan is paid or forgiven according to the terms of this Agreement and the Note. From and after the occurrence of an Event of Default under this Agreement or any other Loan Document, interest shall accrue and be payable at the annual rate of ten percent (10%) (the "**Default Rate**"). Interest shall be computed on the basis of 30-day months and a 360-day year according to the payment terms set forth in the Note.

2.6 Late Charge. If Borrower fails to make any payment as and when due under this Agreement, the Director may assess a late charge equal to five percent (5%) of the amount of such payment.

2.7 Payment Terms. The Loan is subject to forgiveness pursuant to Section 2.8 of this Agreement based on Borrower's completion of the Project and satisfaction of job commitments. If the conditions for forgiveness set forth in Section 2.8 are not satisfied, the principal amount of the Loan, together with accrued interest, shall be due and payable on the Maturity Date. The terms of payment, including any requirement for the Borrower to make periodic payments of principal and interest, shall be as set forth in the Note.

2.8 Forgiveness. If the following conditions are satisfied as of the Project Completion Date, the Loan shall be immediately forgiven and Borrower's obligations to make payments under the Note and this Agreement shall be deemed satisfied as of the Project Completion Date:

(a) The Loan is then in full force and effect and no Event of Default with respect to the Loan shall have occurred and is then continuing;

(b) The Project has been fully constructed and completed, as certified in writing by Borrower and confirmed by the Director; and

(c) The jobs commitment applicable to the Project Construction Period as set forth in Section 3.1 of this Agreement has been satisfied, as certified in writing by Borrower and confirmed by the Director.

3. Job Creation and Maintenance of Operations.

3.1 Project Construction Period. During the Project Construction Period, Borrower shall (directly or indirectly) employ individuals on the construction of the Project for at least 175,000 construction hours, in the aggregate. If Borrower fails to satisfy such obligation, the Loan will not be forgiven as provided in Section 2.8 but shall be payable in accordance with the Note as the Director's remedy for Borrower's breach of such obligation.

4. Reporting.

4.1 Project Completion. Within thirty (30) days after the Project is completed, whether on or before the Project Completion Date, Borrower shall certify to the Director in writing (a) that the Project was completed substantially as described in Exhibit A; (b) that all licenses, permits and approvals necessary for the Project to operate as contemplated in Exhibit A, including any required certificates of occupancy, have been obtained; (c) that all costs of the Project have been paid; (d) the date as of which operation of the Project commenced or shall commence; and (e) the number of construction hours during which individuals were employed on the Project during the Project Construction Period.

4.2 Annual Project Status Reports. Borrower shall provide annual project status reports, on forms made available by the Director, for a minimum of three years following the Project Completion Date.

4.3 Signature of Certification. The certifications of Borrower required in this Article 4 shall be signed by the chief executive officer, chief financial officer, or other official of Borrower responsible for economic development.

5. Representations and Warranties.

5.1 Borrower. Borrower represents and warrants to the Director as follows:

5.1.1 Organization and Good Standing. Borrower is a body corporate and politic duly organized and validly existing under Sections ____ of the Ohio Revised Code.

5.1.2 Authorization. Borrower has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Loan Documents, and to consummate the transactions contemplated by this Agreement. This Agreement and each of the other Loan Documents, when duly executed and delivered by Borrower, shall constitute a valid and legally binding obligation of Borrower enforceable against Borrower in accordance with its terms, except as may be limited by applicable bankruptcy, reorganization, insolvency, or similar laws relating to the enforcement of creditors' rights generally from time to time in effect and by general equitable principles relating to enforceability, including principles of commercial reasonableness, good faith and fair dealing.

5.1.3 Non-Contravention; Consents. The execution and delivery of this Agreement and the other Loan Documents, and the consummation of the transactions contemplated by this Agreement and the other Loan Documents, do not (a) violate any law to which Borrower or its assets subject; (b) conflict with or result in a breach of any provision of any charter or other governing documents of Borrower; or (c) create a breach, default, termination, cancellation or acceleration of any obligation of Borrower under any agreement or instrument to which Borrower is party or by which any of its assets or properties are bound. No consent, waiver, approval or authorization of any person is required by Borrower for the consummation by Borrower of the transactions contemplated by this Agreement and the other Loan Documents.

5.1.4 No Litigation. There are no actions, suits, or administrative proceedings pending or, to Borrower's knowledge, threatened against Borrower or affecting Borrower's assets or the Project which, if adversely determined, would individually or in the aggregate impair the ability of Borrower to perform any of its obligations under this Agreement or the other Loan Documents or adversely affect the financial condition of Borrower.

5.1.5 No Default. Borrower is not in default of any payment obligation for borrowed money or of any other obligation under any agreement or instrument evidencing any indebtedness for borrowed money, and no event, circumstance or condition that with notice, the passage of time or otherwise would constitute any such default has occurred and is continuing.

5.1.6 Application Information. All information provided by Borrower to the Director in its application for financial assistance or otherwise in response to requests for information by the Director was true and correct in all respects as of the date delivered to the Director and remains true and correct except as has been expressly disclosed to the Director in writing prior to the Closing.

5.1.7 Suitability of the Project Site. The site at which the Project is to be located is zoned under applicable local law in a manner that permits the construction and operation of the Project as contemplated by the Project description in Exhibit A. To the knowledge of Borrower after due inquiry, all utilities, including water, storm and sanitary sewer, gas, electric, telephone and other communications infrastructure, and rights of access to public ways are available, or will be provided no later than the Project Completion Date, to the Project site in sufficient locations and capacities to meet the operating requirements of the Project, of Borrower's business to be conducted at the Project and of any applicable requirements imposed by law.

5.1.8 Title. Borrower has, or will have upon acquisition prior to the Project Completion Date, good and marketable title to a fee simple interest in the site at which the Project is to be located and to

the Project facilities, including, without limitation, buildings, improvements and equipment, in all cases free and clear of any lien, charge, easement, condition, restriction or encumbrance except as created by the Loan Documents.

5.1.9 Compliance with Laws. Borrower is presently in compliance with all federal, state, and local laws applicable to Borrower's performance of its obligations under this Agreement and its undertaking and completion of the Project. Without limiting the generality of the foregoing, Borrower and any existing operations of Borrower at the Project site are, and at all times have been, in compliance with all applicable federal, state and local environmental laws. To Borrower's knowledge, no investigations or inquiries are pending or threatened with respect to Borrower's compliance with any applicable legal requirement.

5.1.10 Suitability of the Project Site. The site at which the Project is to be located is zoned under applicable local law in a manner that permits the construction and operation of the Project as contemplated by the Project description in Exhibit A. All utilities, including water, storm and sanitary sewer, gas, electric, telephone and other communications infrastructure, and rights of access to public ways are available, or will be provided no later than the Project Completion Date, to the Project site in sufficient locations and capacities to meet the operating requirements of the Project, of Borrower's business to be conducted at the Project and of any applicable requirements imposed by law.

6. Covenants of Borrower.

6.1 Taxes; Mechanics' Liens. Borrower shall pay and discharge promptly, or cause to be paid and discharged promptly, when due and payable all taxes, assessments and governmental charges, levies or claims imposed on it arising from or related to the Project, including, without limitation, all claims of any kind, including claims for labor, materials or supplies, which if not paid might by law become a lien or charge upon the Project property. Notwithstanding the foregoing, if Borrower is in good faith, diligently and by appropriate proceedings contesting the validity or amount of any such taxes, assessments, charges, levies or claims, Borrower may permit the contested items or amounts to remain unpaid during the period of the contest and so long as such non-payment will not subject the Project property to imminent loss or forfeiture. Borrower shall notify the Director of any such contested taxes, assessments, charges, levies or claims before they become delinquent or past due, and Borrower shall promptly pay such contested amounts upon request by the Director if, in the opinion of legal counsel satisfactory to the Director, non-payment subjects the Project property to imminent loss or forfeiture.

6.2 Maintain Existence and Property. Borrower shall do or cause to be done all things necessary to keep in full force and effect its respective existence and its material rights and franchises. Borrower shall maintain the Project property in good operating condition.

6.3 Insurance.

6.3.1 Project Construction Period. Borrower shall keep all of its insurable property related to the Project insured against loss or damage by fire and other risks, maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon, in or about any premises occupied by Borrower, and maintain all such worker's compensation or other similar insurance as may be required under the laws of any state or jurisdiction in which it may engage in any business. Borrower shall maintain insurance in at least such amounts as are consistent with sound business practice or as otherwise specifically required in other Loan Documents. Such insurance shall be written by insurers of recognized responsibility satisfactory to the Director or, for worker's compensation insurance, through any state fund in which Borrower is authorized or required to participate for its workers in such state, and shall insure the Director against any claim arising out of or in connection with the Loan or the Project. Borrower will furnish to the Director upon request

certificates of insurance and such additional information, including copies of insurance policies, as the Director may request

6.4 No Encumbrances. Unless the Loan has then been forgiven as provided in Section 2.8 of this Agreement, Borrower shall not, without the prior written consent of the Director, pledge, mortgage, grant any security interest in or otherwise cause or permit to be encumbered in any manner any property or assets that are part of the Project or at which the Project is located.

6.5 Minority Hiring. Borrower shall make a good faith effort to employ minority persons in the construction and operation of the Project in the same percentage as the average percentage of minority persons who reside in the county in which the Project is located and contiguous Ohio counties.

6.6 Equal Employment Opportunity. Borrower shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, disability, age, military status or ancestry. Borrower shall ensure that its respective applicants for employment are considered for employment, and that its employees are treated during employment, without regard to their race, religion, color, sex, national origin, disability, age, military status or ancestry. Borrower will incorporate, or cause to be incorporated, the requirements of this paragraph in all contracts for any work undertaken on the Project (other than subcontracts for standard commercial supplies or raw materials), and Borrower will require all of its contractors for any part of such work to incorporate such requirements in all subcontracts for such work.

6.7 Costs and Expenses. Borrower shall pay, or cause to be paid, all costs incident to the Loan, including, without limitation, all recording and filing fees, costs of title examination and record searches, and all costs and expenses incurred by the Director in connection with the preparation of Loan Documents and Closing of the Loan transaction, including, without limitation, reasonable attorneys' fees.

6.8 Liability of Borrower. Borrower acknowledges that Borrower shall be liable for any and all liability, loss, claim, damage, cost and expense arising from or related to the negligent acts or omissions of Borrower, its officials, employees, subcontractors, and agents in connection with any of Borrower's activities related to this Agreement and the Project. Nothing in this Agreement is intended or shall be construed to impute or transfer any such liability from Borrower to the Director

6.9 Records Maintenance and Access.

6.9.1 Maintenance of Records. Borrower shall establish and maintain for at least three (3) years after the last day of the Reporting Term or earlier termination of this Agreement its records regarding this Agreement, the Loan and the Project, including, but not limited to, financial reports, job creation and retention statistics, and all other information pertaining to Borrower's performance of its obligations under this Agreement. Borrower also agrees that any records required by the Director with respect to any questioned costs, audit disallowances, litigation or disputes between the Director and Borrower shall be maintained for the time needed for the resolution of such question or dispute.

6.9.2 Inspection and Copying. At any time during normal business hours and upon not less than twenty-four (24) hours prior written notice, Borrower shall make available to the Director, his or her agents or other appropriate State of Ohio agencies or officials all books and records regarding this Agreement, the Loan and the Project which are in the possession or control of Borrower, including, but not limited to, employment records. The Director, his or her agents and other appropriate State of Ohio agencies and officials may review, audit and make copies of such books and records, and any such inspection of books and records will be undertaken in such a manner as not to interfere unreasonably with the normal business operations of Borrower. Borrower shall, at its own cost and expense, segregate records to be made available for inspection pursuant to this Section 6.9.2 from Borrower's other records of operation.

7. Adherence to State and Federal Laws and Regulations.

7.1 General. Borrower shall comply with all applicable federal, state, and local laws in the performance of Borrower's obligations under this Agreement, the completion of the Project and the operation of the Project as long as Borrower has any obligation to the Director under this Agreement or any other Loan Document. Without limiting the generality of such obligation, Borrower shall pay or cause to be paid all unemployment compensation, insurance premiums, workers' compensation premiums, income tax withholding, social security withholding, and any and all other taxes or payroll deductions required for all employees engaged by Borrower in connection with the performance of work on the Project or operations at the Project site, and Borrower shall comply, or cause compliance, with all applicable environmental, zoning, planning, and building laws and regulations.

7.2 Ethics. In accordance with Executive Order 2007-01S, Borrower, by its signature on this document, certifies: (1) it has reviewed and understands Executive Order 2007-01S, (2) has reviewed and understands the Ohio ethics and conflict of interest laws including, without limitation, Ohio Revised Code §§ 102.01 et seq., §§ 2921.01, 2921.42, 2921.421 and 2921.43, and §§ 3517.13(I) and (J), and (3) will take no action inconsistent with those laws and the order, as any of them may be amended or supplemented from time to time. Borrower and Operating Company each understands that failure to comply with Executive Order 2007-01S is, in itself, grounds for termination of this Agreement and the Loan made pursuant to this Agreement and may result in the loss of other contracts, loans or grants with the State of Ohio.

7.3 Conflict of Interest. No personnel of Borrower, contractor of Borrower, or personnel of any such contractor, and no public official who exercises any functions or responsibilities in connection with the review or approval of any work completed under this Agreement shall, prior to the completion of such work, voluntarily or involuntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge or fulfillment of his or her functions or responsibilities with respect to the completion of the work contemplated under this Agreement. Any such person who, prior to or after the execution of this Agreement, acquires any personal interest, involuntarily or voluntarily, shall immediately disclose his or her interest to the Director in writing. Thereafter, such person shall not participate in any action affecting the work under this Agreement unless the Director determines that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

7.4 Outstanding Liabilities. Borrower represents and warrants to the Director that Borrower does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State of Ohio; (2) any moneys to the State of Ohio or a state agency for the administration or enforcement of any environmental laws of the State of Ohio; and (3) any other moneys to the State of Ohio, a state agency or a political subdivision of the State of Ohio that are past due, whether the amounts owed are being contested in a court of law or not.

7.5 Falsification of Information. Borrower represents and warrants to the Director that Borrower has made no false statements to the Director or any of his or her employees or agents in the process of obtaining the Loan made pursuant to this Agreement. Borrower acknowledges that any person who knowingly makes a false statement to obtain an award of financial assistance may be required under Section 9.66(C) of the Revised Code to repay such financial assistance and shall be ineligible for any future economic development assistance from the State of Ohio, any state agency or a political subdivision. In addition, any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1).

7.6 Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization. If applicable, Borrower shall certify compliance with Section 2909.33 of the Ohio Revised Code.

7.7 Prevailing Wage. Construction projects undertaken with funds provided under Ohio Revised Code Chapter 166 are subject to the prevailing wage requirements of Ohio Revised Code Chapter 4115. The Ohio Department of Commerce, Division of Labor and Worker Safety, Bureau of Wage and Hour, makes all determinations about the application of prevailing wage requirements. Borrower shall comply, or cause compliance, with all prevailing wage requirements applicable to the Project. Borrower shall designate or cause to be designated an individual who shall perform the duties and responsibilities required by law of a prevailing wage coordinator for the Project.

7.8 Public Records. Borrower acknowledges that this Agreement, the other Loan Documents and other records in the possession or control of the Director regarding the Project are public records under Ohio Revised Code Section 149.43 and are open to public inspection unless a legal exemption applies.

8. Closing. The closing of the Loan (the "**Closing**") shall occur on the date that the Director accepts and executes this Agreement on behalf of the State of Ohio. At the Closing, the Director shall receive each of the following:

8.1 Note. The Note executed by Borrower.

8.2 Other Loan Documents. Each of the other Loan Documents duly executed by Borrower.

8.3 Borrower's Authority.

8.3.1 Copies of the resolutions of Borrower's City Council authorizing the execution, delivery and performance of the Loan Documents, each certified as true, correct and complete by a duly authorized official of Borrower.

8.3.2 A certificate of incumbency as to the individual(s) signing Loan Documents on behalf of Borrower.

8.4 Evidence of Insurance. A certificate of liability insurance (on ACORD form 25) and evidence of property insurance (on ACORD form 28) for Borrower and the Project.

8.5 Notice of Commencement. A copy of the Notice of Commencement filed by Borrower for the Project in accordance with Chapter 1311 of the Ohio Revised Code.

8.6 Legal Opinion. An opinion of Borrower's legal counsel in form and substance acceptable to the Director.

8.7 Other. Such other certifications, documents or opinions as the Director may reasonably request.

9. Default and Remedies.

9.1 Events of Default. Each of the following shall be an "Event of Default" under this Agreement:

9.1.1 Non-Payment. Borrower fails to pay when due any amount payable under the Note, this Agreement or the other Loan Documents.

9.1.2 Other Breach. Borrower fails to observe or perform any agreement, term or condition to be performed by it under this Agreement or the other Loan Documents and such breach continues uncured for more than thirty (30) days after the date of written notice by the Director.

9.1.3 Representations and Warranties. Any representation or warranty of Borrower in any Loan Document is untrue or incorrect in any material respect as of the date when made, or any information provided to the Director in any application for financial assistance is untrue or incorrect in any material respect as of the date when delivered to the Director.

9.1.4 Insolvency. Borrower files a petition in bankruptcy or takes action to obtain other relief from creditors under any federal or state law, including an assignment for the benefit of its creditors or request for appointment of a receiver; Borrower is the subject of an involuntary petition for bankruptcy or other action for reorganization or arrangement for the benefit of its creditors, including an assignment for the benefit of its creditors or request for appointment of a receiver, and such involuntary action is not dismissed within sixty (60) days after its filing; or Borrower is not generally paying its debts as such debts become due.

9.2 Remedies. Whenever an Event of Default shall have occurred and be continuing, the Director may exercise any one or more of the following remedies:

9.2.1 Discontinue Disbursements. If the Loan proceeds have not been fully disbursed, the Director may terminate any and all of the Director's obligations under the Loan Documents, including the obligation to make further disbursements of Loan proceeds under this Agreement.

9.2.2 Demand for Immediate Payment. Subject to Section 2.8 of this Agreement, the Director may declare all unpaid principal of and accrued and unpaid interest on the Note and all other amounts payable to the Director under the Loan Documents to be immediately due and payable, and all such amounts shall then be immediately due and payable.

9.2.3 Pursue Remedies. The Director may pursue all remedies the Director may have under this Agreement, the Note and any other Loan Document or otherwise existing at law or in equity to collect all amounts then due (including by acceleration) and to enforce the performance of any other obligation or agreement of Borrower under the Loan Documents.

9.3 Remedies Cumulative. No remedy provided to the Director under any Loan Document or by law or equity is exclusive of any other available remedy; each and every remedy is cumulative and in addition to every other remedy under this Agreement or any other Loan Document or provided by law or equity. No delay or omission by the Director in exercising any right or power accruing upon any default shall impair any such right or power or be construed to be a waiver, and each such right or power may be exercised from time to time and as often as may be deemed by the Director to be expedient.

9.4 Director's Expenses. Borrower shall reimburse the Director, or cause the Director to be reimbursed, for all expenses, including, without limitation, reasonable attorneys' fees, in connection with the enforcement of this Agreement or any other Loan Documents and the collection of amounts due thereunder which enforcement or collection actions are occasioned by the acts or omissions of Borrower.

10. Certification of Funds. None of the rights, duties and obligations of the parties under this Agreement shall be binding on any party until all statutory provisions of the Ohio Revised Code including, but not limited to, Section 126.07, have been complied with, and until such time as all funds have been made available and are forthcoming from the appropriate state agencies.

11. Director Not Personally Liable. All covenants, obligations and agreements of the Director contained in this Agreement and each other Loan Document shall be effective to the extent authorized and permitted by applicable law and are made and undertaken solely by the Director in his or her official capacity. No such covenant, obligation or agreement shall cause the present or future Director to be liable other than in his or her official capacity.

12. Notice. Any notice or report required or permitted to be given under this Agreement shall be deemed to have been sufficiently given for all purposes if mailed by first class certified or registered mail or sent by commercial delivery to the following addresses of the parties or to such other address as either party may hereafter furnish by written notice to the other party.

If to the Director:

Ohio Department of Development
77 South High Street, 28th Floor
P.O. Box 1001
Columbus, Ohio 43216-1001
Attention: Director, Strategic Business Investment Division
FAX No.: (614) 644-1789

If to Borrower:

The City of Grove City
4035 Broadway
Grove City, Ohio 43123
Attention: Phil Honsey, City Administrator
FAX No.:

13. Miscellaneous.

13.1 Governing Law. This Agreement shall be governed by the laws of the State of Ohio as to all matters including, but not limited to, its validity, construction, effect and performance.

13.2 Forum and Venue. Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any United States federal or Ohio state court sitting in Columbus, Ohio in any action or proceeding arising out of or relating to any Loan Documents, and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such court and irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum. Nothing in this Agreement shall limit the right of the Director to bring proceedings against Borrower in the courts of any other jurisdiction. Any judicial proceeding by Borrower against the Director involving, directly or indirectly, any matter in any way arising out of, related to, or connected with any Loan Document shall be brought only in a court in Columbus, Ohio.

13.3 Entire Agreement. This Agreement, including its exhibits and documents incorporated herein by reference, and the other Loan Documents constitute the entire agreement and understanding of the parties with respect to its subject matter. Any prior written or verbal agreement, understanding or representation between the parties or any of their respective officers, agents, or employees is superseded and no such prior agreements, understandings or representations shall be deemed to affect or modify any of the terms or conditions of this Agreement.

13.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or of this Agreement

13.5 Amendments. This Agreement may not be amended or modified except by a writing executed by authorized representatives of each party, provided that Borrower shall not be a necessary party to an amendment or modification made after the Loan is forgiven or repaid.

13.6 Forbearance Not a Waiver. No act of forbearance or failure to insist on the prompt performance by Borrower of any of its obligations under this Agreement, either express or implied, shall be construed as a waiver by the Director of any of his or her rights under this Agreement or applicable law.

13.7 Waiver of Jury Trial. BORROWER AND THE DIRECTOR, AFTER CONSULTING WITH OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT HE, SHE OR IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER OF THEM. THIS WAIVER SHALL NOT IN ANY WAY AFFECT THE DIRECTOR'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION IN THE NOTE OR ANY OTHER LOAN DOCUMENT. NEITHER BORROWER NOR THE DIRECTOR SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY BORROWER OR THE DIRECTOR EXCEPT IN A WRITING SIGNED BY EACH PARTY AGAINST WHICH THE MODIFICATION OR RELINQUISHMENT IS TO BE ENFORCED.

13.8 Assignment. Neither this Agreement nor any rights, duties, or obligations of Borrower under this Agreement may be assigned by Borrower without the prior written consent of the Director. Any purported assignment not made in accordance with this paragraph shall be void.

13.9 Binding Effect. Each of the terms and conditions of this Agreement shall extend to and bind and inure to the benefit of Borrower and its successors and permitted assigns.

13.10 Pronouns. The use of any gender pronoun shall be deemed to include the other gender, and the use of any singular noun or verb shall be deemed to include the plural, and vice versa, whenever the context so requires.

13.11 Headings. Section headings contained in this Agreement are inserted for convenience only and shall not be used in construing this Agreement.

13.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

[BALANCE OF PAGE INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the parties have caused this Loan Agreement to be executed by their authorized representatives as of the dates set forth below their respective signatures.

The City of Grove City	**Director of Development of the State of Ohio Acting on behalf of the State of Ohio**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT A

TO LOAN AGREEMENT
(LOGISTICS & DISTRIBUTION FUND)

Project Description

The City of Grove City is located along two of central Ohio's main transportation corridors: Interstate 71 (I-71) and Interstate 270 (I-270). The City of Grove City has two immediate access points with I-71 at Stringtown Road and at SR 665 (known locally as London-Groveport Road) and an access point with I-270 at US Route 62.

The I-71/SR 665 Logistics Corridor project consists of a substantial freeway interchange modification and improvement of the SR 665 corridor. The interchange is the third and final phase of a larger project that deals with severe traffic congestion and safety concerns on I-71 and SR 665, as well as mobility issues associated with the growth and economic development that has occurred primarily to the east and north of the location. By facilitating a more efficient and economic backdoor connectivity for the Rickenbacker International Airport area, the project also addresses the strategic need for an alternative access route between the I-71 corridor and the numerous logistics and distribution operations to the east.

Phase one, completed in 2008, consisted of a substantial widening of SR 665 between and including the Meadows and Hoover Road intersections (from two lanes to five or more lanes).

Phase two, currently under construction, consists of relocating Haughn Road 600 feet to the west to meet Ohio Department of Transportation (ODOT) design requirements.

This project, phase three, involves the reconstruction of the freeway interchange, including the necessary widening of SR 665 from Meadows Road to a point nearly 2,000 feet west of the interchange where relocated Haughn Road reconnects with SR 665. The interchange's simple rural diamond configuration will be replaced with that of a new Single Point Urban Interchange design that is specifically adapted to handle unbalanced peak hour traffic movements with high efficiency and effectiveness.

When complete, the three phases will transform and update SR 665 from a two-lane highway with a deficient and functionally obsolete 50-year old interchange into a modern thoroughfare with a freeway access node that can meet existing and anticipated future traffic demand of this rapidly growing area. These improvements will also complement existing growth as well as facilitate additional planned economic development for the area, including commercial and industrial job creation.

EXHIBIT B

TO LOAN AGREEMENT
(LOGISTICS & DISTRIBUTION FUND)

Form of Cognovit Promissory Note

$2,000,000 _____, 2010

For value received, The City of Grove City, a body politic and corporate organized under the laws of the State of Ohio ("Borrower"), promises to pay to the order of the Director of Development of the State of Ohio (the "Director"), at 77 South High Street, P.O. Box 1001, Columbus, Ohio 43216-1001, or at such other address as may be designated in writing by the Director, the principal sum of Two Million Dollars ($2,000,000) with interest on the amount of principal from time to time outstanding from the Closing, as that term is defined in the Loan Agreement between the Director and Borrower dated as of _____, 2010 (the "Loan Agreement"), at the annual rate of one percent (1.0%) until paid, subject to terms of the Loan Agreement. Capitalized terms not otherwise defined in this Note shall have the same meanings given them in the Loan Agreement

So long as no Event of Default has occurred and is then continuing, no principal or interest shall be due on the Note during the Project Construction Period. Unless the Loan is forgiven as provided in Section 2.8 of the Loan Agreement, the outstanding principal balance of the Loan, together with all interest on the Loan accrued during the Project Construction Period and thereafter through the date of payment, shall be due and payable in full on the date which is thirty (30) days after the Project Completion Date (the "**Maturity Date**").

This Note does not of itself constitute a commitment by the Director to make any disbursement of the Loan to Borrower. The conditions for making such a disbursement are set forth in the Loan Agreement. The disbursements made by the Director to Borrower shall not exceed the face amount of this Note, and the total amount of such disbursement is limited by and subject to the conditions for making disbursement of the Loan as set forth in the Loan Agreement.

The annual rate of interest stated in this Note shall apply to a 360-day period, and amounts of interest due shall be computed upon the basis of 30-day months.

Borrower may prepay all or any portion of the principal sum of this Note at any time without penalty. All such prepayments shall be applied to the payment of the principal installments due on this Note in the inverse order of their maturity, and shall be accompanied by the payment of accrued interest on the amount of the prepayment to the date thereof.

Borrower, each endorser and any other party liable on this Note severally waives demand, presentment, notice of dishonor and protest.

If Borrower fails to make any payment of principal and/or interest under this Note as and when such payment is due, or if an Event of Default under the Loan Agreement or any other Loan Document shall have occurred and is continuing, then the Director may declare the entire principal amount of the Note and all interest accrued on the Note to be immediately due and payable without notice or demand. In addition, the Director shall be entitled to exercise remedies as provided in the Loan Agreement.

For the period during which a default shall exist in the payment of any amount due and payable under this Note, whether by acceleration or otherwise, a late charge equal to five percent (5%) of the amount due may be assessed for each month during which the default exists and shall be paid by Borrower to the Director. Interest on the Note shall accrue following any such payment default or other Event of Default under the Loan Agreement or any other Loan Documents at the Default Rate.

BORROWER AND THE DIRECTOR, AFTER CONSULTING WITH OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT HE, SHE OR IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER OF THEM. THIS WAIVER SHALL NOT IN ANY WAY AFFECT THE DIRECTOR'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVITS PROVISION IN THE NOTE OR ANY OTHER LOAN DOCUMENT. NEITHER BORROWER NOR THE DIRECTOR SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY BORROWER OR THE DIRECTOR EXCEPT IN A WRITING SIGNED BY BOTH OF THEM

Borrower hereby irrevocably authorizes any attorney-at-law, including any attorney-at-law employed or retained by the Director, to appear for it in any action on this Note at any time after the same becomes due as herein provided, in any court of record situated in Franklin County, Ohio (which Borrower acknowledges to be the place where this Note was signed), or in the county where Borrower then resides or can be found, to waive the issuing and service of process, and confess a judgment in favor of the Director or other holder of this Note against Borrower for the amount that may then be due, with interest at the rate provided for herein, together with the costs of suit, and to waive and release all errors in such proceedings and the right to appeal from the judgment rendered. Borrower consents to the jurisdiction and venue of such court. Borrower waives any conflict of interest that any attorney-at-law employed or retained by the Director may have in confessing judgment hereunder and consents to the payment of a legal fee to any attorney-at-law confessing judgment hereunder.

This Note was executed in Grove City, Franklin County, Ohio, and shall be construed in accordance with the laws of the State of Ohio.

WARNING -- BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

The City of Grove City

By:_____

Name:_____

Title:_____