

**PARTICIPATING CITY
LINKED DEPOSIT PROGRAM AGREEMENT**

THIS LINKED DEPOSIT PROGRAM AGREEMENT, made and entered into as of _____, between the Board of County Commissioners of Cuyahoga County, Ohio (the “Board of County Commissioners”) and the City of North Royalton, Ohio (the “City”), a municipal corporation and a political subdivision duly organized and existing under the laws of the State of Ohio, under the following circumstances summarized in the following recitals:

WHEREAS, pursuant to Ohio Revised Code Section 135.80 (the “Act”), the Cuyahoga County, Ohio Treasurer (the “Treasurer”) on behalf of Cuyahoga County, Ohio (the “County”) has established a linked deposit loan program referred to as the Cuyahoga County Treasurer’s Linked Deposit Program (the “Linked Deposit Program”) for the purpose of enhancing housing in the participating cities; and

WHEREAS, through the Linked Deposit Program, certain eligible lending institutions (each an “Eligible Lending Institution”), pursuant to an agreement between the Treasurer and each Eligible Lending Institution (such an agreement hereafter referred to as a “Participating Bank Agreement”), will provide loans at a below-market interest rate (each a “Linked Deposit Loan”) to owners of real property located in, and used as housing for residents of, the City (“Eligible Borrowers”) for certain housing repairs and improvements pursuant to the terms of an agreement between the Treasurer and such Eligible Lending Institution; and

WHEREAS, pursuant to Ordinance No. 06-20 duly passed by the Council of the City, the City has determined and is authorized to participate in the Linked Deposit Program; and

WHEREAS, in order for the owners of residential real property in the City to participate in the Linked Deposit Program, the City and the Board of County Commissioners must execute this Participating City Linked Deposit Program Agreement (the “Agreement”); and

WHEREAS, the Board of County Commissioners pursuant to Ohio Revised Code Section 307.15 and a resolution duly adopted by the Board of County Commissioners is authorized to enter into this Agreement with the City and is further authorized to perform certain functions on behalf of the City as hereinafter provided;

NOW, THEREFORE, the City and Board of County Commissioners agree as follows:

Section 1. City’s Agreement to Participate in Treasurer’s Linked Deposit Program; Duties.

(a) The City hereby agrees to (i) participate in the Linked Deposit Program, (ii) assist in the marketing of the Linked Deposit Program to Eligible Borrowers, (iii) comply with all rules and regulations relating thereto, whether such rules and regulations are now in effect or are hereafter enacted, including, without limitation, the monitoring of all outstanding Linked Deposit Loans made by an Eligible Lending Institution to Eligible Borrowers under the

Linked Deposit Program for compliance with the rules, regulations and any procedural provisions of the Linked Deposit Program, which rules, regulations and procedural provisions, and forms relating thereto, are set forth in the attached Exhibit A, (iv) prepare the following reports on the following periodic schedule, which shall, upon preparation, be immediately delivered to the Treasurer: (A) quarterly a Project Monitoring Report, as hereinafter defined, and (B) quarterly an Exception Report, as hereinafter defined, and (v) quarterly a Monitoring Questionnaire, as hereinafter defined, relating to each Linked Deposit Loan which shall be retained by the City unless otherwise instructed by the Treasurer and which shall serve as source data for preparation of the Project Monitoring Report.

(b) For purposes of this Agreement, (i) "Project Monitoring Report" shall mean a report, in form and substance as hereafter agreed upon by the Treasurer and the City, setting forth monitoring information, as hereafter agreed upon by the Treasurer and the City, about each Linked Deposit Loan of an Eligible Borrower; (ii) "Monitoring Questionnaire" shall mean a questionnaire, in form and substance as hereafter agreed upon by the Treasurer and the City, relating to obtaining the information about each Linked Deposit Loan of an Eligible Borrower necessary to prepare the Project Monitoring Report and (iii) "Exception Report" shall mean a report, in form and substance as hereafter agreed upon by the Treasurer and the City, setting forth the name of each Eligible Borrower, and pertinent Linked Deposit Loan information, in each case where the intended purpose of the Linked Deposit Loan was not and will not be accomplished in accordance with the rules and regulations of the Linked Deposit Program.

Section 2. Duties of the County. After a Linked Deposit Loan is made to an Eligible Borrower, the Board of County Commissioners shall cause the Treasurer (a) to use moneys from the County's portfolio of inactive funds to place a certificate of deposit with the Eligible Lending Institution in accordance with the provisions of the applicable Participating Bank Agreement, (b) forward to the City pertinent information regarding such Linked Deposit Loan for purposes of the City's performance of its monitoring obligations hereunder.

Section 3. Representations of the City. The City makes the following representations:

- (a) the Council of the City has duly passed Ordinance Number 06-20, authorizing and directing its execution, delivery and performance of this Agreement;
- (b) the City is in full compliance with all eligibility requirements for, and conditions precedent to, participation in the Linked Deposit Program; and
- (c) this Agreement constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

Section 4. Representations of the Board of County Commissioners. The Board of County Commissioners makes the following representations:

- (a) the Board of County Commissioners has authorized pursuant to Resolution Number _____ the execution, delivery and performance of this Agreement; and

(b) this Agreement constitutes a legal, valid and binding obligation of the County enforceable against the County in accordance with its terms.

Section 5. Term and Termination.

(a) The term of this Agreement shall expire on the later to occur of (i) the fifth anniversary of the date hereof or (ii) the date on which all Linked Deposit Loans to Eligible Borrowers have been repaid.

(b) This Agreement shall be terminable upon thirty (30) days written notice given by either party to the other at such other party's notice address, as set forth below in Section 7 hereof, provided that both the Board of County Commissioners and the City, respectively, shall remain obligated to perform any duties and obligations created under Section 1 hereof which remain outstanding at the time of the termination of this Agreement. Upon termination of this Agreement by either party, the City shall prepare a Linked Deposit Program Termination Report, as hereinafter defined, which shall be delivered to the Treasurer. For purposes of this Agreement, "Linked Deposit Program Termination Report" shall mean a report, in form and substance as hereafter agreed upon by the Treasurer and the City, setting forth information, as hereafter agreed upon by the Treasurer and the City, about each Linked Deposit Loan of an Eligible Borrower which is still outstanding and any other matters agreed upon by the parties hereto.

Section 6 Severability. If any provision of this Agreement, or any obligation or agreement contained herein is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 7. Notices. All communications hereunder will be in writing and, if sent to the County, will be mailed, delivered or faxed and confirmed to:

Cuyahoga County Treasurer
County Administration Building
1219 Ontario Street, 1st Floor
Cleveland, OH 44113
Attention: Administrator -- Linked Deposit Loan Program
Fax No.: (216) 348-4329

and, if sent to the City, will be mailed, delivered or faxed and confirmed to:

City of North Royalton
13834 Ridge Road
North Royalton, Ohio 44133
Attention: Mayor
Fax No.: (440) 582-6334

Section 8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

Section 10. Amendments. This Agreement, exclusive of Exhibit A attached hereto which may be amended without such written consent, may be effectively amended, changed, modified or altered in writing, and such writing shall be consented to and signed by both the City and the Board of County Commissioners.

Section 11. Entire Agreement. This Agreement and the terms and provisions hereof embody the entire agreement and understanding among the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, the City and the Board of County Commissioners have caused this Agreement to be duly executed in their respective names, all as of the date set forth above.

CUYAHOGA COUNTY BOARD OF COUNTY COMMISSIONERS

Commissioner

Commissioner

Commissioner

CITY OF NORTH ROYALTON

Title: _____ Mayor

Approved as to form:

[Ass't.] Cuyahoga County Prosecuting Attorney

EXHIBIT A

Rules and Regulations regarding Participation in the Linked Deposit Program

The following requirements relating to Linked Deposit Program, together with all requirements under the Participating Bank Agreement, a copy of the form of which has been delivered with this Agreement, shall constitute the Rules and Regulations for purposes of this Agreement.

<u>Eligible Borrowers:</u>	Any corporation, partnership, limited liability company, unincorporated association, trust or natural person that: <ol style="list-style-type: none">1) owns Eligible Property;2) is current on property tax payments to Cuyahoga County; and3) qualifies for a Linked Deposit Loan based on the Participating Bank's underwriting standards.
<u>Eligible Property:</u>	Real property used as a tenant residence or owner-occupied residence that: <ol style="list-style-type: none">1) is located in the City of _____, Ohio; and2) meets the Participating Bank's customary and usual appraisal standards required for the granting of a loan to improve residential real property; and3) is not exempt from real property taxes; and4) either (a) contains less than three residential units and has a fair market value of up to \$250,000 (as determined from the records of the Cuyahoga County Auditor at the time of the Linked Deposit Loan) or (b) contains three or more residential units, regardless of fair market value.
<u>Eligible Program Purposes:</u>	The costs of construction, alteration, repair, maintenance or improvement of an Eligible Property, which construction, alteration, repair, maintenance or improvement (i) protects, improves or upgrades the basic livability of the Eligible Property or brings the Eligible Property into compliance with local building code standards, (ii) enhances the value of the Eligible Property and (iii) is made in compliance with all local building code standards.
<u>Ineligible Program Purposes</u>	The costs of constructing new residential housing and the refinancing of an existing loan of any kind, whether or not related to residential real property improvements, are not Eligible Program Purposes. In addition, the costs of any improvement or addition to the Eligible Property, which is not used by or is not in the possession of a majority of the residents of properties similar to the Eligible Property, including, without limitation, swimming pools, stables, satellite dishes and hot tubs are not Eligible Program Purposes.