AGREEMENT

This Agreement is entered into this _____ day of _____, 2018, by and between the <u>INHABITANTS OF THE TOWN OF LINCOLNVILLE</u>, a municipal corporation organized and existing under the laws of the State of Maine with a mailing address of 493 Hope Road, Lincolnville, ME 04849 (hereinafter the "Town"), and the <u>LINCOLNVILLE SEWER DISTRICT</u>, a Maine quasi-municipal corporation created by Private & Special Law 2009, ch. 32 with a mailing address of P.O. Box 302, Lincolnville, ME 04849 (hereinafter collectively the "Sewer District").

W I T N E S S E T H:

WHEREAS, the Sewer District has obtained certain grant fund assurances including a loan (the "USDA Loan") from the United States Department of Agriculture, Rural Development in the amount of $1,600,000, to fund capital improvement upgrades and construction of a wastewater treatment facility, collection system and pump stations at Lincolnville Beach (the "Project");

WHEREAS, the Sewer District has requested financial assistance from the Town to support the Project; and

WHEREAS, the parties desire to set forth the terms and conditions upon which the Town will provide financial assistance to the Sewer District to support the Project;

NOW, THEREFORE, in consideration of the mutual conditions and covenants contained herein, the parties agree as follows:

1.   Within one (1) calendar month after the date (the "Closing Date") on which the Sewer District and the United States Department of Agriculture, Rural Development (the "USDA") execute and deliver all documents evidencing the USDA Loan, and all contingencies to the liability of the Sewer District or the USDA under the USDA Loan as referenced in those documents have occurred or been waived, the Sewer District shall provide the Town with a copy of its annual debt service payment (the "Annual

Payments") schedule related to the USDA Loan (the "Schedule"), informing the Town of the date (the "Annual Due Date") and amounts of the annual debt service payments which are due to be made by the Sewer District under the USDA Loan during the ten year period starting on the Closing Date.

2.　　The Town shall, on or before the date which is one (1) calendar month before the first Annual Due Date and continuing on the same day of each of the following nine (9) years, pay the sum of $19,000 to the order of the Sewer District ($190,000 in total). The Sewer District shall apply each of the Town's payments to the Annual Payment next coming due after the date on which that Town payment was required to be made under the terms of this Agreement. The Town's payment shall be by check drawn on or by a financial institution located within the same Federal Reserve District as Lincolnville, Maine, or by wire transfer of funds to the Sewer District's account.

3.　　During the term of this Agreement, on a quarterly basis, or more frequently if so requested by the Board of Selectmen of the Town, the Sewer District shall provide to the Town a financial report on the Project and the status of all its outstanding debt.

4.　　Once a total of $190,000 has been paid by the Town to the Sewer District as provided in this Agreement, no further payments are required to be made by the Town to the Sewer District pursuant to this Agreement, and the Town shall have no further obligations under the terms of this Agreement. The Town may prepay any amounts which not then due and owing under this Agreement to the Sewer District at any time without penalty.

5.　　The Board of Selectmen of the Town may, in its discretion, appoint an observer who the Sewer District shall invite to attend all Sewer District Board of Trustees' meetings on the Town's behalf. The purpose of this appointment is to ensure a strong working relationship between the Town and the Sewer District. However, even if a Town observer is in attendance at a Sewer District Board of Trustees' meeting, the Sewer District Board of Trustees may, in its discretion, convene into executive session

for the purpose of discussing sensitive subjects such as personnel matters, hiring plans, etc., to the extent that such is otherwise permitted by applicable law.

6.   This Agreement shall terminate and neither party shall have any further obligations under the terms of this Agreement if the Closing Date does not occur on or before, December 31, 2021. Otherwise, a party to this Agreement will be in default under the terms of this Agreement if that party breaches any term of this Agreement. The occurrence of a default by one party to this Agreement shall entitle the other party to invoke any remedy provided by law or equity, including, upon any default by the Sewer District, and without limitation, suspension or termination of the Town's obligation to make annual payment(s) to the Sewer District.   Any party defaulting under this Agreement shall pay all costs, including, without limitation, reasonable attorney's fees, incurred by the other party in enforcing its rights under the terms of this Agreement. Notwithstanding any other provision of this Agreement, however, neither party shall be liable to the other for any consequential or incidental damages caused in whole or in part by any default under this Agreement.

7.   Miscellaneous.

(a)   This Agreement supersedes any and all prior understandings and agreements between the parties and constitutes the entire Agreement between them with respect to the subject matter hereof.

(b)   This Agreement is personal to the Sewer District, and the Sewer District shall not assign this Agreement.

(c)   This Agreement shall not be altered, modified or amended except by a written instrument signed by the Town and the Sewer District.

(d)   This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Maine, excluding choice of law principles.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals as of this _____ day of _____, 2018.

WITNESS: **INHABITANTS OF THE**
                                            TOWN OF LINCOLNVILLE

_____   _____
                                            By: Ladleah Dunn
                                            Its: Chair, Board of Selectman,
                                                  duly authorized

WITNESS: **LINCOLNVILLE SEWER DISTRICT**

_____   By: _____
                                            By:
                                            Its: Chairman of the Board of Trustees,
                                                  duly authorized