

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), made this 3rd day of November, 2025, by and the **Town of Clarks Hill** (the "Borrower"), and **Tippecanoe County**, by and through its Board of Commissioners (the "County");

WITNESSETH,

WHEREAS, the Borrower is a town incorporated under IC 36-5 and the laws of the State of Indiana, engaged in the design, renovation, construction, operation, and maintenance of the sewer treatment facility to serve the Town of Clarks Hill (the "Project");

WHEREAS, the Borrower is in the process of obtaining funding from the Wastewater State Revolving Fund Loan Program of the State of Indiana (the "WWSRF") and/or the United States Department of Agriculture – Rural Development ("RD") to finance the Project (collectively, the "Funding");

WHEREAS, the County is willing to finance certain costs of the Borrower's activities in anticipation of the Funding, pursuant to the terms of this Loan Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants and agreements herein set forth, the parties agree as follows:

1. Loan Amount. The County agrees to loan to the Borrower the sum of ONE MILLION DOLLARS (\$1,000,000) to be used for certain costs of the Borrower's operations related to the Project prior to the Funding (the "Loan").
2. Disbursement of Loan Proceeds. The proceeds of the Loan will be paid out directly to the Borrower, subject to the following:
 - a. Borrower shall execute this Loan Agreement and the Notes, provided in Section 3.
 - b. The Loan shall be paid out in three installments, the first of which shall be three hundred thirty-three thousand three hundred and thirty-four dollars (\$333,334) and the other two of which shall each be in the amount of three hundred thirty-three thousand three hundred and thirty-three dollars (\$333,333).
 - c. The first installment shall be disbursed on or after January 1, 2026, and execution of Note 1.
 - d. The second installment shall be disbursed on or after April 1, 2026, and execution of Note 2.
 - e. The third installment shall be disbursed on or after July 1, 2026, and execution of Note 3
3. Evidence of Indebtedness. Upon execution of this Loan Agreement and prior to the disbursement of the Loan proceeds hereunder, the Borrower shall execute a Promissory Note for each installment (the "Notes"), payable to the order of the County, with interest at the

minimum interest rate that would not cause this to be a below market loan under Section 7872 of the Internal Revenue Code, (collectively, the "Indebtedness"). A copy of the Notes are attached hereto and made a part hereof by this reference.

4. Payment of the Indebtedness. (a) Subject to subsection (b), Borrower shall pay the Board the Indebtedness when the Borrower has sufficient funds on hand following receipt of: (i) revenue from its operations; (ii) proceeds from the sale of bonds; or (iii) if permitted by law, proceeds of the Funding.

(b) Notwithstanding subsection (a), following the passage of one year, the County may call the loan due and demand payment pursuant to the terms of the Promissory Notes.

IN WITNESS WHEREOF, the parties have caused this Loan Agreement to be executed the day and year first above written.

TOWN OF CLARKS HILL

By: Carla J. Stearns
Carla J. Stearns
Town Council President

BOARD OF COMMISSIONERS OF
TIPPECANOE COUNTY

By: David Byers
David Byers, President

By: Tracy Brown
Tracy Brown, Vice President

By: Tom Murtaugh
Tom Murtaugh, Member

ATTEST:

By: Jennifer Weston
Jennifer Weston
Auditor of Tippecanoe County