

St. Clairsville, Ohio

September 18, 2013

The Board of Commissioners of Belmont County, Ohio, met this day in regular session. Present: Ginny Favede, Matt Coffland and Charles R. Probst, Jr., Commissioners and Jayne Long, Clerk of the Board.

**MEETINGS ARE NOW BEING RECORDED**  
**ALL DISCUSSIONS ARE SUMMARIZED. FOR COMPLETE PROCEEDINGS**  
**PLEASE SEE CORRESPONDING CD FOR THIS MEETING DAY.**

**IN THE MATTER OF ALLOWANCE OF BILLS**  
**AS CERTIFIED IN THE AUDITOR'S OFFICE**

**"BILLS ALLOWED"**

The following bills having been certified in the Auditor's office, on motion by Mrs. Favede, seconded by Mr. Coffland, all members present voting YES, each bill was considered and it is hereby ordered that the County Auditor issue his warrant on the County Treasurer in payment of bills allowed.

<u>Claim of</u>	<u>Purposes</u>	<u>Amount</u>
A-AT&T	Fax line-Magistrate/General Fund	87.18
A-Ohio Valley Printing Co.	Envelopes-Clerk of Courts/General Fund	128.45
A-Quill	Supplies-Common Pleas Court/General Fund	194.08
A-Redwood Toxicology	Drug testing/General Fund	792.44
A-Wheeling Office Supply Co.	Supplies-Prosecutor/General Fund	168.80
B-Crossroads Counseling	Court-ordered counseling/Indigent Drivers Alcohol Fund	1,184.23
B-Crossroads Counseling	Court-ordered counseling/Indigent Drivers Alcohol Fund	616.68
E-AT&T	Wireless/911 Wireless Fund	577.73
K-Lash Paving, Inc.	Engineer Proj. 13-1/Engineer MVGT Fund	2,752.00
K-Poggemeyer Design Group	Barton Blaine Road Bridge/Engineer MVGT Fund	176.05
K-Transystems Corp.	Stone Arch Bridges/Engineer MVGT Fund	484.09
P-American Electric Power	Services/BCSSD Funds	3,315.76
P-Borden Office Equipment Co.	Supplies/BCSSD Funds	738.37
P-EORWA	Sewage disposal/BCSSD Funds	37,237.83
P-HD Supply Waterworks, Ltd.	Equipment/BCSSD Funds	7,000.00
P-Bridgeport Water Dept.	Purchased water/WWS#3 Rev Fund	12,386.00
P-Renee' Wilson	Reimburse travel expenses/BCSSD Funds	148.50
S-AT&T Mobility	Internet/Northern Div. Ct. Computer Fund	61.02
S-Comcast	Internet/Clerk of Courts Computer Fund	167.00
S-Eastern Ohio Development Alliance	Trade Org. Membership-Marketing/Promo/Port Authority Fund	100.00
S-Glynis Valenti	Professional services/Port Authority Fund	600.00
S-Jeter Systems	Numbers/Eastern Ct. General Special Projects Fund	1,872.03
S-O.A.M.C.C.C.	Fall Conference Registration fee/Northern Ct. General Special Projects	200.00
S-Ohio Valley Oil & Gas Association	Trade Org. Membership/Port Authority Fund	375.00
S-Salem Office Products	Toner/Certificate of Title Adm Fund	1,287.00
S-TSG	Block Time Agreement/Eastern Ct. General Special Projects Fund	3,500.00
W-Lexis Nexis	Monthly charges/Law Library Fund	7,273.00
W-Matthew Bender & Co.	Books/Law Library Fund	96.84
W-Pamela S. Bowman	Supplies/Prosecutor's Victim Program Fund	195.79

**IN THE MATTER OF APPROVING RECAPITULATION**  
**OF VOUCHERS FOR THE VARIOUS FUNDS**

Motion made by Mrs. Favede, seconded by Mr. Coffland to approve the Recapitulation of Vouchers dated for September 18, 2013 as follow:

<b>FUND</b>	<b>AMOUNT</b>
A-GENERAL	\$37,134.86
A-GENERAL/CHEST CLINIC	\$92.17
A-GENERAL/EMA	\$765.00
A-GENERAL/JUVENILE COURT	\$27.94
A-GENERAL/PROBATE COURT	\$284.97; \$300.00
A-GENERAL/SHERIFF	\$5,292.63
A-GENERAL/911	\$1,377.39
B-Dog Kennel	\$3,370.25
H-Job & Family, CSEA	\$70,003.40; \$7,983.01
H-Job & Family, Public Assistance	\$106,606.33; \$1,086.00; \$5,942.75; \$25,923.33
H-Job & Family, WIA	\$55,284.93; \$34,475.47
K-Engineer MVGT	\$32,210.65; \$11,804.20; \$939.63
M-Juvenile Ct.-Placement Services	\$17,500.00
M-Juvenile Ct.-Title IV-E Reimb.	\$1,794.66
P-Sanitary Sewer District	\$4,368.96; \$4,403.27; \$20,683.23; \$270.00; \$8,814.47;\$7,276.05
S-District Detention Home	\$3,168.92
S-Job & Family, Children Services	\$157,920.81; \$1,800.00
S-Job & Family, Senior Program	\$16,173.55; \$8,396.26; \$3,397.80; \$8,755.28
S-Juvenile Ct. Gen. Special Projects	\$697.20
S-Oakview Juvenile Residential Center	\$962.68
S-Sheriff Commissary	\$158.00

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF TRANSFERS WITHIN FUND**

Motion made by Mrs. Favede, seconded by Mr. Probst to approve the following transfers within the following funds:

**FUND FOR THE GENERAL FUND**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
E-0055-A004-B04.012 Equipment	E-0055-A004-B20.000 MF Sat. Bldg. M&O	\$ 2,000.01
E-0055-A004-B05.000 Contracts-Repair	E-0055-A004-B20.000 MF Sat. Bldg. M&O	\$ 526.72
E-0055-A004-B14.011 Contracts-Services	E-0055-A004-B20.000 MF Sat. Bldg. M&O	\$ 783.88
E-0055-A004-B30.000 Thoburn Church Bldg.	E-0055-A004-B20.000 MF Sat. Bldg. M&O	\$15,000.00

*Funds moved in preparation of new HVAC system being installed at this site—estimated cost over \$76,000.00.*

E-0051-A001-A13.010 Supplies	E-0051-A001-A03.010 Supplies	\$ 5,000.00
E-0051-A001-A14.012 Equipment	E-0051-A001-A03.010 Supplies	\$ 206.39
E-0051-A001-A15.012 Sheriff's Cruisers	E-0051-A001-A03.010 Supplies	\$10,000.00

**BCDJFS/PUBLIC ASSISTANCE FUND H00**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
E-2510-H000-H01.002 Salaries	E-2510-H000-H05.000 Public Assistance	\$100,000.00

**BELMONT CO. JUVENILE COURT/CARE & CUSTODY FUND M60**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
E-0400-M060-M30.000 Other Expenses	E-0400-M060-M20.000 Status Offender Solutions	\$410.00

**BELMONT CO. SSD/VARIOUS FUNDS**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
E-3702-P005-P31.000 Other Expenses	E-3702-P005-P19.012 Equipment	\$7,000.00
E-3705-P053-P01.002 Salaries	E-3705-P053-P16.074 Other Expenses	\$12,000.00

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Probst	Yes
Mr. Coffland	Yes

**IN THE MATTER OF TRANSFER BETWEEN FUND**

Motion made by Mrs. Favede, seconded by Mr. Probst to approve the following transfers between the following funds:

**THE BELMONT COUNTY GENERAL FUND**

**AND THE PORT AUTHORITY FUND/S12**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
<i>General Fund</i>	<i>Port Authority Fund-S12</i>	
E-0051-A001-A39.000 Port Authority	R-9799-S012-S04.574 Transfers In	\$23,750.00

*Fourth Quarter Allocation for 2013*

**BELMONT HARRISON JUVENILE DISTRICT REMODELING FUND N58 AND DISTRICT DETENTION HOME FUND S33**

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
<i>Remodeling Fund N58</i>	<i>District Detention Home Fund S33</i>	
E-9058-N058-N02.013 Contract Projects	E-0910-S033-S35.000 Materials	\$2,089.06

*Grant Reimbursement made upon receipt of final payment from DYS.*

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Probst	Yes
Mr. Coffland	Yes

**IN THE MATTER OF ADDITIONAL APPROPRIATIONS**

Motion made by Mrs. Favede, seconded by Mr. Probst to make the following additional appropriations, in accordance with the Official Certificate of Estimated Resources as approved by the Budget Commission, under the following dates:

**\*\*September 4, 2013\*\***

**APPROPRIATIONS FOR THE GENERAL FUND**

E-0051-A001-A28.000 Other Expense	\$15,659.50
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*Proceeds from the 2013 Belmont County Auction held 08/17/13.*

**BELMONT COUNTY SSD/WWS #2 REVENUE FUND P03**

E-3701-P003-P23.011 Contract Services	\$ 26,295.00
E-3701-P003-P25.000 Purchased Water	\$173,705.00

**BELMONT COUNTY SSD/WWS #3 REVENUE FUND P05**

E-3702-P005-P23.011 Contract Services	\$125,572.00
E-3702-P005-P25.000 Purchased Water	\$ 12,386.00
E-3702-P005-P34.074 Transfers Out	\$487,042.00

**\*\* September 18, 2013\*\***

**FOR THE 9-1-1 SYSTEM UP GRADE LEVY FUND/N11**

E-9011-N011-N01.000 Contract-Projects	\$426,353.88
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**BELMONT COUNTY 911/WIRELESS FUND E11**

E-2301-E011-E01.011 Contract Services	\$19,240.38
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**BELMONT SOIL & WATER CONSERVATION FUND L01**

E-1810-L001-L01.002 Salaries	\$1,000.00
E-1810-L001-L02.010 Supplies	\$2,000.00
E-1810-L001-L03.012 Equipment	\$1,000.00
E-1810-L001-L05.011 Contract Services	\$2,000.00
E-1810-L001-L09.000 Travel & Expense	\$420.00
E-1810-L001-L11.003 PERS	\$1,000.00
E-1810-L001-L14.000 Other Expenses	\$252.16

**BELMONT COUNTY JUVENILE COURT/TRUANT OFFICER GRANT M79**

E-0400-M079-M04.000 Other Expenses	\$341.81
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**BELMONT HARRISON JUVENILE DISTRICT/SARGUS REMODELING FUND N58**

E-9058-N058-N02.013 Contract Projects	\$2,089.06
E-9058-N058-N05.075 Advances Out	\$850.85

**BELMONT COUNTY PORT AUTHORITY FUND S12**

E-9799-S012-S21.000 Expenses Armory Property \$6,880.86

**BELMONT CO. CDBG CHIP GRANT FUND T11**

E-9702-T011-T03.000 CDBG Escrow Account "CHIP" \$8,979.00  
 Draw No. 163 – Grant #B-C-12-1AG-1

**BELMONT CO. JUVENILE COURT/VARIOUS FUNDS**

E-1654-C055-C02.000 Other Expenses \$ 1,095.00  
 E-0400-M062-M02.000 Other Expenses \$ 1,330.00  
 E-0400-M072-M04.000 Drug Court Exp. \$ 450.00  
 E-0400-M075-M01.000 Other Expenses \$11,803.98  
 E-1581-S081-S08.000 Computer Exp. \$ 4,463.00  
 E-1582-S085-S08.000 Computer Exp. \$ 1,616.00  
 E-1589-S096-S12.000 Other Expenses \$ 7,138.60  
 E-1590-S097-S12.000 Other Expenses \$ 1,110.00  
 E-1599-S099-S12.000 Other Expenses \$15,945.00

**OAKVIEW JUVENILE RESIDENTIAL CENTER/VARIOUS FUNDS**

E-8011-S031-S02.000 Food NSLA \$1,500.89  
 E-8012-S032-S00.000 Activity Fund \$272.58

**PROSECUTOR'S VICTIM ASSISTANCE/VARIOUS FUNDS**

E-1511-W080-P01.002 Salaries \$255.00  
 E-1511-W080-P04.000 Other Expenses \$185.25

Upon roll call the vote was as follows:

Mrs. Favede Yes  
 Mr. Probst Yes  
 Mr. Coffland Yes

**IN THE MATTER OF ADDITIONAL APPROPRIATIONS FOR VARIOUS FUNDS**

Motion made by Mrs. Favede, seconded by Mr. Probst to make the following additional appropriation, in accordance with the Amended Official Certificate of Estimated Resources as revised by the Budget Commission, under the date of September 18, 2013:

***CARRYOVER PO'S THAT HAVE BEEN CLOSED AND REQUIRE REAPPROPRIATION***

A00 General Fund

E-0051-A001-A13.010 Supplies 1,715.15  
 E-0051-A001-A13.000 Postage 289.33  
 E-0051-A001-A20.012 Equipment 3,063.00  
 E-0051-A001-A28.000 Other Expenses (2) 34,038.45  
 E-0051-A001-A50.000 Budget Stabilization 18,494.87  
 E-0064-A002-A06.000 Transcripts 2,149.00  
 E-0256-A014-A01.000 County Buildings 21,865.43

P80 Oakview Admin. Bldg.

E-5000-P080-P03.000 Utilities 1,154.46  
 E-5000-P080-P05.000 Materials 13,456.66

S70 Senior Services Levy Fund

E-5005-S070-S12.000 Capital Outlay 11,119.70

Upon roll call the vote was as follows:

Mrs. Favede Yes  
 Mr. Probst Yes  
 Mr. Coffland Yes

**IN THE MATTER OF REPAYMENT OF CASH ADVANCE OF FUNDS FROM THE SARGUS REMODELING FUND TO THE GENERAL FUND**

Motion made by Mrs. Favede, seconded by Mr. Probst to approve the following REPAYMENT OF A CASH ADVANCE of funds from the Sargus Remodeling Fund/N58 to the County General Fund as follows:

<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
E-9058-N058-N05.075 Advances Out	R-0040-A000-A48.575 Advance In	\$850.85

\* Repayment of Cash Advance to Sargus Remodeling Fund/N58 dated August 4, 2010, which served as matching funds for grant monies from DYS.

Upon roll call the vote was as follows:

Mrs. Favede Yes  
 Mr. Probst Yes  
 Mr. Coffland Yes

**IN THE MATTER OF APPROVING THEN AND NOW CERTIFICATE/AUDITOR'S**

Motion made by Mrs. Favede, seconded by Mr. Probst to execute payment of Then and Now Certification dated September 18, 2013, presented by the County Auditor pursuant to O.R.C. 5705.41(d) 1, and authorizing the drawing of warrant(s) in payment of amounts due upon contract or order.

Upon roll call the vote was as follows:

Mrs. Favede Yes  
 Mr. Probst Yes  
 Mr. Coffland Yes

**IN THE MATTER OF REQUEST FOR CERTIFICATION OF MONIES BY THE BUDGET COMMISSION**

Motion made by Mrs. Favede, seconded by Mr. Probst to request the Belmont Co. Budget Commission certify the following monies. **CDBG-Grant CHIP - \$8,979.00** paid into R-9702-T011-T05.501 CDBG – Grant CHIP on Sept. 13, 2013. Grant #B-C-12-1AG-1. Draw No. 0163.

**N11 Fund/911 System Upgrade Levy - \$426,353.88** remaining balance available for certification after final settlement.

**CLOSED 2012 PO'S/Various Funds**

<b>\$ 6,736.52</b>	E-0051-A001-A28.000	Other Expenses	PO 520715
<b>\$27,401.93</b>	E-0051-A001-A28.000	Other Expenses	PO 520657
<b>\$18,494.87</b>	E-0051-A001-A50.000	Budget Stab. Res.	PO 87225
<b>\$ 2,149.00</b>	E-0064-A002-A06.000	Transcripts	PO 520568
<b>\$21,865.43</b>	E-0256-A014-A01.000	County Buildings	PO 520712
<b>\$ 1,154.46</b>	E-5000-P080-P03.000	Utilities	PO 520717
<b>\$13,456.66</b>	E-5000-P080-P05.000	Materials	PO 520713
<b>\$11,119.70</b>	E-5005-S070-S12.000	Capital Outlay	PO 520605

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Probst	Yes
Mr. Coffland	Yes

**IN THE MATTER OF GRANTING PERMISSION FOR COUNTY EMPLOYEES TO TRAVEL**

Motion made by Mrs. Favede, seconded by Mr. Probst granting permission for county employees to travel as follows:

**BCDJFS** – Lisa Fijalkowski, Michael Schlanz and Vincent Gianangeli to travel to Cadiz, OH, on Sept. 19, 2013, to attend Cog Meeting at Harrison Co. DJFS. Estimated expenses: \$36.00

Annette Withey and Joyce Bosold to travel to Marietta, OH, on Oct. 1, 2013, to attend Quarterly Fraud Control Meeting. Linda Sadosky, Bruce Maguire and Senior members to travel to Washington, PA, on Sept. 20, 2013, and to Marietta, OH, on Oct. 8, 2013, for Martins Ferry Senior Center outings. Estimated expenses: 72.00

**BCSSD** – Dale Jendrusik, Michael Reed and Benji Sall to travel to Cambridge, OH, on Oct. 24, 2013, to attend the South East Electrical Maintenance Fall 2013 Workshop. A county vehicle will be used.

**VETERANS** – Lucinda Maupin, John Burkett, Robert Nixon and Christy Taylor to travel to Columbus, OH, on Sept. 24-27, 2013, to attend the Ohio State Association of County Veterans Service Officer training.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Probst	Yes
Mr. Coffland	Yes

**OPEN PUBLIC FORUM** - Jerry Milliken of the Flushing Senior Center asked for a status of the property to be purchased for their new senior center. Mrs. Favede stated it is in the process. The landowner of the property has turned over her proposal to an attorney who is putting together a formal proposal. It has now been submitted to the county's Assistant Prosecuting Attorney for his review. Once it goes back to the property owner's attorney, the board will have a closing process to be able to formally move ahead and buy the property. Mrs. Favede is hoping that will be done within the next week to ten days. It has taken this long as the property owner had almost a ten day wait before she could meet with her attorney. A survey also needs completed on the property because it is a very small piece of property and in order to build a structure, we will need to know the exact property lines. Mr. Milliken noted there is a vacant lot next to it that would be perfect for parking.

Richard Hord said he just became aware of the concept of land banking and wanted to know if the board knew of this wherein you can tear down dilapidated buildings and revitalize areas. He wanted to know if this could be utilized and considered for Belmont County. Mrs. Favede advised the board is already currently looking into this. Rep. Jack Cera's office sent a notice that there was going to be additional money become available for demolition of homes, but it would have to be done through a land banking process. She immediately contacted A.C. Wieth of Belomar because we do not have this in the county. She and Mr. Wieth are working on whether or not we can establish that to be able to receive those funds. She understands there may be some additional dollars that come forward again this year, which we were able to receive last year, from Move Ohio Forward through the Attorney General's Office. Bridgeport, Barnesville, Martins Ferry, Bellaire and Powhatan all received those funds. She suggested the townships be ready and prepared to move quickly if they are able receive some of this money. Port Authority Director Larry Merry said in creating a land bank, you would be not only tearing the houses down, but you would be owning the property with the idea then of redeveloping it.

Richard Hord asked if some of the funding that had been utilized through the Dept. of Job & Family Services would still be available to be utilized by the new Senior Services Program. Mrs. Favede said she thinks he is referring to transportation. She said that is one of our goals is to be able to move it and still utilize that aspect of it. Some legal work is being looked into at this point.

*Commissioner Probst arrived at 10:10 a.m.*

Mrs. Favede advised the official name of the program that State Rep. Jack Cera had contacted her about is *The Ohio Housing Financing Agency*, who received approval from the U.S. Treasury to use remaining dollars from the hardest hit fund to help demolish vacant homes across the state. We are qualified, but we would have to establish a land bank.

Mike Bianconi again suggested former St. Joe's School hall for a senior center and records storage. He asked if the board had followed up on this. He again asked for a senior services update like the one provided last year. Mr. Coffland stated the realtor sent in information regarding St. Joe's, but the board is not interested in it right now as far as he knows. Mrs. Favede said she is personally not interested. She noted the Lansing school there in this area has an existing senior center in it and they have requested to become part of the Belmont County Senior Services Program. She said "It would not be acceptable to have two senior centers within a stone's throw." Mr. Bianconi noted the kitchen was available to use. Mrs. Favede has been working on the financials and said to buy a building is not something she would want after we have spent years trying to sell off a lot of the extra buildings that the county owned. She does not think that is an option. Mr. Bianconi continued asking Mrs. Favede for a senior services report since it has been over a year. Mrs. Favede noted DJFS was in the other day because that department is so stressed that they are requesting overtime hours on Saturdays, just to get their existing work done for case banking for case management. With all due respect to Mr. Bianconi, Mrs. Favede said she doesn't know how we can afford to take people off of their time, the majority of their time, to bring them in and give a report when they are not able to get their own work done and they are behind on numerous reports. Mr. Bianconi disagreed. He said, "I don't know how you guys can make a decision on what you are doing or trying to do, without information like that." Mr. Coffland said, "Just for the record, I have requested it too, to be brought in, because I think that 1) they are doing a very good job out there and we haven't given recognition of what they have done. As I've stated in the past, and I continue to state, I do not believe that we can save money by changing. I think it is going to cost additional money, and I've said that since day one. I continue to stand by it until proven different. It's hard for me to support a change and that's all, because I have looked at the numbers. I know what the cost share is. It costs around \$200,000.00 to run it with about 15-17 employees.

John Henthorne again stated he had not heard from Engineer Fred Bennett about safety concerns in Barton regarding a guardrail, sidewalk and catch basin. He was advised Mr. Bennett just came back from vacation, but had meetings out of the office on Monday and Tuesday.

**BREAK – Mr. Probst stepped out of the meeting at 10:25 a.m.**

**10:30 Public Hearing-Road Improvement 1118**

**Re: Vacation of a portion of 2 cul-de-sacs within Ohio Riverview Rd/Pultney Twp.**

Present for the hearing were Engineer Fred Bennett and Ruth Graham, Engineer's Drafting Technician. Ruth explained this is for vacations of portions of two cul-de-sacs. They originally put in two 80 foot radius cul-de-sacs and the developer is now wanting to reduce them to 40 foot. There was a road view with Matt Coffland, Mike Wahl, Phil Andes who is the developer and Ruth. Everyone was fine with it. There are no issues with the Township Trustees.

**IN THE MATTER OF  
VACATION OF PORTIONS OF TWO  
CUL-DE-SACS WITHIN PULTNEY TWP. RD. 1638  
(OHIO RIVERVIEW RD.)  
PULTNEY TOWNSHIP, SEC 28, T-2, R-2**

**"Hearing Had-10:30 A.M."**

**REPORT OF COUNTY ENGINEER  
OHIO REV. CODE, SEC. 5553.06**

Date: 9/18/2013

To the Board of County Commissioners of Belmont County, Ohio:

The undersigned, in obedience to your order, dated September 11, 2013, proceeded on September 18, 2013 to make an accurate survey and plat of the Public Road proposed to be improved and respectfully submits the following report:

In the opinion of the undersigned the proposed improvement should \_\_\_\_\_ be granted.

An accurate and detailed description of the proposed improvement describing therein the center line and right of way lines follow:  
"see attached plat"

The undersigned recommends the following changes in the proposed improvement which in his judgment should be made in the event the proposed improvement is granted.

Fred F. Bennett/s/  
County Engineer of Belmont County, Ohio

**IN THE MATTER OF THE VACATION OF  
PORTIONS OF TWO CUL-DE-SACS WITHIN  
PULTNEY TWP. RD. 1638 (OHIO RIVERVIEW RD.)  
SEC. 28, T-2, R-2/RD IMP 1118**

Office of County Commissioners  
Belmont County, Ohio

**RESOLUTION-GRANTING PROPOSED IMPROVEMENT  
ORDERING RECORD, ETC.**

**Rd. Imp. #1118**

The Board of County Commissioners of Belmont County, Ohio, met in regular session on the 18th day of September, 2013 in the office of the Commissioners with the following members present:

Mr. Coffland  
Mr. Probst  
Mrs. Favede

Mrs. Favede moved the adoption of the following Resolution:

WHEREAS, This day this matter came on to be heard on the report, survey, plat, and detailed and accurate descriptions as filed by the County Engineer, and said report having been read in open session, the Board proceeded with the hearing of testimony bearing upon the necessity of the said improvement for the public convenience or welfare and offered either for or against going forward with the proposed improvement by interested persons; and

WHEREAS, Said Board has considered said report and all the testimony offered, and all the facts and conditions pertaining to said matter; therefore, be it

RESOLVED, That said Board of County Commissioners do find said improvement will serve the public convenience and welfare; and be it further

RESOLVED, That said improvement as set forth and defined in said report, survey, plat and detailed and accurate descriptions as filed by the County Engineer be and the same is hereby granted and said road is hereby ordered vacated.

RESOLVED, That the County Engineer be and he is hereby directed to cause and record the proceeding, including the survey and plat and accurate and detailed description of said proposed improvement, to be forthwith entered in the proper road records of said County; and be it further

Mr. Coffland seconded the Resolution and the roll being called upon its adoption the vote resulted as follows:

Mr. Probst	Absent
Mr. Coffland	Yes
Mrs. Favede	Yes

Adopted the 18th day of September, 2013

Jayne Long /s/  
Clerk, Board of County Commissioners,  
Belmont County, Ohio

**IN THE MATTER OF ENTERING  
EXECUTIVE SESSION AT 10:45 A.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to enter executive session pursuant to ORC 121.22(G)(1) Personnel Exception to consider the employment and compensation of public employees.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF ADJOURNING  
EXECUTIVE SESSION AT 10:47 A.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to adjourn executive session at 10:47 a.m.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**AS A RESULT OF EXECUTIVE SESSION, THE FOLLOWING ACTION WAS TAKEN:**

**IN THE MATTER OF APPROVING THE CHANGE IN EMPLOYMENT STATUS OF MARTIN WETZEL/BUILDINGS AND GROUNDS DEPT.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to approve the change in employment status of Martin Wetzel from temporary to permanent maintenance employee for the Belmont County Buildings & Grounds Department at the rate of \$9.23 per hour beginning Monday, September 23, 2013.

*Note: Mr. Wetzel was hired as a temporary employee on June 12, 2013.*

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF ADVERTISING FOR A FULL-TIME SWITCHBOARD OPERATOR/MAIL CLERK/RECEPTIONIST/ COMMISSIONERS**

Motion made by Mrs. Favede, seconded by Mr. Coffland to advertise for a full-time switchboard operator/mail clerk/receptionist for the Belmont County Commissioners' Office.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**BREAK**

**DISCUSSION HELD RE: BETHESDA WATER PROJECT** – Dick Quinlin, Jeremy Campbell, Brian J. Bee and Carol A. Merritt of Bethesda came before the board to speak of the village's plan to upgrade their water system. There was concern about delays with the county Water Department as they have 200 days to complete the project. Mr. Probst said he has had conversations with Mark Esposito and does not think there is any reason to panic. Mr. Esposito is moving forward and has kept in touch with Mr. Probst. If there are any red flags, Bethesda will be called. Mr. Quinlin had concerns about the pipe being put in and construction done in 270 days. There was noted a problem with the size of the pipe and questions if Bethesda offered to pay for the pipe and the county put it in or vice versa. Mr. Quinlin said they had talked to Mr. Esposito and one scenario was the county could supply the pipe and they (Bethesda) would put it in. But there would have to be an environmental study done and an agreement and if they have to pay, some financing. This takes time. There is question as to who is going to own the pipe after it is over with and is it going to be 16 inch or 12. Mr. Quinlin said the reason they stopped in was to let the board know a press release is coming out.

Mrs. Favede asked if we could host a meeting next week on Tuesday with Mr. Esposito here and the representatives from Bethesda. She felt this is what was being asked today; a forum with the individuals that can help facilitate answers to the questions. Mr. Quinlin stressed that Mr. Esposito needs to move on this. It cannot wait any longer. He also commended the board and stated his appreciation for what they have done for the community of Bethesda. A meeting was planned for Tuesday of next week to address the issues.

**DISCUSSION HELD RE: HB59** – Mrs. Favede stated it was made known to our Auditor's Office on Wednesday of last week that as a result of House Bill 59, we have subsequently lost additional local government funds. It is up to another 4% for all local governments, (municipalities, cities, townships and local libraries.) She said when we were notified by the State Auditor, he had to verify it with our state representative, who didn't even know, because it was arbitrarily placed in the house bill. Budget hearings have been held with the Auditor and estimates of what would be received were made known. Now you will be receiving 4% less, and the Auditor has to go back and change all of his estimates and redistribute what the estimate is that will be received. Mrs. Favede remarked this is a waste of time and inappropriate. Those already struggling will be losing even more than they were expecting. We were under the understanding that local government cuts were frozen and there would not be any additional. Now there will be approximately another 4% less.

**BREAK**

**IN THE MATTER OF ENTERING EXECUTIVE SESSION AT 11:15 P.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to enter executive session with Lisa Fijalkowski, Interim Director, Dept. of Job and Family Services and Lori O'Grady, HR Manager, pursuant to ORC 121.22(G)(1) Personnel Exception to consider the dismissal of a public employee.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

Note: The roll call for Executive Session was held after the discussion below re: Rice Energy Lease

**10:15 Colin Peck, Rice Energy**

**DISCUSSION HELD RE: RICE ENERGY PROPOSED LEASE** – Mr. Coffland interrupted the motion to enter executive session and asked if the board was going to address the 10:15 agenda item while Colin Peck was still here. If so, he said he would like to put a motion on the floor for a vote before going into executive session. At this time he made the following motion:

Motion made by Mr. Coffland to enter into an Oil and Gas Lease with Rice Drilling D, LLC, in the amount of \$7,500.00 per net mineral acre for 406.4426 gross acres for a five-year term with a five-year option to renew, 20% royalty.

***Motion died for lack of a second.***

**DISCUSSION** – Mrs. Favede asked the Clerk if the Prosecutor signed off on the document. As of this morning the board was waiting on Prosecutor Chris Berhalter to review the same. The Clerk stated she has not had any conversations with the Prosecutor this morning. She does not know if anyone else has. She said it is her understanding that Colin has the original documents so the Prosecutor could not have signed them yet.

Mr. Coffland said there were two issues that were addressed here. He asked Colin if he made the changes and sent them to Chris. He noted quite a few meetings have been had to try to work this final contract out. Mr. Coffland said the Prosecutor left with the understanding that Mr. Peck would send the last two changes and the changes were made in the contract. Mr. Coffland said he put the motion on the floor because he believes the board has reviewed this for weeks now and he believes all the changes have been made to satisfaction with what was discussed with the Prosecutor. Mr. Coffland moved to accept the lease with Rice Energy.

Mr. Probst noted that Commissioner Coffland is right in that we have been looking at this lease probably about two months. In his opinion, the initial lease was a draft at that time to start negotiations. He said as county government goes, we had to put that aside and deal with other county business. He said the last couple of weeks we have been working very hard and with Rice Energy along with the Prosecuting Attorney to pull together a lease that we thought was going to be satisfactory for everyone involved and for the protection of the taxpayers of the county now and into the future. Mr. Probst stated one of the clauses in the contract is an Enhancement clause where we pay 20% on any enhancements

and Rice Energy or its subsidiaries would pay 80%. Mr. Probst said he thinks that is being cleared up and fine. We are waiting for the Prosecutor again to see if he is satisfied once we have received the final document. Mr. Probst advised that yesterday afternoon he received what appeared to be the final copy in form, but there are still some amendments that still need put in and what the Prosecutor needs to see. Mr. Probst learned as early as yesterday, last night and this morning that there could be some other negotiations on the price per acre. The price is still up in the air. Mr. Probst stated in no way is anyone trying to hold up the signing of this lease because there are many things that need to be done with the money. He noted to sign this lease today will have effects for the next several years. As a Commissioner and working for the people Belmont County, Mr. Probst said he is not going to sit here and hurry through anything. When he is comfortable, he said he would vote. Mr. Probst stated, "When I am not comfortable and I still have questions, I am going to ask my colleagues to sit with me and stand beside me and let me finish my research as I have done many times with them. If they need more time on an issues, I've stepped aside until they were comfortable with an issue. I don't feel that is happening today. So, and it's a lot of work involved, a lot of things are happening, and it involves a lot of money for Belmont County, and I want to make sure that I am comfortable, and I want to talk to my Prosecuting Attorney again to make sure he is comfortable with this lease."

Mr. Coffland stated, "I have sat and talked with the Prosecutor. I have met I don't know how many times with this board, without this board, meetings have been called. I feel very comfortable with this lease. We have worked it... Commissioner Favede and Mr. Probst... and we have had the Prosecutor here. We were down to two issues yesterday that needed changed. The changes were made and I don't know what else to say except we have met, we have worked, we have communicated back and forth, we have torn down. Let me start, this started at \$150.00 lease four years ago." (Mrs. Favede noted that was not with Rice Energy.) Mr. Coffland said, "With Beck Energy. We've had lease after lease. Our Port Authority signed the same lease for 60 acres. We've had everyone in that we could possibly review. Could the price go up? Yes. Could it go down? Yes. We've seen it go from \$150 up to \$7,500. I feel that we have tore this lease up and down and all around and in between and if we missed something, then I guess we will have to fight it out in court. This is pretty much based on the same contract that many people in Belmont County have signed off on. The Smith/Goshen Township, which took in thousands upon thousands of acres. We had them come in; their people who worked this, and answered our questions. I can tell you that we put together a spreadsheet of all the pluses, the negatives, on not only this contract, but a contract with Chesapeake, a contract with Antero, and I believe there is one more." Mrs. Favede advised there were just the three of them. Mr. Coffland continued, "And we have checked everything that possibly... we've had the Prosecutor look at it. The questions that he is returned back on, I don't know quite a few times, we have corrected and we have sat with not only Colin Peck, we had Mr. Rice, the President of the company and his assistant Matt Eller in. We've sat and we've talked with him (Mr. Rice) who wants to be very much a partner in Belmont County. They have offered us more money than anyone else out there as of right now as of that meeting by a nice healthy tune of almost \$1,100 more dollars because they feel that this is something that goes to the whole county. I don't know what's left to go over. I am willing to go over it right now and bring it out on the open floor if there is something to discuss, but as trying to move this forward for the biggest reason to get locked in before the opportunity does go away. I just feel that we have done our research, we've done our homework, and I think this would be a good lease to sign and again, put the motion on the floor and like to put it to a vote." At this time Mr. Coffland explained his understanding of the Enhancement clause.

Mrs. Favede said her only concern was she would like the Prosecutor to "Approve As To Form." She has no reservation in regard to the Enhancement clause. She suggested entering into executive session and have the Clerk take the lease down to the Prosecutor to have him sign off on it as to form. Mr. Coffland asked the Clerk to have someone take the lease to the Prosecutor and have him sign that he did make the changes that Colin Peck and Rice Energy had made the changes. Mrs. Favede noted obviously someone was present here on behalf of Rice Energy as well as our Port Authority Director whose board also signed a similar, if not exact, lease with Rice Energy. She asked if we were confirming or not confirming that there are leases out there that are going for more, and if so, has that been substantiated yet. Larry Merry said if she was asking him, he doesn't know of any other leases that are more than \$7,500. Mrs. Favede said this amount is substantially more than the Chesapeake and the Antero offer.

Colin Peck advised when the Smith/Goshen group went down, and this was something just brought to his attention today by Mr. Probst, he had been aware of the fact that the maximum paid was \$7,000 per acre with 20% royalties. Apparently, there is hearsay that there were some contracts signed at \$9,000 with Antero. He knows a lot of those contracts were released and Rice Energy signed them at \$5,800. Mr. Peck said that is what he can tell the board for certain. He does not know whether \$9,000 was actually paid out or not. Everyone talks and he doesn't know if it is simply hearsay or not. A person he has talked to could not get a bid over \$6,350 from Antero. That is their market price right now.

Mrs. Favede said her concern is we have leased small parcels for much less than that. She remarked it is kind of like playing the stock market and you have to roll the dice. She again said she would like the Prosecutor to sign off as to form.

*At this time the roll call was made on the motion to enter executive session.*

**IN THE MATTER OF ADJOURNING  
EXECUTIVE SESSION AT 11:55 A.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to adjourn executive session.  
Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**AS A RESULT OF EXECUTIVE SESSION, THE FOLLOWING ACTION WAS TAKEN:**

**IN THE MATTER OF GRANTING BCDJFS DIRECTOR  
THE AUTHORITY TO TERMINATE THE EMPLOYMENT OF SENIOR  
SERVICES DIVISION EMPLOYEE DOUGLAS GALLAHER**

Motion made by Mrs. Favede, seconded by Mr. Coffland, as the co-appointing authority, to grant the Director of the Belmont County Department of Job and Family Services the authority to terminate employment of Belmont County Department of Job and Family Services-Senior Services Division employee, Douglas Gallaher.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF ENTERING EXECUTIVE SESSION AT 11:56 A.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to enter executive session at 11:30 a.m. with representatives from the State Auditor's Local Government Services Office, Belmont County Auditor's Office, et al, pursuant to ORC 121.22 (G)(5) Confidential Matters concerning the Belmont County Post Audit.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF ADJOURNING EXECUTIVE SESSION AT 12:25 P.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to adjourn executive session.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**DISCUSSION HELD RE: RICE ENERGY PROPOSED LEASE (continued)** – Colin Peck advised that \$9,000 per acre is not the amount currently offered by anyone to his knowledge. He said he knows there are people who could not get anywhere near \$7,000 and Rice is over \$7,000. He said he sees us (Rice Energy) being extremely fair.

**IN THE MATTER OF APPROVING MINUTES OF REGULAR BOARD OF COMMISSIONERS MEETING**

Motion made by Mrs. Favede, seconded by Mr. Coffland to approve the minutes of the Belmont County Board of Commissioners regular meeting of August 14 and 21, 2013.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

<b><u>IN THE MATTER OF REPLAT OF</u></b>	[Belmont Co. Commissioners
<b><u>LOTS 6, 7, 8, 9, 10, 15, 16 &amp; 18 IN</u></b>	[Courthouse
<b><u>OHIO RIVERVIEW ESTATES,</u></b>	[St. Clairsville, Ohio 43950
<b><u>PULTNEY TOWNSHIP, SEC 28, T-2, R-2</u></b>	[Date <u>Sept. 18, 2013</u>

Motion made by Mrs. Favede, seconded by Mr. Coffland to authorize the Clerk of the Board to establish a date and time for the Subdivision Hearing in regards to the Replat of Lots 6,7,8,9,10, 15, 16, 18 in Ohio Riverview Estates, Pultney Township Section 28, T2, R2, pursuant to the Ohio Revised Code Section 711.05 and proceed with the required notifications.

**NOTICE OF NEW SUB-DIVISION**  
*Revised Code Sec. 711.05*  
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To: Nick Rocchio, F.O., Pultney Township Trustees, PO Box 225, Bellaire, OH 43906.

You are hereby notified that Wednesday the 2nd day of October, 2013, at 10:45 o'clock A. M., has been fixed as the date, and the office of the Commissioners, in the Courthouse, St. Clairsville, Ohio, as the place where the Commissioners will act on the above stated matter.

By order of the Belmont County Commissioners.

Jayne Long /s/  
Clerk of the Board

- Mail by certified return receipt requested
- cc: Pultney Township Trustees  
Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF AUTHORIZING COMMISSION PRESIDENT TO SIGN THE CONTRACT WITH EDGCO, INC. FOR THE DEMOLITION OF PROPERTY IN MARTINS FERRY/CDBG**

Motion made by Mr. Coffland, seconded by Mr. Probst to approve and authorize Commission President Ginny Favede to sign the contract with Edgco, Inc. in the amount of \$8,480.00 for the demolition of property located at 1019 N. 8<sup>th</sup> Street, Martins Ferry, as part of the FY 2012 Belmont County Community Development Block Grant (CDBG) Formula Allocation Program, based upon the recommendation of A.C. Wiethe, Asst. Director of Management Services, Belomar Regional Council.

**DEMOLITION CONTRACT**

This Agreement, made this 18th day of September, 2013 by and between Edgco, Inc. hereinafter called the AContractor@ and the Belmont County Commissioners hereinafter called the ALocal Public Agency@ for the consideration stated herein mutually as follows:

1. **STATEMENT OF WORK**  
The Contractor shall furnish all supervision, labor, materials, machinery, tools, equipment and services and perform and complete all work in an efficient and workmanlike manner, as follows:  
**Description of Work**
  1. Demolish, remove debris and backfill with selected materials from the property located at 1019 N. 8<sup>th</sup> Street, Martins Ferry, Ohio; all in strict accordance with the technical specifications which are attached to and form a part of this Contract as fully as if they were herein repeated. Work is only permitted to take place during the regular business hours of the Local Public Agency unless other hours of operation are permitted by approved change order.
2. **THE CONTRACT PRICE**  
The Local Public Agency will pay the Contractor for performance of the Contract, in current funds, the sum of \$ 8,480 with no salvage value. The Local Public Agency before making payment, may require the Contractor performing the work to furnish releases of liens and/or receipts from any or all persons performing work and supplying material or services to the Contractor, for work under supplying material or services to the Contractor, for work under this Contract, if this is necessary to protect its interests.



3. **SUBCONTRACTING/ASSIGNMENT**

The Contractor shall not execute an agreement with any subcontractor or permit any subcontractor to perform any work included in this Contract with the exception of asbestos abatement as required in the technical specifications. Likewise, **assignment of this contract in whole or part is prohibited.**

4. **COMPLIANCE WITH "DAVIS-BACON ACT"**

In the event the scope of work under this Contract involves the demolition and clearance of 6 or more residential housing units, or involves non-residential property of any kind with a contract value of more than \$2,000, compliance with Davis-Bacon Act shall be required and payment of prevailing wages and benefits must be made by the Contractor and any subcontractors to employees working under this Contract. In the event Davis-Bacon Act compliance is required, the Local Public Agency will provide the contractor/bidder with a copy of the General Wage Decision as a part of the bid packet. Wage Posters, a copy of the publication "Making Davis Bacon Work - A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects", and other additional information will be provided to the selected Contractor after the contract is awarded. The Local Public Agency will require the submission of certain reports/documents/certifications prior to payment in the event this provision applies.

5. **PERMITS AND CODES**

The Contractor shall give all notices required by, and comply with, all applicable laws, ordinances and codes of the Federal, State and Local Government and shall at his/her own expense, secure and pay the fees or charges for all permits required for the performance of the Contracted Work.

6. **CARE OF WORK**

The Contractor shall be responsible for all damages to persons or property as a result of his fault or negligence in connection with the performance of the work and shall be responsible for the proper care and protection of all work performed until completion and final acceptance, whether or not the same has been covered in whole or in part by payments made by the Local Public Agency. In the event damages are alleged to have occurred to adjacent property as a result of the Contractor's work and the Contractor cannot settle the matter informally with the adjacent property owner, the Local Public Agency reserves the right to either delay payment to the Contractor until the dispute is resolved or deduct from the amount owed under this contract, the amount necessary to correct such damages.

7. **RISK OF LOSS**

The Contractor shall accept the site in its present condition and shall inspect the site for its character, condition and the type of structures to be demolished. The Local Public Agency assumes no responsibility for the condition of existing buildings or structures, and other property on the demolition site, or the condition of property before or after the solicitation for bids. No adjustment of the bid price or allowance for any change in conditions that occur after acceptance of bids will be allowed.

8. **VACATING OF BUILDINGS**

The structure(s) identified in the contract documents were vacant at the time of bidding. In the event the Contractor finds that any structure is not vacant, the Contractor shall immediately notify the Local Public Agency and shall not begin demolition or clearance work until further directed by the Local Public Agency. No claim of extension of time or increased price will be considered because of occupancy of buildings. In case such occupancy is prolonged, the Local Public Agency reserves the right to terminate the contract. The Contractor shall inspect all buildings and structures to determine they are vacant prior to beginning demolition work.

9. **CHANGES IN WORK**

- a. The Local Public Agency may make changes in the work required to be performed by the Contractor by making additions thereto, by omitting work there from, or by changing requirements from those specified without invalidating this Contract and without relieving or releasing the Contractor from any of his/her obligations under this Contract. All such work shall be executed under the terms of the original contract unless it is expressly provided for otherwise by change order.
- b. Except for the purpose of affording protection against an emergency endangering life or property, the Contractor shall make no change in scope of work, provide any extra or additional work, or supply additional labor, services or materials beyond that actually required for the execution of this Contract unless in pursuance of a written change order from the County authorizing the change. No claims for an adjustment of the contract price will be valid unless so ordered.
- c. Each change order shall include in its final form, a description of the change in the work, the Contractor's definite statement as to the resulting change in the Contract price and/or time, and the statement that all work involved in the change shall be performed in accordance with the contract requirements except as modified by the change order.
- d. Any request for a change order, either by the Local Public Agency or Contractor, regardless of whether it involves an increase or decrease in work to be done, cost and/or time must be approved by the Local Public Agency, and signed by the Local Public Agency and Contractor. All change orders shall be made using forms provided by the Local Public Agency. Any agreements not signed as heretofore indicated shall be considered null and void. Unless otherwise specified, any change order resulting in an increase in cost shall be the responsibility of the Local Public Agency.

10. **GENERAL GUARANTEE AND WARRANTY**

The Contractor warrants that all work completed by the Contractor and any subcontractor shall be of good quality and done in a neat and workmanlike manner. The Contractor shall promptly remedy any defect in the work for a period of 1 year from the date of final acceptance by the Local Public Agency unless a longer period is specified. The Local Public Agency will give notice of observed defects with reasonable promptness.

11. **ACCIDENT PREVENTION**

- a. The Contractor shall exercise proper precaution at all times for the protection of persons or property, either on or off the site, which occur as a result of his performance of work. The safety provisions of applicable laws and building and construction codes shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the Local Public Agency may determine to be reasonably necessary. Machinery, equipment, and all hazards shall be guarded in accordance with the safety provisions of the "Manual of Accident Prevention for Construction" published by the Associated General Contractors of America, Inc., to the extent that such provisions are not in conflict with applicable local laws.
- b. The Contractor shall maintain an accurate record of all cases of deaths, occupational disease and injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment or work under the Contract. The Contractor shall promptly furnish the Local Public Agency with reports concerning these matters.

12. **INDEMNIFICATION OF LOCAL PUBLIC AGENCY**

The Contractor shall indemnify and save harmless the Local Public Agency from liability for any injury or damages to persons or property resulting from his performance of work under the contract.

13. **INSURANCE**

- a. The Contractor shall carry **Worker's Compensation Insurance** for all his/her employees in accordance with State Worker's Compensation Laws.
- b. The Contractor shall carry **Liability Insurance** with limits of not less the **\$300,000.00** coverage for personal liability to protect the Contractor against claims for injury to or death to one or more than one person due to accidents which may occur or result from operations under the Contract. Such insurance shall cover the use of all equipment, hoists, and motor vehicles on the site or hauling materials or debris from the site.
- c. The Contractor shall carry at least **\$100,000.00 Property Liability Insurance**. The insurance policy must specify that the Contractor is covered for "Demolition and Collapse".

14. **BOND REQUIREMENTS**

~~The Contractor shall post a labor and material payment (performance) bond with the County for one hundred (100) percent of the contract amount to assure faithful performance of the contract entered into.~~

15. **REMOVAL AND SALVAGE OF EXISTING BUILDINGS**

- a. The Contractor shall demolish the buildings and structures as specified in the technical specifications, and unless otherwise specified, no dwelling structure shall be removed from the premises in a whole or substantially whole condition, but all such buildings shall be demolished on the premises.
- b. Upon the demolition of a building or structure in accordance with this Contract, **such building or structure or the remains thereof shall become the property of the Contractor**, except that personal property of third persons or the occupants of such buildings shall not become the property of the Contractor.
- c. Storage of salvage materials and equipment on the project area will be permitted only for the duration of the Contract and such storage shall at no time interfere with the activities of the Local Public Agency or of other contractors.

16. **REGULATIONS PURSUANT TO "COPELAND ANTI-KICKBACK ACT"**

The Contractor shall comply with the applicable regulations of the Secretary of Labor, United States Department of Labor, made pursuant to the "Copeland Anti-Kickback Act" (48 Stat. 948; 62 Stat. 862; Title 18 U.S.C., Section 874; and Title 40 U.S.C.; Section 276(c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontracts subject thereto, and shall be responsible for the submission of statements required of subcontractors there under, except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.

17. **EQUAL EMPLOYMENT OPPORTUNITY**

- a. If the contract or subcontract amount is \$10,000 or less, the following conditions apply:  
During the performance of this contract, the contractor agrees as follows:
  - 1. The Contractor will not discriminate against any employee or applicant for employment because of race, sex, creed, color, or national origin.- The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, sex, creed, color, or national origin. Such action shall include, not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the owner setting forth the provisions of this nondiscrimination clause.
  - 2. The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants will receive consideration for employment without regard to race, sex, creed, color, or national origin.
  - 3. The Contractor will send to each labor union or representatives or workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the owner, advising the said labor union or worker's representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
  - 4. The Contractor will comply with all provisions of Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.
  - 5. The Contractor will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and by the rules, regulations, and orders of the said Committee or by the U.S. Department of Housing and Urban Development pursuant thereto and will permit access to his books, records, and accounts by the owner and the United States Government for the purposes of investigation to ascertain compliance with such rules, regulations, and order.
  - 6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order 10924 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and such other sanctions as may be imposed and remedies invoked as provided in the Said Executive Order or by rule, regulations, or order of the President's Committee on Equal Employment Opportunity or as otherwise provided by law.
  - 7. The Contractor will include the provisions of the paragraphs 1 through 6 above, in every subcontract or purchase order unless exempted by rules, regulations, or order of the President's Committee on Equal Employment Opportunity issued pursuant to Section 303 or Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontractor or order as the owner may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the owner, the contractor may request the United States to enter into such litigation to protect the interest of the United States.
- b. If the contract or subcontract is greater than \$10,000, the following conditions apply:  
During the performance of this contract, the contractor agrees as follows:
  - 1. The Contractor's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
  - 2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for Minority participation	Goals for Female participation
6.9%	6.9%

These goals are applicable to all the Contractor's work (whether or not it is Federal or federally assisted) performed in the covered area.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR, 60-4.3(a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

- 3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within ten (10) working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number, estimated dollar amount of the subcontract;

- estimated starting and completion dates of the subcontractor; and the geographical area in which the contract is to be performed.
4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is Belmont County, Ohio.
  5. Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246, as amended).
- A. As used in these specifications:
1. "Covered area," means the geographical area described in the solicitation from which this contract resulted.
  2. "Director" means Director, Office of the Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority.
  3. "Employer Identification Number" means the Federal Identification Number or Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.
  4. AMinority@ includes:
    - (i) "American Indian or Alaska Native" means a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment;
    - (ii) "Asian" means a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam;
    - (iii) "Black or African American" means a person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American";
    - (iv) "Hispanic or Latino" means a person of Cuban, Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino"; and
    - (v) "Native Hawaiian or Other Pacific Islander" means a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- B. Whenever the Contractor, or any Subcontractor subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.
- C. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participation in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.
- D. The Contractor shall implement the specific affirmative action standards provided in paragraphs G.1 through 16 of this section. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.
- E. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.
- F. In order for the non-working training hours of apprentices, and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.
- G. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:
1. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
  2. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
  3. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.
  4. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligation.
  5. Develop on-the-job training opportunities and/or participate in the training programs for the area, which expressly include upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under G.2 above.
  6. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation by assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

7. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with onsite supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time, and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
  8. Disseminate the Contractor's EEO policy externally including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.
  9. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
  10. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.
  11. Validate all tests and other selection requirements where there is an obligation to do so under State or Federal regulations.
  12. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
  13. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.
  14. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
  15. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
  16. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.
  17. Covered construction contractors performing contracts in geographical areas where they do not have a federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers.
- H. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (G. 1 through 17). The efforts of a Contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling anyone or more of its obligations under G.1 through 17 of this section provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation shall not be a defense for the Contractor's non-compliance.
- I. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women general, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).
- J. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.
- K. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Orders 12549 and 12689, as amended.
- L. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 12549 and 12689, as amended, and its implementing regulations, by the Office of the Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of this Contract and Executive Order 12549 and 12689, as amended. M. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph G of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.
- N. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.
- O. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).
18. **Certification of Nonsegregated Facilities**  
By submission of his/her bid and execution of this Contract, the Contractor or subcontractor certifies that he/she does not maintain or provide for his/her employees any segregated facility at any of his/her establishments, and that s/he does not permit employees to perform their services at any location, under his/her control, where segregated facilities are maintained. He/she

certifies further that he/she will not maintain or provide for employees any segregated facilities at any of his/her establishments, and he/she will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained. The Contractor or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause of this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, \*transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. He/she further agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certifications from proposed subcontractors prior to the award of subcontract exceeding 10,000 dollars which are not exempt from the provisions of the Equal Opportunity Clause; that he/she will retain such certifications in his/her files; and that he/she will forward the following notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

\* parking lots, drinking fountains, recreation or entertainment areas.

19. **Civil Rights Act of 1964**

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

20. **Section 109 of the Housing and Community Development Act of 1974**

No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

21. **Section 3" Compliance in the Provision of Training Employment and Business Opportunities**

If the contract or subcontract is greater than \$100,000, the following conditions apply:

- a. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C. 1701u. (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing.
- b. The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- c. The Contractor agrees to send to each labor organization or representative or workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers; representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- d. The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- e. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

22. **Certification of Compliance with Air and Water Acts**

If the contract or subcontract is greater than \$100,000 the following conditions apply:

a. **Compliance with Clean Air and Water Acts**

During the performance of this contract, the contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended 33 USC 1251 et seq., Executive Order 11738, and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended.

1. A stipulation by the Contractor or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.
2. Agreement by the Contractor to comply with all the requirements of Sections 114 and 306 of the Clean Air Act, as amended, (42 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1251) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114, Section 306 and Section 308, and all regulations and guidelines issued there under.
3. A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the contract, is under consideration to be listed on the EP A List of Violating Facilities.
4. Agreement by the Contractor that he will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

23. **Special Contract Conditions Pertaining to Minority/Women=s Business Enterprise**

a. **MBE/WBE Policy and Goal**

It is the goal of the Local Public Agency MBE/WBE Program that 6.9% of its total contract Dollars available through Federal CDBG/HOME Funds be expended for the performance of contracts and subcontracts executed by MBE/WBE participants as defined in the Local Public Agency's MBE/WBE Affirmative Action Program.

To establish a contractor/bidder as responsive, it shall be the responsibility of the contractor/bidder to utilize MBE/WBE subcontractors and suppliers for portions of the work, as appropriate, or to demonstrate sufficient reasonable efforts to obtain MBE/WBE participants.

b. **Pre-Contract Obligations**

A properly submitted bid shall commit the contractor/bidder to exercise positive efforts to comply with the MBE/WBE policy to achieve the stated participation goals and any such bid shall be deemed, relative to MBE/WBE compliance, to the responsive. Such positive efforts shall be exercised by the contractor/bidder through MBE/WBE subcontracts to the fullest

extent possible consistent with the efficient performance of the scope of work defined in this Contract and Technical Specifications.

To demonstrate MBE/WBE compliance and goal achievement, the contractor/bidder shall provide the following information with his/her bid:

1) Name and address of the MBE/WBE subcontractor(s) and/or supplier(s), contact person, federal identification number, type of construction and/or supply subcontract and dollar amount of subcontract.

If the information provided does not demonstrate that the contractor/bidder will achieve the stated MBE/WBE goals, the bid may still be considered responsive if the contractor/bidder is able to demonstrate sufficient reasonable efforts to obtain MBE/WBE participants.

c. Definitions of Sufficient Reasonable Efforts

To demonstrate sufficient reasonable efforts to meet the MBE/WBE requirements, a contractor/bidder shall document the steps taken to obtain MBE/WBE participation including, but not limited to:

1) Written notification, including newspaper publications, to MBE/WBE firms that their interest in the contract is solicited;

2) Efforts made to select portions of the work proposed to be performed by MBE/WBE firms in order to increase the likelihood of utilizing MBE/WBE firms; and

3) Efforts to negotiate with MBE/WBE firms for specific subcontracts including identification of the firms and a statement of why agreements were not reached. When the MBE/WBE negotiation was unsuccessful due to failure to agree on price, the contractor must be able to document that the subcontractor selected bid was on the same work segment under negotiation with the MBE/WBE.

d. Technical Assistance

Upon request, the Local Public Agency will make available to contractors appropriate resources including the list of agencies who may provide technical assistance services to Minority and Women's Business Enterprise and a list of known MBE/WBE firms eligible to participate in the procurement process for the contractor/bidder's use in soliciting MBE/WBE participation. This technical assistance is intended only to provide potential resources to contractor/bidders and does not relieve the contractor/bidder of the responsibility for affirmatively promoting MBE/WBE participation in the procurement process.

e. Minority/Majority Ventures, Etc.

For purposes of determining the degree of goal attainment through minority/majority joint ventures, minority subcontractors and minority suppliers, the following methodology will be used.

1) A joint venture consisting of a minority and majority or women/majority business enterprises, functioning as prime contractor, will be credited with MBE or WBE participation on the basis of percentage of the dollar amount of the work to be performed by the MBE/WBE. For example, if a minority/majority joint venture proposes to perform 50 percent of a project and 50 percent of the work is to be performed by the minority partner in the joint venture, minority participation will be credited as 25 percent of the contract work,

2) An MBE/WBE contractor/bidder will be credited with minority participation for the portion of the contract, which it performs and for the portion subcontracted, to minority firms. For example, if the MBE bidder proposes to perform a project and subcontracts 25 percent of the work to a majority firm and 25 percent to a minority firm, minority participation will be credited as 25 percent.

f. Responsibility Determination

In the event a contractor/bidder is unable to objectively demonstrate positive efforts to meet the stated MBE/WBE goals, the bid may be rejected as non-responsive.

It is the goal of the Local Public Agency to afford maximum opportunities to minority and women's firms to participate in the bidding and contracting process. However, in situations where all contractor/bidders for a project have exercised good faith efforts to solicit MBE/WBE participation but have been unsuccessful in these efforts, the Local Public Agency shall have the option to proceed with awarding a contract for performance of the work. In such situations, the Local Public Agency shall discuss with the contractor the reasons for the lack of success and shall seek to identify actions, which may help resolve such problems in future bidding activities.

g. Geographic Area

Contractors shall, at a minimum, seek MBE/WBE firms in the same geographic area in which they seek subcontractors and suppliers generally for a given solicitation. If the contractor cannot obtain MBE/WBE firms from this geographic area, the contractor/bidder, as a part of his efforts, shall expand his search to a reasonable wider geographic area.

h. Defaulting Subcontractor/Supplier

In the event an MBE/WBE subcontractor or supplier is unable to perform successfully, the prime contractor is required to make good faith efforts to replace the subcontractors and supplier with an eligible and qualified MBE/WBE firm.

i. Special Documentation

The Local Public Agency reserves the right to request satisfaction factory documentation of ownership and/or control of any firm identified as a Minority or Women's Business Enterprise. The timely submission of such documentation to the Local Public Agency is the sole responsibility of the contractor.

j. Monitoring

The Local Public Agency will monitor MBE/WBE participation and achievement through the course of the contract to assure the MBE/WBE commitment as identified in the bid documents, is met. The prime contractor must report any and all changes in the subcontractors and/or suppliers which might affect the timely performance of the work and/or the achievement of the MBE/WBE objective.

Should changes in subcontractors or suppliers be necessary, compliance with subparagraph h above shall apply.

24. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS**

No officer, employee, or member of the federal government or governing body of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of this project to which this Contract pertains, shall have any private interest, direct or indirect, in this Contract.

25. **ORGANIZATIONAL CONFLICT OF INTEREST**

a. The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, he/she does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this Contract and a prospective contractor's organizational, financial, contractual or other interests are such that:

1. award of this Contract may result in an unfair competitive advantage;

2. the Contractor's objectivity in performing the contract work may be impaired; or

3. the Contractor has disclosed all relevant information and requested the Local Public Agency to make a determination with respect to this Contract.

b. The Contractor agrees that if after award he/she discovers an organizational conflict of interest with respect to this Contract, he/she shall make an immediate and full disclosure in writing to the Local Public Agency which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The Local Public Agency may, however, terminate this Contract for the convenience of the Local Public Agency if it would be in the best interest of the Local Public Agency.

- c. In the event the Contractor was aware of an organizational conflict of interest prior to the award of this Contract and intentionally did not disclose the conflict to the Local Public Agency, the local Public Agency may terminate the Contract for default.
- d. The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the Local Public Agency and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance of work under this Contract.

26. **INSPECTION BY LOCAL PUBLIC AGENCY**

The Local Public Agency shall have the right to inspect the work at all times and at the completion thereof.

27. **PAYMENT**

An invoice for payment shall be submitted only after all work under this project is complete and the Local Public Agency has inspected and approved the condition of the work site. The following shall accompany the invoice for payment:

- a. receipts for rodent/pest extermination if required under this Contract;
- b. receipts from the State-approved disposal site where debris under this Contract was taken by the Contractor for disposal; and
- c. receipts from licensed septic tank waste hauler; and
- d. certification of lien releases and waiver of claim from subcontractors and/or suppliers.

Progress payments shall not be permitted, only a single final and full payment after work has been completed and approved shall be made.

28. **TIME FOR COMPLETION**

The work, which the Contractor is required to perform under this Contract, shall be fully 100 percent completed by October 31, 2013.

**No extension of time shall be granted or excusable delays permitted for any reason whatsoever unless by approved change order.** Liquidated damages in the amount of \$50.00 per day for each calendar day beyond thirty (30) days shall be deducted from the contract amount. The Local Public Agency shall not be obligated to notify the contractor in advance when liquidated damages begin to accrue.

29. **EXCUSABLE DELAYS**

The contractor shall not be charged with liquidated damages for any delays in the completion of work due:

- a. To any acts of the Government; including controls or restrictions upon or requisitioning of materials, equipment, tools, or labor by reason of war, National Defense, or any other national emergency.
- b. To any acts of the Local Public Agency;
- c. To causes not reasonably foreseeable by the parties to this Contract at the time of the execution of the Contract which are beyond the control and without the fault or negligence of the Contractor; including but not restricted to, acts of God or of the public enemy, acts of another contractor in the performance of some other contract with the owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and weather of unusual severity such as hurricanes, tornadoes, cyclones, and other extreme weather conditions; and,
- d. To any delay of a subcontractor occasioned by any of the causes specified in subparagraph a., b., and c. above. Provided, however, that the contractor promptly (within 10 days) notifies the Local Public Agency in writing of the cause of the delay. If the facts show the delay to be properly excusable under the terms of this Contract, the Local Public Agency shall extend the contract time by a period commensurate with the period of excusable delay to the completion of the work as a whole.

30. **RECORDS RETENTION**

The Contractor shall retain all records related to this Contract for 5 years after final payment is made and all pending matters related to this Contract are closed. The Contractor shall permit access by the Local Public Agency, the U.S. Department of Housing and Urban Development (HUD), the State of Ohio, and the Comptroller General of the United States, or their designees to any books, documents, papers and records of the Contractor for the purpose of audit examination, excerpts and transcripts.

31. **TERMINATION OF CONTRACT**

The Local Public Agency may terminate this Contract at any time for cause or convenience by giving written notice of such to the Contractor 10 days in advance of such termination as follows:

a. **Termination of Clause**

If the Contractor should breach this Contract or fail to perform the services required by the Contract, the Local Public Agency may terminate the Contract for cause by giving written notice or may give the Contractor a stated period of time within which to remedy its breach of contract. If the Contractor shall fail to remedy the breach within the time allotted by the Local Public Agency, the Contract may be terminated by the Local Public Agency at any time thereafter upon written notice to the Contractor or, in the alternative, the Local Public Agency may give such extension of time to remedy the breach as the Local Public Agency determines to be in its best interest. The Local Public Agency's forbearance by not terminating the Contract for a breach of contract shall not constitute a waiver of the Local Public Agency's right to terminate nor acquiescence in future act or omissions by the Contractor of a like nature. If the Contract is terminated for cause, breach of contract or failure to perform, the Contractor may be subject to a claim by the Local Public Agency for the costs and expenses incurred in securing a replacement Contractor to fulfill the obligations of the contract.

b. **Termination of Convenience**

The contract may be terminated by the Local Public Agency in whole or in part for the convenience of the Local Public Agency without a breach of Contract by delivering to Contractor a written notice of termination specifying the extent to which performance under this Contract is terminated and the effective date of the termination. Upon receipt of such a notice of termination, the Contractor must stop work, including but not limited to work performed by subcontractors and consultants, at such time and to the extent specified in the notice of termination. If the Contract is terminated in whole or in part for the convenience of the Local Public Agency, the Contractor shall be entitled only to payment for work done prior to the notice of termination and thereafter shall be entitled to payment for work, if any, not terminated, but shall not be entitled to lost profits for the portions of the Contract which were terminated.

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

CONTRACTOR:

Edgco, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

BELMONT COUNTY COMMISSIONERS

By: Ginny Favede /s/

Ginny Favede  
President

Certificate of Fund Availability:

\_\_\_\_\_  
Andy Sutak

Auditor

Approved as to Form and Legality:

David Liberati /s/

David Liberati

Asst. County Prosecutor

Upon roll call the vote was as follows:

Mr. Coffland	Yes
Mr. Probst	Yes
Mrs. Favede	Yes

**IN THE MATTER OF SIGNING CONTRACT BETWEEN BCDJFS AND FAMILY SERVICES AND JEFFERSON COUNTY COMMUNITY ACTION COUNCIL, INC., FOR ADMINISTRATIVE ENTITY SERVICES FOR WIA AREA 16**

Motion made by Mrs. Favede, seconded by Mr. Coffland to approve and sign the contract between the Belmont County Department of Job and Family Services and Jefferson County Community Action Council, Inc. for administrative entity services for Workforce Investment Area 16 (WIA-16), in the amount of \$64,276.56, effective October 1, 2013 through September 30, 2014.

*Note: BCDJFS is the fiscal agent for WIA 16. This contract is paid for with WIA funding from all 4 counties (Belmont, Carroll, Harrison and Jefferson).*

**BELMONT COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES  
Purchase of the Performance of Services Contract**

**Whereas**, this contract, entered into on this 1<sup>st</sup>, day of October 2013, by and between the Belmont County Department of Job and Family Services (hereinafter "Purchaser") acting as the Fiscal Agent for Workforce Investment Area-16 and Jefferson County Community Action Council, Inc (hereinafter "Contractor"), is for the purchase of the performance of the following services: Administrative Entity services for WIA-16.

**I PURPOSE**

The purpose of this contract is to provide Administrative Entity services for WIA-16 Workforce Investment Board, Youth Council, and WIA-16 Council of Government.

**II PARTIES**

The parties to this agreement are as follows:

- Purchaser:** The Belmont County Department of Job and Family Services  
**(Fiscal Agent for Workforce Investment Area 16)**  
310 Fox Shannon Place  
St. Clairsville, OH 43950  
740-695-1075
- Contractor:** Jefferson County Community Action Council, Inc  
114 North 4<sup>th</sup> Street  
P.O. Box 130  
Steubenville, OH 43952  
740-282-0971

**III CONTRACT PERIOD**

This contract and its terms will become effective on October 1, 2013. The termination date of this contract is September 30, 2014. This contract is for Administrative Entity services and may be extended for up to two additional years, based on meeting contractual requirements, not to exceed September 30, 2016.

**IV DEFINITIONS**

The following words, phrases and terms, when used in this contract, are limited to the following definitions:

Allowable Costs

Those costs which are necessary, reasonable, allocable and allowable under applicable Federal, State, and local law for the proper administration and performance of services to customers.

Services

Services by the Contractor under this contract include all those outlined in Article V and include all services, performance reporting and evaluation and monitoring responsibilities as well as meeting all performance standards stated herein.

Administrative Entity

The Entity responsible for administrative duties as identified in Section V, Scope of Work, of this Contract.

**V SCOPE OF WORK**

Subject to the terms and conditions as set forth in this document and incorporated attachments, the Contractor and Purchaser agree to perform the following services to the level of performance as herein stated:

**A. Contractor Responsibilities**

1. Contractor shall provide support for the Council of Government (COG), Workforce Investment Board (WIB), and Youth Council.
2. Maintain thorough and accurate records of all Area programmatic activities, including minutes of all WIB COG and Committee meetings.
3. Assist in development of local plan.
4. Communicate local planning information to the COG, WIB, and Youth Council.
5. Assist in administration of Local Grants.
6. Develop local policies, manuals and procedures.
7. Maintain Area policies and by-laws and insure that all policies are within Federal and State guidelines.
8. Facilitate communication between the counties and between the Area and the State.
9. Provide or arrange technical assistance and training for local program operators, service providers, One-Stop operators, and others as needed.
10. Assist with procurement and inventory control.
11. Assist with support of local information technology infrastructure.
12. Provide administrative oversight for Program and Fiscal Monitoring and Fiscal Technical Assistance, via sub-contractors, of the Workforce Investment Act programs for Belmont, Carroll, Harrison, and Jefferson counties, to assist with the draw, reporting, and reconciliation of WIA funding and financial monitoring. Additionally, will provide oversight for the completion and submission of the Memorandum of Understanding (MOU) among the One Stop partners.
13. Assure all Grant Applications are presented to the AREA 16 WIB, following procedures outlined in the Area 16 WIB By-laws, prior to submission to any state and/or federal agency inclusive of the Ohio Department of Job and Family Services, Ohio Department of Development, and United States Department of labor.
14. Represent the Area at meetings, including State required events, and association events as directed by the WIB.
15. Present all contracts for Area services to the WIB and the COG for approval and signatures prior to initiation of the contract.

**B. Purchaser Responsibilities**

1. Purchaser will provide readily available information that may be needed by Contractor to report program status to COG, WIB and Youth Council, and the State of Ohio as necessary.
2. Purchaser will reimburse all costs related to providing services for this contract.



3. Purchaser will monitor Contractor's activities pursuant to this contract to ensure they are compliant with service requirements, and reporting and monitoring, as included in this contract.

**C. Contractual Reviews**

**In addition to ongoing contract monitoring, the Contractor and Purchaser may meet to review the program and the delivery of services.**

**D. Reporting**

Contractor shall submit progress reports to Purchaser according to such schedule and containing such information as Purchaser, may require for the purpose of monitoring compliance or evaluating Contractor's performance relative to the Agreement or any Addendum thereto.

**F. Evaluation and Monitoring**

For the purposes of monitoring compliance and verifying performance, Contractor agrees to permit the employees, authorized agents, or other designates of Purchaser to make on-site visits at reasonable times during the term of the Agreement; interview employees and agents of Contractor involved in the performance of the activities or services funded, directly or indirectly, under this Agreement and interview businesses in any activity or service funded, wholly or in part, under this Agreement; and, access any financial and employment records, including supporting documents, as may be clearly germane to this Agreement or any service funded, wholly or in part, under this Agreement.

Contractor also agrees to furnish Purchaser with copies or other reproductions of materials or other end products developed by Contractor in the course of the furtherance of the provisions of this Agreement at the request of and at cost to Purchaser.

Contractor acknowledges that any monitoring that discovers significant violations of the terms and conditions of this Agreement or any Addendum thereto shall be cause to void the Agreement or Addendum and terminate all payment obligations there under.

**VI AVAILABILITY OF FUNDS**

Payments for performance of services provided pursuant to this agreement are contingent upon the continued availability of WIA Funds (CFDA # 17.258 Adult, CFDA #17.278 Dislocated Worker, CFDA #17.259 Youth). The amount of reimbursement to Contractor under the terms of this contract is **\$64,276.56 of WIA Funds** (CFDA # 17.258 Adult, CFDA #17.278 Dislocated Worker, CFDA #17.259 Youth).

In the event that additional funding is acquired under National Emergency Grants (NEG) or any other grant, a modification to this contract is authorized increasing the funding by the amount approved by the COG not to exceed the amount authorized in the NEG or other grant. The modification will identify the NEG by name (CFDA # 17.277) and the amount of the increase. Payment would then be invoiced identifying the programs being charged.

**All financial obligations of Purchaser under this contract are subject to federal and Ohio funding levels consistent with the fiscal year.**

**VII ALLOWABLE COSTS**

Purchaser will reimburse only for those costs authorized under applicable federal, Ohio and local laws and policies.

**VIII BILLING, PAYMENT AND COSTS**

Invoices will be submitted bi-monthly by the Contractor around the 10<sup>th</sup> day and 25<sup>th</sup> day of the month. Failure to submit this information on time may be a breach of this contract. Purchaser will review the invoices for completeness and accuracy before making payments. Accurate and complete invoices are payable within thirty (30) days of receipt or as soon as the Belmont County Auditor processes the payment.

Reasons for denial of payment include but are not limited to: failure to meet service requirements, failure to meet performance standards, failure to meet performance reporting requirements and failure to meet evaluation and monitoring requirements.

**IX DUPLICATE BILLING**

Contractor warrants that claims made to Purchaser for payment shall be for performance of actual services rendered to eligible individuals and shall not duplicate claims made by Contractor to other sources of funds, public or private, for the same services. Nothing in this provision shall be interpreted to prohibit use of multiple sources of funds, public or private, to serve participants, as long as each service is not paid for more than once.

**X AUDIT RESPONSIBILITY AND REPAYMENT**

Contractor is responsible for receiving, replying to and complying with any audit exception by federal, State of Ohio, or local audit directly related to the performance of this contract.

Audits may be conducted using a "sampling" method. Areas to be reviewed using this method may include but are not limited to months, expenses, total units and billable units. If errors are found, the error rate of the sample will be applied to the entire audit.

Contractor agrees to repay Purchaser the entire amount of any payment received for duplicate or erroneous billings and for false or deceptive claims. When an overpayment is identified it must be repaid within one (1) month.

If repayment within one (1) month cannot be made, Contractor will sign a Repayment of Funds Agreement. Furthermore, Purchaser may withhold payment and take any other legal action it deems appropriate for recovering any money erroneously paid under this contract, if evidence exists of less than complete compliance with the provisions of this contract. If checks are withheld pending repayment by Contractor of erroneously paid funds, those checks held more than sixty (60) days will be canceled and will not be re-issued.

Purchaser, at its sole discretion, may allow a change in the terms of repayment. Such change will require an amendment to the Repayment of Funds Agreement.

**XI DISPOSITION OF ASSETS**

Assets purchased under this agreement shall be the property of Purchaser and shall be delivered to Purchaser when the term of this contract expires.

**XII WARRANTY**

Contractor warrants that its services shall be performed in a professional and work like manner in accordance with applicable professional standards.

**XIII INSURANCE**

Contractor shall comply with the laws of the State of Ohio with respect to insurance coverage and shall carry during its entire performance of this contract, and keep in full effect, Worker's Compensation Insurance. A copy of the document evidencing said coverage shall be furnished to Purchaser prior to the effective date of this contract.

The Contractor shall also obtain and maintain, at all times throughout the term of this agreement, and at Contractor's expense, a policy of professional liability or commercial general liability insurance (as applicable) with an insurance company licensed in the State of Ohio.

**XIV NOTICE**

Notice as required under this agreement shall be sufficient if it is by certified mail, return receipt requested, provided that such notice states that it is a formal notice related to this contract.

**XV AVAILABILITY AND RETENTION OF RECORDS**

In addition to the responsibilities delineated in other articles, Contractor is specifically required to retain and make available to Purchaser all records relating to the performance of services under this contract, including all supporting documentation necessary for audit by Purchaser, the State of Ohio (including but not limited to the Ohio Department of Job and Family Services, the Auditor of the State of Ohio, Inspector General or other duly appointed law enforcement officials) and agencies of the United States Government for

at least three (3) years after payment under this agreement. If an audit is initiated during this time period, Contractor shall retain such records until the audit is concluded and all issues are resolved.

**XVI CONFIDENTIALITY**

Contractor agrees to comply with all federal and state laws applicable to Purchaser and its consumers concerning the confidentiality of its consumers. Contractor understands that any access to the identities of such consumers shall only be provided as is necessary for the purpose of performing its responsibilities under this contract. Contractor understands that the use or disclosure of information concerning Purchaser's consumers for any purpose not directly related to the performance of this contract is prohibited.

**XVII CONFLICT OF INTEREST AND DISCLOSURE**

Nothing in this contract precludes, prevents or restricts Contractor from obtaining and operating under other agreements with parties other than Purchaser, as long as this other work does not interfere with Contractor's performance of services under this contract. Contractor warrants that at the time of executing this contract, it has no interest in and never shall it acquire any interest, direct or otherwise, in any agreement which will impede its ability to perform as provided in this agreement. Contractor further avers that no financial interest was involved on the part of any of Purchaser's offices, Board of County Commissioners or other county employees involved in the negotiation of this agreement or the development of its provisions. Furthermore, Contractor has no knowledge of any situation that would be a conflict of interest. It is understood that a conflict of interest occurs when an employee of Purchaser will gain financially or receive personal favors as a result of the signing or implementation of this contract.

Contractor will report the discovery of any potential conflict of interest to Purchaser. Should a conflict of interest be discovered during the term of this contract, Purchaser may exercise any of its rights under this contract including termination, cancellation, rescission, remuneration, repayment and modifications.

Contractor hereby covenants that it has disclosed any information that it possesses about any business relationship or financial interest that it has with a county employee, employee's business or any business relationship or financial interest that a County employee has with Contractor or in its business.

**XVIII COMPLIANCE**

Contractor certifies that all who perform services, directly or indirectly, under this contract, including Contractor and all approved subcontractors, shall comply with all federal laws and regulations, including applicable OMB circulars, Ohio laws and regulations, including Ohio Administrative Code rules and all provisions of the Workforce Development Area 16 Workforce Investment Board's policy in the performance of work under this contract.

Contractor accepts full responsibility for payment of any and all unemployment compensation premiums, all income tax deductions, pension deductions, and any and all other taxes or payroll deductions required for the performance of the work required hereunder by Contractor's employees.

Contractor shall obtain all necessary approval, licenses or other qualifications necessary to conduct business in the State of Ohio prior to the effective date of this contract or this contract shall be void as of that date.

**XIX RELATIONSHIP**

Nothing in this contract is intended, or shall be interpreted, to constitute a partnership, association or joint venture between Contractor and Purchaser. Contractor will at all times have the status of independent contractor without the right or authority to impose tort, contractual or any other liability on Purchaser, the Belmont County Board of Commissioners and the Workforce Development Area 16 Workforce Investment Board.

**XX ASSIGNMENTS**

Contractor shall not assign this contract without express, prior, written approval of Purchaser.

**XXI SUBCONTRACTS**

Contractor shall not subcontract the performance of services agreed to in this contract, or any part thereof, without the express, prior, written approval of Purchaser. In the event Purchaser approves of a subcontract of all or part of the performance required herein, Contractor shall remain solely responsible for all performance hereunder, including delivering services, reporting performance and assisting with evaluation and monitoring, as described in this contract. Contractor is solely responsible for making payments to any and all subcontractors for any services they may provide hereunder. Any subcontractors are subject to all terms, conditions and covenants contained in this contract.

**XXII INTEGRATION, MODIFICATION AND AMENDMENT**

This instrument is the entire contract between the parties and no covenants, terms, conditions or obligations exist other than those contained herein. This Contract supercedes all previous communications, representations or writings, including other contracts, written or oral, between the parties.

Any modification or amendment to this contract shall be done in writing executed by all parties to this contract, including any modification involving proportional payment for services performed below the standards stated in this contract.

**XXIII TERMINATION**

This contract may be terminated by either party upon providing notice in writing delivered upon the other party, sixty (60) days prior to the effective date of termination. Should Contractor wish to terminate this contract, notice to Purchaser must be delivered sixty (60) days prior to the effective date of the termination. Any funds paid under this contract for services to be performed after the date of termination shall be repaid in accordance with Article X of this agreement.

**XXIV BREACH OF CONTRACT**

Should either party fail to perform as required under this contract, that failure of performance shall be a breach of this contract and will trigger the other party's rights of termination, cancellation, remuneration, repayment, rescission and modification, as defined herein and at the non-breaking party's discretion. Although in the event of breach, the non-breaking party has the right to terminate, cancel, rescind, modify and demand remuneration and/or repayment (as applicable), the non-breaking party is not required to avail itself of any of these rights and may choose to continue the contract, at its discretion.

**XXV WAIVER**

Any waiver of any provision or condition of this contract shall not be construed or deemed to be a waiver of any provision or condition of this contract, nor a waiver of a subsequent breach of the same provision or conditions.

**XXVI INDEMNIFICATION**

Contractor agrees to protect, defend, indemnify and hold free and harmless Purchaser, its officers, employees and agents, the Belmont County Board of County Commissioners and the Workforce Investment Area 16 Workforce Investment Board against any and all losses, penalties, damages, settlements, costs or liabilities or every kind arising out of or in connection with any acts or omissions, negligent or otherwise, of Contractor, its officers, agents, employees and independent contractors.

Contractor shall pay all damages, costs and expenses of Purchaser, its officers, agents and employees, the Belmont County Board of Commissioners and the Workforce Investment Area 16 Workforce Investment Board.

**XXVII GOVERNING LAW AND FORUM**

This contract and any modifications and amendments thereto shall be governed by, and construed under, the laws of the State of Ohio. Any legal action brought pursuant to this contract shall be filed in the courts of Belmont County, Ohio.

**XXVIII SEVERABILITY**

If any term or provision of this contract or its application to any person or circumstance is held to be invalid or unenforceable, the remainder of this contract and its application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this contract shall be valid and enforced to the fullest extent permitted by law.

**XXIX NON-DISCRIMINATION**

Contractor certifies it is an equal opportunity employer and shall remain in compliance with federal and Ohio civil rights and non-discrimination laws and regulations including but not limited to Titles VI and VII of the Civil Rights Act of 1964 as amended, Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in the Department of Labor regulations (41 CFR Chapter 60), the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975, the Age Discrimination Employment Act as amended and Ohio Civil Rights Laws.

During performance of this contract, Contractor will not discriminate against any employee, contract worker or applicant for employment on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. Contractor shall take affirmative action to ensure that during employment all employees and contract workers are treated without regard to race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief or place of birth. Such action shall include but not be limited to employment, promotion, demotion, transfer, recruitment, recruitment advertising, layoff termination, rates of pay or other forms of compensation and selection for training including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices stating that Contractor complies with all applicable federal and Ohio non-discrimination laws. Contractor, or any person claiming through Contractor, agrees not to establish or knowingly permit any such practice or practices of discrimination or segregation in reference to anything relating to this contract, or in reference to any contractors or subcontractors of Contractor.

**XXX CHILD SUPPORT ENFORCEMENT**

Contractor agrees to cooperate with Purchaser, ODJFS and any other child support enforcement agency in ensuring that Contractor's employees meet child support obligations established under Ohio law. Furthermore, by executing this contract, Contractor certifies present and future compliance with any order for withholding support which is issued pursuant to the Ohio Revised Code.

**XXXI PUBLIC ASSISTANCE WORK PROGRAM CUSTOMERS**

In compliance with the Ohio Revised Code, Contractor agrees not to discriminate against customers of the Ohio Works First Program in either hiring or promoting. Contractor agrees to include this provision in any contract, subcontract, grant or procedure with any other party that will be providing services, directly or indirectly, to Purchasers' Ohio Works First customers.

**XXXII DRUG-FREE WORKPLACE**

Contractor will comply with all applicable state and federal laws regarding a drug-free workplace. Contractor will make a good faith effort to ensure that all employees performing duties or responsibilities under this contract while working will not purchase, transfer, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

**XXXIII COPELAND "ANTI-KICKBACK" ACT**

Contractor will comply with 18 U.S.C. 874 as supplemented in the Department of Labor regulations 29 CFR Part 5.

**XXXIV DAVIS-BACON ACT**

Contractor will comply with 40 U.S.C. 276a to 276a-7 as supplemented by Department of Labor regulations 29 CFR Part 5.

**XXXV CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**

Contractor will comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-330 as supplemented by the Department of Labor regulations 29 CFR Part 5.

**XXXVI PUBLIC RECORDS**

This contract is a matter of public record under the laws of Ohio. Contractor agrees to make copies of this contract promptly available to the requesting party.

**XXXVII CLEAN AIR ACT**

Contractor shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h), section 508 of the Clean Air Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

**XXXVIII ENERGY EFFICIENCY**

Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

**XXXIX COPYRIGHTS AND RIGHTS IN DATA**

Contractor shall comply with all applicable standards, orders or requirements issued under Title 17, U.S.C. (Pub. L. 94-553, title I, Sec. 101, Oct. 19, 1976, 90 Stat. 2544; Pub. L. 101-650, title VII, Sec. 703, Dec. 1, 1990, 104 Stat. 5133.

**XL PATENT RIGHTS**

Contractor shall comply with all applicable standards, orders or requirements issued under Chapter 18 of Title 35, U.S.C. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401), Presidential Memorandum on Government Patent Policy to the Heads of Executive Department and Agencies dated February 18, 1983, and Executive Order 12591.

**XLI PROCUREMENT**

Contractor shall establish safeguards which prohibits employees engaged in the procurement of goods and services or in the award and administration of contracts from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

All procurement transactions shall be conducted in a manner that provides, to the maximum extent practical, open and free competition.

Goods purchased must be necessary to the performance of the services to be performed.

Whenever possible, consideration shall be given to whether purchase or lease is the most economical and practical procurement alternative.

Contracts for services shall be made only with responsible subcontractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Positive steps shall be taken to procure services, equipment, or supplies from small businesses, minority-owned firms, and women's business enterprises, whenever possible.

Preference, to the extent practicable and economically feasible, shall be given to

- 1) domestic producers or manufacturers in accordance with the provisions of the Buy American Act of 1993, as amended (41 U.S.C. 10a et seq.);
- 2) recycled products and products and services that conserve natural resources and protect the environment and are energy efficient in accordance with the provisions of the Resource Conservation and Recovery Act of 1976, as amended, (PL 94-580) and the guidelines developed by the Environmental Protection Agency found at 40 CFR Parts 247-254; and;
- 3) products dimensioned in the metric system of measurement.

**Signatures:**

Lisa Fijalkowski /s/  
Lisa Fijalkowski, Interim Director  
Belmont County Department of Job and Family Services  
**(Fiscal Agent for Workforce Investment Area 16)**  
310 Fox Shannon Place

9/12/13  
Date

St. Clairsville, OH 43950

Barbara West CEO Jefferson County Community Action Council, Inc 114 N 4 <sup>th</sup> Street Steubenville, OH 43952	Date
WIA-16 Workforce Investment Board Chair	Date
WIA-16 Council of Government Chair <u>Charles R. Probst, Jr. /s/</u>	Date 9/18/13
Belmont County Commissioners <u>Ginny Favede /s/</u>	Date 9/18/13
Belmont County Commissioners <u>Matt Coffland /s/</u>	Date 9/18/13
Belmont County Commissioners <u>David K. Liberati /s/</u>	Date 9-16-13
Approved as to form: Belmont County Prosecutor	Date

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**IN THE MATTER OF APPROVING AND SIGNING TWO AMENDMENTS TO THE PRC PLAN ON BEHALF OF BCDJFS FOR TWO, ONE-TIME, LIMITED TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) SPECIAL PROJECTS**

Motion made by Mrs. Favede, seconded by Mr. Coffland to approve and sign two amendments to the Prevention, Retention and Contingency (PRC) plan, on behalf of Belmont County Department of Job & Family Services, for two, one-time, limited Temporary Assistance for Needy Families (TANF) Special Projects, vouchers to be used by 9/22/13, based upon the recommendation of Lisa Fijalkowski, Interim Director as follows:

- 1) Purpose: PRC program to purchase clothing for children, needed household goods and other items
- 2) Purpose: enable the purchase of clothes for children, baby needs, laptop computers and printers for Ohio Works First (OWF) work required recipients

**PRC AMENDMENT  
TANF SPECIAL PROJECT**

**Purpose:**

- The Belmont County Department of Job and Family Services, in an effort to preserve families and help reunite those who have been separated, will be implementing a one- time, limited PRC program to purchase clothing for children, needed household goods as listed below, and other items, upon approval, deemed necessary to achieve these goals. For this one time program we are also including the non-parent caretaker (child only) who are in receipt of OWF.

**Duration:**

- The program will run 09/16/13 through 09/19/13
- If approved, vouchers must be used by 09/22/13 or benefit will be voided.

**Eligibility Requirements:**

- An application must be completed.
- All income received in the last 30 days must be verified prior to approval.
- Income must be at or below 350% Federal Poverty Level for the family's size.
- All other eligibility requirements remain the same as addressed in the agency's PRC manual.

**Program Specifics:**

- Each child not in custody of BCDJFS will be eligible to receive a \$250 voucher for the purchase of clothing. The following items can be purchased: clothes, shoes, boots, socks, undergarments, and coats.
- The applicant can receive an additional voucher for the purchase of other necessary items as addressed in the PRC policy. This can be issued to up to \$1500. These items can include, but are not limited to:
  - Furniture (beds, mattresses, box springs, kitchen table and chairs)
  - Domestic items (blankets, sheets, towels, curtains)
  - Appliances
  - Cleaning Supplies (paper towels, spray cleaners, bathroom cleaner, laundry soap and dish detergent)
  - Household Items (dishes, storage totes, cooking items)
  - Personal Hygiene Items (shampoo, deodorant, toilet tissue)
  - Baby items (diapers, strollers, baby gates, cribs, car seats)
- Services available will be in compliance with those addressed in the Agency's PRC policy.

**Assistance provided during this one-time program will not count toward the client's maximum PRC eligibility amount for the following twelve months. Any exceptions to this policy are at the discretion of the Director or Children Services Administrator.**

**Signatures:**

<u>Lisa Fijalkowski /s/</u>	9/16/13
Lisa Fijalkowski, Interim Director Belmont County Department of Job and Family Services 310 Fox Shannon Place St. Clairsville, OH 43950	Date
<u>Matt Coffland /s/</u>	9/18/13
Belmont County Commissioner	Date
<u>Ginny Favede /s/</u>	9/18/13
Belmont County Commissioner	Date
<u>Charles R. Probst, Jr. /s/</u>	9/18/13
Belmont County Commissioner	Date
N/A	Date
Approved as to form: Belmont County Prosecutor	Date

TANF SPECIAL PROJECT

**Purpose:**

- The Belmont County Department of Job and Family Services, in an effort to assist Ohio Works First work eligible recipients in achieving and maintaining unsubsidized employment and reduce dependency on the OWF program, does hereby establish a one-time only program that will enable our OWF work-required recipients to purchase clothes for children, baby needs, laptop computers and printers.

**Duration:**

- The program will operate from 09/16/13 through 09/19/13.
- If approved, vouchers must be used by 09/22/13 or benefit will be voided.

**Eligibility Requirements:**

- An individual must be a Belmont County resident, in receipt of OWF cash assistance, and required under the JOBS Program.
- There can be no current sanctions or outstanding overpayments, clients must be cooperative with CSEA, and meet all other general eligibility requirements.
- For the purchase of laptops and printers a recipient must be enrolled in school, have enrollment and attendance verified, and be assigned under the ETWA component.
- An application is needed for this program.

**Program Specifics:**

- Laptops and/or printers can be purchased up to \$600 total.
- Each child in the home and on the OWF assistance payment at the time of the application will be eligible for \$250 to purchase clothing. The following items can be purchased: clothing, shoes, boots, coats, socks, and undergarments.
- A pregnant woman, who is in her third trimester, receiving OWF cash assistance and work required, can receive \$250 to purchase crib, crib mattress, blankets, baby clothes, car seat, stroller, soaps, lotions, bottles, etc.

**Signatures:**

<u>Lisa Fijalkowski /s/</u>	<u>9/16/13</u>
Lisa Fijalkowski, Interim Director	Date
Belmont County Department of Job and Family Services	
310 Fox Shannon Place	
St. Clairsville, OH 43950	
<u>Matt Coffland /s/</u>	<u>9/18/13</u>
Belmont County Commissioner	Date
<u>Ginny Favede /s/</u>	<u>9/18/13</u>
Belmont County Commissioner	Date
<u>Charles R. Probst, Jr. /s/</u>	<u>9/18/13</u>
Belmont County Commissioner	Date
<u>N/A</u>	<u>                    </u>
Approved as to form:	Date
Belmont County Prosecutor	

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Yes

**BREAK**

**DISCUSSION HELD RE: RICE ENERGY PROPOSED LEASE (continued)** – Colin Peck was present. Mr. Coffland stated he is ready to move on the lease. Mrs. Favede asked the Clerk to take the lease and have the Prosecutor “Approve As To Form.”

**BREAK**

**IN THE MATTER OF ENTERING INTO AN OIL AND GAS LEASE WITH RICE DRILLING D, LLC/COMMISSIONERS**

Motion made by Mrs. Favede, seconded by Mr. Coffland to enter into an Oil and Gas Lease with Rice Drilling D, LLC, in the amount of \$7,500.00 per net mineral acre for 406.4426 gross acres for a five-year term with a five-year option to renew, 20% royalty.

**Note:** Mrs. Favede asked that the record reflect that Prosecutor did sign off as to form on the lease.

**DISCUSSION HELD** – Before roll call was taken Mr. Probst asked the Commission if he could continue to research this a little more, as he stated we all should. He said we are now receiving additional information from the County Prosecutor who advised it would be a mistake to sign this lease with the Enhancement clause in it. Mr. Probst wants to further follow up on that. As Mr. Probst has been asked in the past, he is now asking his colleagues to give him more time to research. He did not think another 48 hours would jeopardize this lease. Mr. Probst asked to have time to speak with the Prosecutor, who is our legal counsel and he has received information today about the terms of the lease as presented to the board by Rice and about some other lease deals that were made in the recent past that paid more and also a little more on the royalties. He has concerns about the Prosecutor’s letter to the board regarding the Enhancement clause. Mrs. Favede asked Mr. Probst if his letter says something different than hers as hers does not say that. She showed her letter to Mr. Probst. He stated he spoke with the Prosecutor on the phone and he advised him and the letter accompanied the lease. He relayed this information to the other board members. Mrs. Favede stated she was confused and asked Mr. Probst to read his letter. Mr. Probst refused. Mrs. Favede said that is not what her letter states. Mr. Probst said, “The point I am trying to make here; why can’t we take a look at this to make sure we are doing the best for the residents of Belmont County today and into the future? That’s why I am asking. What is the hurry on this today. Please explain that.” Mr. Coffland said, “Well I take exception because I have sat here for the last three weeks and met with this gentleman and with Jayne and with her, and gone over this lease piece by piece by piece. And I feel that we got as a good of a deal as we can get. I mean, so, I have done my homework on this project and I feel that, I feel comfortable on moving.”

Mrs. Favede stated, “For the record, I received a letter on behalf of the Prosecuting Attorney, September the 18<sup>th</sup>, 2013, to the Belmont county Commissioners regarding the oil and gas lease with Rice Energy. She read the following:

Dear Commissioners,

I have reviewed the latest addition of the proposed lease. It does contain the changes we had discussed. However, the *(He has a spelling error. He says Entrancement, but he actually means Enhancement clause.)* Entrancement Clause does still remain in this lease. I have shared with you my concerns about this clause and benefits of having it stricken or removed from the lease. I did not receive a consensus from you all as to your position on this clause. As provided, it is still in this lease.

Sincerely,

Chris Berhalter  
Prosecuting Attorney  
Belmont County, Ohio

Mr. Coffland said, “I’m good. There is a motion on the floor. Roll call please.” Mrs. Favede said, “I would like to hold the motion temporarily to discuss this. I don’t, this is too big of an opportunity for the county for us to go into this. I am not sure what other research we

need to do. I mean we have been working on it for weeks. I mean we represent Rice. I mean we have gone over this particular and enhancement clause ad nauseam. I am concerned about missing the opportunity at this price. Because whereas there may be an opportunity to bring additional dollars, it's also there is an opportunity to lose it." Mrs. Favede said, "For the record, Ms. Long can you tell me when we first advertised to take bids for our property? (The Clerk went to retrieve this information.)

Mr. Probst said he had a conversation with the Prosecutor and he explained everything to him on the phone and he relayed that and he said I am going to accompany that with a letter because six or seven years down the road, when the Commissioners' royalties are reduced that, all because of this enhancement clause, I can't advise you to sign that lease. Mr. Probst stated that the Prosecutor told him, "As Commissioners you can sign it, but I am telling you it is a mistake if you do with that enhancement clause in it."

While information is being gathered Mrs. Favede noted there are additional motions. Mr. Coffland said he would like to present some information on this before we proceed. If the board does not object, Mr. Coffland continued stating the following: "We are talking about combining our agency from one, taking out of Job & Family Services, I'd like to present this to the press and I'd like to present this to Chuck and Ginny. Right now we are operating as a combined agency under our Department of Job & Family Services. Right now we do what is called a cost share. For us to share 11 employees with DJFS and with Senior Services with Senior Services, 11 employees, it costs us to date this year, January, February and March, it costs out of the levy money, \$30,557.00 for 11 employees. April, May and June it cost \$27,944.00. Taking in December, with 16 employees, was \$16,398.00. To come up with your \$74,869.00. We get 11 employees for that money. We are right now talking about offering one (1) position, right now at a rate with benefits, one (1) employee that will be over that amount for the full year. This is for 8 months. As of right now Job & Family Services is running at \$1.9 million. \$1.985 is what they have gone through in 8 months. This is the best bang for our dollar that, and I got to say, that in the beginning when it was brought to me, I opposed it because I didn't think we did enough of our homework on it, as I am saying we have not done enough this time. I tried to stop it last time because we did not do our homework. I am asking you to please review this because you cannot get 11 employees for a price of \$74,000.00. If so, I am hiring all 11 of them because this is what we get; they specialize in each field and I don't know everyone's position, but if you go to the back (of the handout) Lisa Fijalkowski, who as Dwayne Pielech, is the Director who oversees the program. Vince Gianangeli, the finance wizard out there who does a great job. Lori O'Grady is the HR Director. Then you have Bob Roth who is the Transportation Director. Lynne Zanke and Bonnie White, I don't know what all their positions are. I'm sorry I wish I knew a little bit more, but we are getting 11 people that we take out of the levy fund of a tune right now of for the year almost \$60,000.00. And all I can tell you is when we go in and we have to replace a director, a finance person, a transportation person, if we just replace those 3 alone, we are going to be way over this dollar value of the senior levy money. I know that we feel that there could be some money brought in through transportation and maybe there can be. But until that is proven and shown to me, I have a hard time accepting that and if it can, can we spend that money to work everybody else. And I just think that this is the wrong move to make financially. As I've continued from day one. I said this is not the right move. The people at Job & Family Services are doing a great job, I feel. I have not had many complaints at all the way our senior service program runs and until we can prove that it can be done cheaper or at least as equal to or I would go even close to, I cannot see making a change. Now you are telling me that, I know you are going to say they are stressed and they got a lot of work; so does everyone in this country right now has a lot of work and working a lot. This was a great move that I disagreed with and I was wrong because I was working numbers. I did not have the chance to finish it, but this is the facts where we are running today and to make this move and hire, and I will take it to any center and show them, or whoever wants to ask, these are the facts, these are the numbers. This is what we are getting for \$60,000.00, 11 employees that specialize in all those fields. And I think it's the wrong move to make and I continue to fight it. Something Mr. Bianconi has asked over and over, we have yet to produce it. Here it is because I never produced it because I just never went after it, but now I had to go after it, and this is it; this is the facts. And there it is. Thank you for your time."

Mrs. Favede stated, "Well it's ironic that your facts are different than my facts. Because you have a total thus to date at \$74,869.00 where I have what was documented and sent to Area Agency 9 for a total of \$58,501.00 through the end of June." Mr. Coffland said, "Exactly, if..." (interrupted by Mrs. Favede). She continued, "So that has me concerned because we are running at \$9,758.00." (Interrupted by Mr. Coffland.) Mrs. Favede continued, "No, no, no I have heard you the opportunity to talk. You afford me the opportunity. \$9,758.00 per month which would have us on tract at \$117,000.00. Now ironically enough, what you need to note is the fact that for the past two months, Mr. Pielech, was at that point the highest paid employee and who worked the most hours, has been deducted from that. So obviously, the decline in those numbers is indicative of the fact that we have less people working. And I will also note for the entire past year, that figure has run \$200,000.00 annually versus \$70,000.00, give or take \$100,000.00. I find it ironic that at the time when we are ready to move it, and irony is what it is, that we are now at 50% less than what it had cost to run it on an average basis for 2 years. All of a sudden the figures have dropped. I will also note not only does it not reflect the cost of Mr. Pielech, it does also not reflect the cost of having a fulltime director in place. A fulltime director. How many people would run a business without a boss in place? We have no one working fulltime on senior services right now. Additionally, I will note that those figures do not reflect the cost one program supervisor whose specific duties are to only monitor 10 senior centers at the tune of \$80,000.00. So for a fulltime program coordinator to earn \$55,000.00 plus benefits at \$70,000.00, you actually have a bargain because instead of just looking at 10 senior centers on a day to day basis, you are actually going to have somebody at \$10,000.00 less whose responsibilities are completely and totally overseeing all of senior services which I think we are the tax levying authority of this county. We collect on an annual basis \$4 million to service our seniors. If we cannot afford a fulltime director to oversee the expenditures and the day to day activities of all things monitoring senior services, then I question why this county is collecting those kinds of funds. Because the money needs to go to what its purpose is, which is taking care of senior services. I had a conversation yesterday and it was no one is working fulltime on senior services. The only fulltime dedicated supervisor we have is currently off on leave. We collect money and we are responsible for the seniors. We spend \$599,119.00 for 10 senior centers. We average 15 persons per senior center. That's 150 people and if you divide that out, we're spending \$4,000.00 per senior just in the senior centers. That's less than 15% of the total population of seniors. I think that we are required to invest our money into all the seniors and to spread out our responsibility. Yes a fulltime coordinator would run us \$70,000.00. As I said, that's \$10,000.00 from the person we are paying fulltime just to run the senior centers. When it was under BSS, we had 4 or 5 fulltime people. It has been determined through the working with the attorney and looking at the *hours* that's being invested that at most we would need two fulltime people to oversee the operations. Much of this work is being done by the actual employees. Aside for the 17 or 11 people that you have been given, there are 30 other employees that work out of Oakview that do the majority of servicing our seniors. Those are our van drivers, our food hot shot drivers, our senior centers. The only people that this will effect is what Mr. Coffland refers to as shared services. So if we look at that time frame, they're talking about people who work, Mr. Pielech worked no hours obviously for the past 2 months on this. Vince Gianangeli spent 4.75 hours in the month of June for senior services. Brenna Rocchio spent 14 hours in the month of June dealing with senior services. Lori O'Grady, I mean obviously Human Resources is different, it's not a day to day activity. 14 hours from Bonnie White. You've got 1, 2, 3, 4 that I can deduct of just fiscal people touching the money and I point this out because we've got Mike Waller at 6 hours; Marcella Petersavage at 3 hours; Lynn Zanke at 4 hours. You have very, very, very few hours being dedicated to handling the money and to overseeing senior services. Now if we're going to talk about being responsible, being responsible isn't getting always the best bang for your buck. It's about doing what's right and for collecting that kind of money, then we need to use it the right and we need to have people in place doing nothing but managing senior services. And the people who go out on a daily basis who run those vans that you bragged about driving out and deliver that food that is such a grueling job that the people who prepare the food, we're talking about those people not being supervised by anyone other than Tina Burkhart, who works fulltime within senior services. We have no administrative fulltime people. And I think the seniors of Belmont County deserve better than that and we need to be responsible fiduciary agents with that money and use it for what is was intended and hire the right people to oversee on a fulltime basis Senior Services. And it doesn't hurt anyone, it just invests more into the very people that this program is to provide for which is our seniors."

Mr. Coffland said, "Which is a program you had in place and you took it away to the tune of almost a half a million dollars. When we had BSS in, and that's the one I voted against, then we were going to be right back to that in time because you have financials, you have transportation director; these gentlemen not only run senior services, they also run 3-4 other departments; Child Services, food stamps, I'm not sure of all, in-home care through Job & Family Services already. So they know how to put their time towards each project that needs addressed or added. We are going to hire a whole new team, a management team to come in here, at many dollars that's being done, has been done at a tune of, they've stayed under their \$2.2 million that we budgeted for the last two years and they've made that program money. That program has come in over \$800,000.00 plus, so it reflects that it is being done right. They do have direct supervisors and Tina Burkhart, Bob Roth, who reports to them every morning, I'm not sure of all the nurses, the director, but they do have lines supervisors that report in to the agency with what is going on. So there are people in place to report to. Mrs. Favade stated, "In 40 months Bob Roth reported to work for senior services for a total of 57 hours over a 3 month period. I think that someone who works for senior services needs to report 40 hours to senior services. My opinion." Mr. Coffland said, "He is Transportation Supervisor. His job is in the morning to make sure the vans are on the road and moving and at the end of the day, he takes care of any breakdowns and shut downs and this and that. I'm not saying that maybe, and I've said this, a coordinator in place to work under Job & Family Services to help, but to put 2 Indians, 2 Chiefs in the same set of Indians, one we are going to have problems because you have nothing moved and set up and ready to take over this and it's going to cost us a lot more money." Mrs. Favade said, "I don't believe it's going to cost us any more money, nor does the attorney who's been working." Mr. Coffland said, "Be sure that's in print because I want to bring it back up when the time does come when this budget goes from \$2.2 million to over probably \$2.7 - \$2.8. Mrs. Favade said, "And I also want to note for the record that the resolution on the motion is the transition and so we have a significant amount of time to put the people into place. And again, the day to day activities, the food being prepared, the food being moved out is not going to be affected whatsoever. We're just going to take work from 11 or what I had was 17 people and consolidate it down to a few people who work fulltime that aren't being, aren't shared services. Aren't spending 4 hours one month and 6 hours the next month, but are spending their time primarily only on senior services. We are going to separate and isolate. And Commissioner Coffland, I do acknowledge that you weren't in favor of this move. And we've talked about that at length over the years. And I have continued to say that as an elected official, it remains one of my biggest regrets having made the decision to move this. I think that looking back that we could have handled it better and differently, given enough time to do it properly, which is what we are trying to do now, but secondly what I really realize is that perhaps it's not done evolving. If Senior Services has continued to be an issue for as long as I can possibly remember here, and it's because we've not really gotten it to where it needs to be. I don't think that it's where it needs to be and perhaps it wasn't in the right place to begin with which is what solicited us moving it, but I think as we continue to evolve it and hone it, I think we are going in the right direction. I think the taxpayers of this county require and expect that of us. And if we've not going to spend the money the way it's meant to be spent, then we need to return the taxpayer dollars to the taxpayers and take off several of our levies because if we are going to worry about spending only \$75,000.00 out of \$4 million to take care of oversight for senior services, then we need to take of several levies and stop collecting it and hoarding it."

Mr. Coffland said, "I mean sorry, but you just sat here and answered a man this morning about building a new senior center and you've taken \$2 million, we, and transferred out for Capital Projects, so to sit and say the levies aren't needed, it's not needed maybe to operate, but our costs continue. This program has grown under Job & Family Services from 600 meals to over 850 meals. We have picked up additional clients. Our medical transportation has gone through the roof. This is all, so this program has grown considerably and the funds that operate this. We have continued to keep this program under attack and then say you will operate on \$2.2 million and that was a budget we gave Job & Family, and they've done it. And the way they have been able to do it is by taking experts in each of the fields to do their one or two hours work a day and the experts in those fields may it be writing grants, may it be financial, or may it be transportation. And it has worked out very good. The complaints are down. Our service is up. And I just think it is a very good program."

Mrs. Favade said, "I will also reflect for the record that none of the home health situations will change. The home health contracts will still be the same. The centers will still be run the same. Everything other than removing the shared services aspect and having people dedicated fulltime to senior services oversight is going to change. None of the day to day activities will change whatsoever. To the unforeseen eye, there will be no difference whatsoever. To the employees who work there, they will have a fulltime director. And ironically enough, I asked the Interim Director to sit with those people and it's one of the questions that they continue to have; is when are we going to have someone fulltime. Because right now, Tina oversees everything. And Tina is the, I'm not even sure of her title actually." Mr. Coffland answered, "She's for the food services is what she does. She, all the drivers, the food service and kitchen. So what you are telling me, we are going to replace 11 employees with 2. We are going to operate a \$4 million agency with one person as Director and what's the other one? I mean just tell me so I know. What's the other one? Finances? Transportation? Medical? Food? Mrs. Favade answered, "Well I think that as we discussed, once you have your Program Coordinator in place over the next month, he can put together those and make determination as to whose responsibilities are whose and so that he is able to determine that. I mean that's been one of the biggest problems is that we have no one dedicated doing this fulltime in order to even put together a plan." Mr. Coffland said, "I think it's a slap in our employee's face to say they are not dedicated to working this." Mrs. Favade said, "No I don't think that I am saying they are not dedicated. Facts are facts Matt. You're one about facts, Vince spent 4.7 hours in June. Brenna Rocchio spent 14. Lori O'Grady 15. Bob Roth 27. Bonnie White 14. Bobbie Riggs 5. Dana Sall 14. I'm not saying they are not dedicated employees. I am saying the amount of time." Mr. Coffland said, "Then what do they do with the rest of their time, run the four other agencies that they run. This is the fifth agency that they work, that they do. So it's not like they sit around the other 8 hours or the rest of the day and do nothing."

Mrs. Favade asked, "Commissioner Probst do you have anything do add?" Mr. Probst answered, "Two things. No actually I appreciate the open discussion. We don't do that here on the commission floor very often and I kinda like that. It's a chance, because people elected each one of us for a reason. To represent them and each one of us are representing whether it's oil and gas, whether it's senior services. But the bottom line is, I think everybody realizes that we are very compassionate about our seniors and the care that we want to provide for our seniors. And that's what why this debate is going on to make sure we are doing the right things for our seniors and taking care of them. I just have maybe one question for now, and I'm not sure. When we are talking about reduced employees and reducing the salary line item, Ok, Matt what, I'll ask you. We are down to 11 from 21? I guess 21 was having shared costs, but we had shared costs with 21 employees before. I could be wrong. I'm just asking." Mr. Coffland replied, "No and I think it was high then Chuck just due to the changeover to work the bugs out. And it's been in almost what 20 months now. And I think the first because we said take it and run with it and get it worked out. So yea I think in the beginning the cost was more because." Mr. Probst said, "I was going to ask what changed that we were able to reduce the staff?" Mrs. Favade answered, "For one, Mr. Pielech came off and he was averaging 55 hours a quarter last year. His draw is \$138,000.00 a year including benefits. So his shared costs drove that up significantly. We have no one earning that right now. In addition you can see we went from 16 employees here to 11. One of those was Eric Ayres. I mean when he was employed as a fulltime director it was one thing and then it went down to him being shared services and that was another \$20,000.00 a year just for him. So I mean they are pulling people off of it and you can look at the hours where they were spending consecutively in 2012 the hours have dropped immensely." Mr. Coffland said, "As much as we, I mean I think that we do owe at least one more meeting all three of us with Vince and ask the financial people this. I mean all I can go off is the information they gave me alright, and I see what it cost and I know that we cannot replace 11 people for \$74,000.00, even if it is half that many, even if it's a quarter of those people for what money it costs us to operate." Mrs. Favade said, "I think the \$74,000.00 is disingenuous because you are not including Lori at \$80,000.00." Mr. Coffland said, "Lori is not a shared employee." Mrs. Favade said, "But she is overseeing only the senior centers." Mr. Coffland said, "Lori is not a shared employee." Mrs. Favade, "You can replace her with a person who works fulltime for the entire organization at \$10,000.00 less." Mr. Coffland said, "Lori is not a shared employee. Lori's paycheck comes completely out of the levy fund, completely. She is not a shared employee. A shared employee is one who puts in time at all five agencies or four, three, however many they work. So Lori has dedicated all. She is a fulltime senior service employee taking money directly from the, she is a salaried employee from that. So her benefits, she is not a shared employee." Mrs. Favade said, "Well I know but she is still

in management of it and it's still a cost when you are going from here to here." Mr. Coffland said, "But she's putting what you call full service. She's putting in a full 8 hours nothing but senior services. So she is not a shared employee. She is a fulltime senior service program funded by the senior service levy." Mrs. Favede said, "And she oversees the centers and a newsletter for \$80,000.00 a year. I am saying you could have a fulltime program coordinator that oversees all of it for \$10,000.00 less."

Mr. Probst said, "As Matt mention too, one of the keys is if we can be reimbursed for all the transportation costs." Mrs. Favede said, "And that's what the second motion is, which is the Cooperative Agreement." Mr. Probst said, "Which is huge. And that came from former Director Pielech. I mean he was advising us at that time that he thought very strongly that if that could happen, if we would go to a, put the senior services under as another county agency." Mr. Coffland said, "I'm all game for that. I got nothing against that. If it can make us money, I'm for it, but I, but I need to see it and say hey and can we only spend that on transportation." Mr. Probst said, "Because of Random Moment Samplings now that Human Services has to do, we cannot be reimbursed all the Title XIX funds for transportation. At some point I can explain all that, if you don't understand. But that's, but that could be, he was estimating at that time, that was last November an additional \$600,000.00 that we could be reimbursed." Mr. Coffland said, "And that would be fantastic, but I don't think we can move transportation....and I would like to look at them." Mrs. Favede said, "Well applied to Area Agency on Aging 9 and with the plan we hire a fulltime program coordinator with this in mind. This is the third and necessary motion the attorney explained that we need to do now in order to move forward. So that being said, I move to adopt the resolution regarding the transition of senior services from Belmont County Department of Job & Family Services to Belmont County Board of Commissioners." Mr. Coffland stated, "That is not the motion said. So and this is what I said at the time. I will not be held handcuffed here to a motion that was passed earlier that says that. The motion I believe says that if it's done, if it can be done, it will be moved. So don't put words in to something and hold me hostage." Below is the full resolution.

**IN THE MATTER OF ADOPTING RESOLUTION REGARDING  
THE TRANSITION OF SENIOR SERVICES FROM BELMONT CO.  
DJFS TO BELMONT COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION**

WHEREAS, the Belmont County Board of Commissioners ("Commissioners") is authorized under R.C. 307.694, 307.85, and other applicable law to "spend moneys for the support of senior citizens services or facilities" and to participate in, give financial assistance to, and cooperate with agencies and organizations in establishing and operating programs to provide necessary social services "to meet the needs of older persons" and the like; and

WHEREAS, the citizens of Belmont County have approved one or more levies to provide moneys for the provision of services to senior citizens; and

WHEREAS, the Commissioners have determined to create a new department under the Commissioners, as sole appointing authority, to replace the Belmont County Department of Job and Family Services (BCDJFS) as the point agency required to provide, oversee, or acquire certain services for Belmont County seniors, including senior center operations, home-delivered meals, congregate meals, health education, homemaker services, non-Medicaid transportation, Passport transportation funded by Area Agency on Aging Region 9 ("AAA9") (but not other Medicaid transportation, for which BCDJFS will continue to contract); and

WHEREAS, the Commissioners desire to make this transition with little or no disruption to the services being provided to the seniors;

NOW THEREFORE BE IT RESOLVED that on and after November 1, 2013, ("Transition Date"), the Commissioners shall be the Belmont County agency responsible for exercising the powers and duties of providing, overseeing, and acquiring the following services for Belmont County senior citizens: senior center operations; home-delivered meals, congregate meals, health education, homemaker services, non-Medicaid transportation and Passport transportation funded through Area Agency on Aging Region 9 ("AAA9") (but not other Medicaid transportation, except as a provider to/through BCDJFS); and

BE IT FURTHER RESOLVED that BCDJFS shall continue to provide other family service duties and workforce development (including adult protective services, and contracting for Medicaid transportation not funded through AAA9), of a type BCDJFS would perform if they had not been assigned to perform duties transitioned from Belmont Senior Services, Inc. – the general purpose of this resolution being to transition to the new Commissioners' department the types of programs that were previously transitioned from Belmont Senior Services, Inc., to BCDJFS; and

BE IT FURTHER RESOLVED that the Commissioners state their intentions to continue contracting for homemaker services on and after November 1, 2013 with the current providers, at the current prices (but subject to current statutory limits), for the current terms of the existing contracts, rather than providing those services by hiring County employees to perform homemaker services; and

BE IT FURTHER REOLVED that the staff of the Commissioners and the BCDJFS are respectfully directed to do the following to assist the Commissioners in making this transition: notify AAA9, landlords, vendors, and other necessary parties of this resolution; amend, terminate and/or enter into replacement contracts accordingly, or make provision for the Commissioners to do same; enter into co-operative agreements where appropriate; solicit proposals, bids, etc.; seek and/or secure state, federal, and other monies; and do other things; all for the purposes set forth in this Resolution and inferred herein; and use the Clerk and the Commissioners' other advisors to assist in the foregoing; and

BE IT FURTHER RESOLVED that the "Transition Date" under the BCDJFS senior services labor contract is set for November 1, 2013, and the Director is respectfully requested to notify the non-bargaining unit staff in the Senior Services Division of BCDJFS and all of the senior services bargaining unit staff of the abolishment of their positions under BCDJFS as of 11:59 p.m. October 31, 2013; and

BE IT FURTHER RESOLVED that the senior services staff will be assigned to a Senior Services department under the Commissioners with the Senior Services Coordinator serving as the department head; and

BE IT FURTHER RESOLVED that the Commissioners reserve the right to change the Transition Date if they deem it necessary; and

BE IT FURTHER RESOLVED that the Commissioners thank the BCDJFS and its staff and Director for their many positive contributions and accomplishments in providing senior services since BCDJFS was assigned those responsibilities in 2011.

Motion made by Commissioner Favede, seconded by Commissioner Probst to adopt the foregoing resolution and upon roll call the vote was as follows:

Mrs. Favede	<u>Yes</u>
Mr. Coffland	<u>No</u>
Mr. Probst	<u>Yes</u>

Ginny Favede /s/  
Ginny Favede, President

Matt Coffland, Vice-President  
Charles R. Probst, Jr. /s/  
Charles R. Probst, Jr.

**DISCUSSION HELD** – Mrs. Favede said, "The Cooperative Agreement, if you want the attorney to come down and discuss that, otherwise he has submitted it. He actually spent some time working with Jayne apparently this morning looking for something that may already be in place." Mr. Coffland said, "Commissioner Favede, have you put any numbers to this new program?" She replied, "Yes actually what I have been doing and what I did yesterday and what we both sat here and explained." Mr. Coffland said, "So where are we at right now? I mean where are you at right now with just what you think? Not even really knowing. What number are you at? I can tell you where we will be at here roughly at the end of the year for what services we're getting. Where are you at? I mean this is something that this gentleman's (Mike Bianconi) been asking for eight months for or maybe longer." Mr. Probst noted he had not read the Cooperative Agreement and suggested having the attorney in to talk about it. Mrs. Favede said we will schedule that in.



Mike Bianconi said "I really hope you guys let's say, get your ducks in a row and I would like handouts. Chuck knows that when I was here. Everybody had handouts. Everybody had the same information. Ginny I'd appreciate any information that you have, if you would print it up, type it up, whatever, so we can look at it. I believe everything you are telling me. I believe everything everybody is telling me. I got to see it in writing in front of me. And I would appreciate it if you'd, I ask again for that report. It's not hard to do. I'd really appreciate it. I'll be back next Wednesday. I really hope you guys have more on this and found out what's going on. I think it's a bad idea, but doesn't mean I am right. But I think it's a bad idea and I think you should have more facts and figures in front of you." Mrs. Favede said, "But it's my decision Mike. That's my decision. And when you were a Commissioner, it was your decision. It's my vote. And I have them in front of me."

Mr. Coffland stated, "We do still have a motion on the floor Ginny." (Re: Rice Energy lease). Mrs. Favede said she had to leave the meeting at this time.

**BREAK – Commissioner Probst left the meeting during the break.  
Reconvened with Commissioners Favede and Coffland present.**

**Mrs. Favede noted there was a motion on the floor and a second: (see below)**

**IN THE MATTER OF ENTERING INTO AN OIL AND  
GAS LEASE WITH RICE ENERGY DRILLING D, LLC/COMMISSIONERS**

Motion made by Mrs. Favede, seconded by Mr. Coffland to enter into an Oil and Gas Lease with Rice Drilling D, LLC, in the amount of \$7,500.00 per net mineral acre for 406.4426 gross acres for a five-year term with a five-year option to renew, 20% royalty.

**DISCUSSION** – Mrs. Favede stated, "After much discussion... and I will ask that the record reflect that Commissioner Probst had to leave. We've contacted him via text messaging to let him know that I have made it back (the motion was on hold while I had to run to school) and that we are moving forward. And I do want the record to reflect his aversion to this particular motion. With that being said, roll call."

**PAID-UP OIL AND GAS LEASE**

**Lease Date: September 18, 2013**

This is an oil and gas lease (the "Lease") made this **18th** day of **September**, 2013, between **The County of Belmont, Ohio, a political subdivision of the State of Ohio by and through the Belmont County Board of Commissioners**, herein called "Lessor" (collectively if there is more than one) whose address is **101 East Main Street, St. Clairsville, OH 43950**, and Rice Drilling D, LLC, hereinafter called "Lessee", whose address is 171 Hillpointe Drive, Suite 301, Canonsburg, PA 15317.

**ARTICLE I. GRANT OF LEASE**

Lessor, in consideration of the payments described herein and the covenants and agreements hereafter contained, hereby leases and lets exclusively to the Lessee all the oil, gas, minerals and their constituents (not including coal) underlying the land described below for the sole purpose of exploring for, drilling, operating, producing and gathering the oil, gas, casinghead gasoline and all other gases and their respective vapors, liquid or gaseous hydrocarbons produced in association therewith other than as reserved unto Lessor below (herein called "Leased Products"). Together with such exclusive rights as may be necessary or convenient for the Lessee to explore for, develop, produce, measure, and market production from the Leasehold and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploration tests; to drill (either vertically, horizontally, or directionally), maintain, operate, treat, vent, dewater, cease to operate, plug, abandon, and remove wells; to stimulate or fracture all seams or other strata or formations; to use or install roads, electric power, telephone facilities (including data acquisition), compression facilities and collection facilities for use in the production, transportation and marketing of products from the Leasehold and from neighboring lands across the Leasehold, and such rights shall survive the term of this agreement for so long thereafter as operations are continued; to use oil and gas free of cost, to operate, maintain, repair, store, and remove material and equipment relating to the operations. Lessor shall not be responsible for any costs with respect to Lessee's Operations. Lessee is prohibited from performing any activity on the Leased Premises which is not expressly permitted pursuant to the terms and conditions of the Lease.

**Description of the Land Included in the Lease:** The oil, gas, mineral interests and land included in this Lease (herein called the "Leased Premises") is located in the County of Belmont, State of Ohio, with a permanent parcel number (or numbers) as follows: **41-60003.000 (97.24 AC), 41-60002.000 (66.0785 AC), 41-60002.001 (1.2631 AC), 41-60005.000 (1.19 AC), 41-60004.000 (0.256 AC), 41-60006.000 (0.31 AC), 32-60014.000 (34.1878 AC), 32-60014.003 (0.1542 AC), 32-60014.004 (0.120 AC), 32-03437.000 (4.56 AC), 32-60007.000 (96.746 AC), 32-60010.000 (1.435 AC), 32-01748.000 (18.87 AC), 32-01116.000 (7.21 AC), 32-60011.000 (46.63 AC), 32-60012.000 (21.52 AC), 32-01246.000 (8.672 AC).**

The Leased Premises contain **406.4426 gross acres**. A legal description of the Leased Premises is attached hereto and made a part hereof as Exhibit A,

**Reservations**

(a) **Lessor's Reserved Rights:** Lessor reserves all rights not specifically granted to Lessee in this Lease. Lessor specifically reserves the rights to all products contained in any formation: (1) from the surface of the Leased Premises to the top of the formation commonly known as the Marcellus Shale, (2) in any and all formations below the base of the Marcellus Shale to the top of the formation commonly known as the Utica Shale, and (3) in all formations below the base of the Utica Shale. Notwithstanding anything to the contrary, Lessee is specifically granted the right to penetrate and drill through the shallower formations in order to drill and produce the Leased Products and the Leased Premises. Lessor also reserves a right of way on all lands granted hereunder and the right to use the Leased Premises and any improvements thereon for any and all other purposes, so long as that right of way does not cause unreasonable interference with Lessee's operations or pose a safety concern to Lessee. Lessee agrees not to unreasonably interfere with the use and enjoyment of said land by Lessor and Lessor's family, agents, employees, invitees, and guests and to comply with all other specific provisions herein relating to the use of the land.

(b) **Other Minerals Reserved:** Lessor expressly excludes from this Lease and reserves all minerals of every kind and character in, on and under the Leased Premises except the Leased Products herein defined. This includes but is not limited to all of the sulfur, coal, lignite, uranium and other fissionable material, geothermal energy, base and precious metals, rock, stone, gravel, and any other mineral substances (except the Leased Products described above) presently owned by Lessor in, under, or upon the Leased Premises. Lessor also reserves rights of ingress or egress and use of the Leased Premises by Lessor or its lessees or assignees for purposes of exploration for and production and marketing of the materials and minerals reserved hereby which rights shall not unreasonably interfere with the rights of Lessee.

**ARTICLE II. TERM OF LEASE**

**Lease Term:** This Lease shall become effective on the date it is signed, which date will be inserted below the title of this document on page 1 (herein called the "Lease Date") and remain in force for a Primary term of five years from the Lease Date. Subject to the provisions hereinafter contained, this Lease shall be for a term of five (5) years from the Lease Date (herein called the "Primary Term") and for as long thereafter as operations are conducted on the Leasehold or as long as a well capable of production in Commercial Quantities is located on the Leasehold or on lands unitized or combined with the Leasehold, or for as long as extended by other provisions herein.

**Option to Extend the Primary Term:** Lessee is given the option to extend the Primary Term of this Lease for an additional five (5) year period. To exercise this option Lessee must notify Lessor in writing of Lessee's intent to exercise the option at least ninety (90) calendar days before the expiration of the Primary Term and Lessee must pay to Lessor, at any time prior to the termination of the Primary Term, a lease bonus for the five (5) year extension period equal to the signing bonus set forth in this Lease.

The Lease Term shall be subject to Ohio Revised Code 307.11 as may be modified or amended.

#### **ARTICLE III. PAYMENTS**

**Signing Bonus Payment:** Lessee agrees to pay Lessor, proportionate to Lessor's percentage of ownership, a lease signing bonus of Seven Thousand Five Hundred dollars (\$7,500.00) for each net mineral acre contained within the Leased Premises. Lessor understands that payment of the signing bonus will not be paid until title is cleared and certified title is obtained by an oil and gas attorney of Lessees choosing. **Said payment is to be made within 120 Business Days.**

In the event Lessee believes in good faith that a title defect exists for the Leased Premises then Lessee shall provide written notice to Lessor as soon as practical, but in no event later than the **120 Business Day** time for payment set forth in the Order of Payment, of the title defects which render title unacceptable to Lessee. In the event a title defect exists, Lessee shall provide a description of the title defect and any supporting documentation in its possession. Lessor shall have a 120 business day cure period from the date of receipt of written notice to cure the defect in a manner satisfactory to the Lessee. If the title defect is cured to the satisfaction of Lessee within the 120 business day cure period the bonus payment shall be paid to Lessor within 30 days following the date the title defect is cured.

**Royalty Payments:** The Lessee shall pay to Lessor twenty percent (20%) of the proceeds received by Lessee from an unaffiliated third party purchaser in an arms length transaction at the point of sale for all of the Leased Products produced from each and every well on the Leased Premises or on lands pooled or unitized therewith (herein called the "Royalty Payment"). It is agreed between the Lessor and Lessee that, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's **proportionate** share of production (**20% for Lessor and 80% for Lessee**) so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee. Lessor agrees to accept and receive out of the production or the revenue realized from production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. So long as payment exceeds fifty dollars (\$50.00) payment of Royalty for oil, gas, other hydrocarbons and by-products marketed during any calendar month shall be on or before the 30<sup>th</sup> day after receipt of such funds by the Lessee. Each Royalty Payment shall be accompanied by a stub, schedule, summary, or remittance identifying the Lease and showing the gross amount and proceeds paid to Lessee for all Leased Products produced. All Royalty Payments shall be paid to Lessor at the address recited above Article I in this Lease or at such other address as shall be provided by Lessor to Lessee in writing.

**Shut-in Royalty Payment:** After the expiration of the Primary Term of this Lease if a well drilled on the Leased Premises or lands pooled therewith which is capable of producing gas in Commercial Quantities but the production thereof is shut-in, shut-down or suspended for lack of any available market for production for a period of time exceeding three consecutive months the Lessee shall pay a "shut-in" royalty equal to the sum of twenty-five dollars (\$25.00) per net mineral acre each month until production is re-established (or Lessee surrenders the Lease). Lessee shall remit all shut-in payments to Lessor at the address provided in this Lease on or before forty-five (45) days after the third month after the date on which the well is shut-in. The payment of shut-in royalties will keep this Lease in effect after the Primary Term, however this Lease will not be kept in force solely by shut-in royalty payments for a period longer than a total of thirty six (36) months whether cumulative or not. A shut in solely due to pipeline or equipment breakage, damage or malfunction, upgrade, maintenance or safety during the drilling or completions of a new well shall not be calculated towards the three (3) year aggregate limitation on shut in, provided that Lessee exercises good faith and due diligence to correct the condition.

**Payment in Lieu of Free Gas:** In the event any well is drilled upon the Leased Premises or any portion thereof, Lessee shall pay annually to Lessor, which the well pad is located on, in lieu of any right to free gas, a sum equal to the value of three hundred fifty thousand (350,000) cubic feet of natural gas produced from each such well located on the Leased Premises up to a maximum of four wells. Said amount shall be paid in annual installments, with the value based upon the prior twelve months average gross price received by Lessee for gas sold from the Leased Premises.

#### **ARTICLE IV. POOLING AND UNITIZATION**

**Pooling and Unitization:** Subject to the limitations below, Lessee is granted the right to pool or unitize, prior to or after drilling, all or part of the land covered by this Lease with any contiguous land so as to establish a pooled unit or units (herein called "Pooled Units"). When designating Pooled Units the Lessee shall make reasonable efforts to avoid excluding small or irregular shaped portions of the Leased Premises and to form Pooled Units in the shape of a square or rectangle. Lessee shall execute in writing an instrument identifying and describing the pooled acreage being drilled for, the leases included in the Pooled Unit, the formations and depths covered by the Pooled Unit, and the substance (either oil, gas or both) and file such instrument for record in the county or counties in which the pooled land is situated prior to drilling on the Pooled Unit. The Pooled Unit shall be effective on the date of execution of the declaration of unit. Lessor shall be provided a copy of such recorded instrument, and all amendments thereto by Lessee. No Pooled Unit for any vertical well with no horizontal drilling component which includes any portion of the Leased Premises shall exceed eighty (80) contiguous acres without the written consent of Lessor. No Pooled Unit for any well that includes lateral or horizontal drilling shall exceed six hundred forty (640) acres with a ten percent (10%) tolerance without the written consent of the majority of the Lessors in the Unit unless any additional acreage added to the unit allows for further development of the unit. A majority will be determined upon the Lessors proportionate share of the total acreage owned by in the unit. Each acre, or fraction thereof, equals one vote towards consent; one acre equals one vote, 100 acres equals 100 votes. In the event the unit exceeds 640 acres with a 10% tolerance, 80% of the acreage in the unit (as measured with the one acre one vote standard as set forth above) must agree to the unit size. Without the prior written consent of all Lessors in the Unit, a unit shall not exceed 1000 acres. If a greater amount of acreage than that set forth in the designated limits provided herein is necessary to adequately develop the unit than the designated number of acres the unit may be increased. Lessee is granted the right to change the size, shape and conditions of operations or payment of any unit created so long as that change is in order for Lessee to further develop and drill the Unit. The drilling, operations in preparation for drilling, production from, or payment for Royalty or Shut-In Royalty for a well on such a unit shall have the same effect upon the terms of this Lease as if the well were located on the Leasehold. There shall be allocated to the Leased Premises included in a Pooled Unit the proportion of the production from the Pooled Unit that the number of net mineral acres covered by the Leased Premises and included in the Pooled Unit bears to the total number of net mineral acres in such Pooled Unit; and royalties shall be paid hereunder upon that portion of such production so allocated.

**Pugh Clause:** Upon expiration of the Primary Term this Lease shall automatically terminate and be of no further force or effect as to any portions of the Leased Premises not included within any Production Unit and those formations and horizons 100 feet below the deepest depth drilled. In addition, at the end of the Primary Term or any time thereafter, whichever is applicable, this Lease shall terminate as to all depths and horizons contained in a Production Unit from which oil and gas is not capable of being produced in Commercial Quantities.

#### **ARTICLE V. WATER PROTECTION**

**Fresh Water Damage Protection:** In the event any activity carried on by the Lessee pursuant to the terms of this Lease adversely damages, disturbs, or injures the quality or quantity of Lessor's fresh water well, spring or source located on the Leased Premises, Lessee shall, at its sole cost and expense, take all reasonable steps to correct any such damage, disturbance or injury and to remediate the same to as close to pre-damage status quo as reasonably possible, with all related costs of repair and maintenance to be paid by Lessee.

**Water Testing:** Lessee shall maintain the quality and quantity of Lessor's water supply (wells, springs or other domestic water source) to be measured by testing the Lessor's supply prior to surface disturbance on the Leased Premises or on any lands pooled or unitized therewith located within a radius of 2000 feet surrounding the wellhead. All testing shall be conducted by a certified independent testing laboratory. Testing must be for the entire Prominent Indicator Parameters of chemicals and agents utilized by Lessee in its Operations and the burden shall be upon Lessee to provide evidence of all such chemicals and agents in order for the testing agent to adequately test the water. Lessee shall pay all costs of testing and Lessor shall be provided complete copies of any and all testing results and data, and shall have full rights to contact the testing lab for inquiry and information. Lessee shall cooperate with Lessor to obtain any favorable pricing extended to it by a

certified testing laboratory should Lessor desire to obtain water testing outside of the testing provided for herein. Should Lessor experience a material adverse change in the quality of Lessor's water supply, during or immediately after the completion of Lessee's drilling operations; Lessee shall, within 48 hours of Lessor's written request, sample and test Lessor's water supply at Lessee's expense. Any pollution or reduction of any water supply after operations commence will be presumed to be the result of Lessee's operations unless Lessee can prove otherwise. If Lessor's water supply is polluted, reduced, or is otherwise adversely or materially affected as a result of Lessee's Operations, Lessee shall take any and all steps to restore water quality and quantity to its pre-drilling condition or fully compensate Lessor for the damage and inconvenience caused thereby. During any period of remediation, Lessee, at its sole expense, agrees to provide Lessor with an adequate supply of potable water consistent with Lessor's use of his/her water supply prior to Lessee's Operations on the Leased Premises or on lands pooled or unitized therewith.

#### **ARTICLE VI. LAND PROTECTION**

**Non-Disturbance:** Lessee and its employees and authorized agents shall not disturb, use or travel upon any of the land of Lessor other than that land being used in its operations being conducted pursuant to this Lease.

**Damages:** The Lessee shall be liable to Lessor and pay market or replacement cost for any and all damages to the Leased Premises resulting from Lessee's Operations. Damages include but are not limited to any damage to Lessor's water, growing crops, trees, livestock, fences, buildings, water springs, soil, septic systems, agricultural fields and lands and any other property connected with drilling, operating, producing, gathering, or any geophysical or exploratory work conducted by or for the Lessee. Lessee shall promptly replace any drain tile and barriers, including but not limited to, fences, gates and walls removed or damaged by the Lessee during its Operations on the Leased Premises. Whenever a Pad has been installed or later repaired on the Leased Premises, Lessee, at its sole expense, shall restore the surface of the Leased Premises as near as practicable to the condition it was in prior to such work being undertaken. Upon Completion of all planned Operations on the Leased Premises, Lessee will within three (3) months undertake restoration of the Leased Premises to reclaim the Leased Premises to as near as practicable the pre-drilling condition.

**Irrigation and Agricultural Activities:** Lessor reserves the right to initiate or continue irrigation and agricultural activities (including timbering) on the Leased Premises so long as those agricultural activities do not interfere with the limits of disturbance of Lessee and Lessee will use all reasonable efforts to accommodate Lessor's agricultural use. Subject to Lessee's prior approval and in accordance with Lessee's safety and construction standards, Lessor shall have the right to install and/or construct drainage or drain tile systems across, atop or under any pipeline installed by Lessee in a manner that does not interfere with Lessee's use of said pipelines.

**Agricultural Activities:** Lessee will plan its surface Operations in a manner that will reduce or minimize intrusion into crop fields, hay lands, pasture lands, or any other agricultural activity which is engaged in by the Lessor. In addition to the Damages Provision contained in this Lease, in the event that the Lessee needs to injure crops in order to conduct surface Operations, Lessee shall fully compensate Lessor for all damages and loss of crops at current market value so long as those crops are not located on a Well Pad (hereinafter defined) which Lessor is receiving payment for.

**Agreement as to Location of Operations:** Before Commencing Operations on the Leased Premises or any lands pooled therewith, Lessee and Lessor shall mutually agree in writing on the location and size of all well sites, pads, meters, roads, pipelines, fences, gates, buildings, electrical wires, and other equipment, supplies and facilities which Lessee wishes to locate on any portion of the Leased Premises so as to minimize disruption of Lessor's use of the Leased Premises; provided, however, that Lessor's consent shall not be unreasonably withheld or unreasonably delayed. Any wells, pads, roads, pipelines, gates, electrical wires, and other equipment, supplies and facilities Lessee locates on the Leased Premises will be maintained in good repair at all times by Lessee at its sole expense. **Notwithstanding anything to the contrary, there shall be no surface operations granted for the properties contained in this lease without the use of a separate "Surface Use Agreement", "Pipeline Right of Way Agreement" or other necessary document(s) which will be submitted to the County Commissioners for approval. While the parties understand that Lessee may be requesting said agreements, Lessor is under no obligation to enter into the same.**

**Siting/Spud Fee:** Lessee shall pay to Lessor in consideration for damage to the Leased Premises the sum of thirty thousand dollars (\$30,000) for a Well Pad located on the Leased Premises contemporaneously with Lessee disturbing any land where a pad for a horizontal well is to be located on the Leased Premises (herein called the "Pad Payment") for a well pad not to exceed five (5) acres. If any well pad exceeds five (5) acres then for each additional acre of disturbed land the Lessee shall pay eight thousand dollars (\$8,000). A well pad includes any acreage for pits, tanks, equipment, roadways and other operations servicing the wells on that pad. Lessee shall pay Lessor a separate Pad Payment for each pad constructed on the Leased Premises.

**Restrictions on Location of Operations:** Without a separate written agreement between the Lessor and the Lessee, no pump stations, tanks, batteries, pipelines, roads, telephone and power lines, ponds, water holding facilities, dryers, separators or other equipment or facilities shall be located on the Leased Premises unless they are for the purpose of transporting, processing or treating Leased Products from the Leased Premises or lands pooled or unitized therewith, and the afore listed items shall not be located nearer than (and no well shall be drilled nearer than) three hundred (300) feet from any dwelling or residential structure or two hundred (200) feet from any barn or other non-residential structure then on the Leased Premises without the Lessor's written consent. In order to effectively develop the Leasehold Premises it is understood that it is in the best interest of both Lessor and Lessee to work together in agreeing upon the location of operations on the Leasehold Premises. Should there be no alternate location outside the aforementioned "buffer zones" then Lessee and Lessor shall agree to a location within the buffer zones. There shall be no compressors located on the Leased Premises, unless the compressor is solely used for the well located on the Leasehold Premises or a well located on a property pooled or unitized with the Leasehold Premises, unless Lessor consents in a prior separate written agreement. Any compressor operations permitted hereunder shall be designed and installed utilizing means to minimize noise, including but not limited to, sound enclosures and barriers, and quiet motors.

**Restrictions on Lessee's Use of Leased Premises:** Unless Lessor consents in a separate written agreement, the Lessee shall under no circumstances:

- (a) Use the Leased Premises for the disposal of any drill cuttings, brine or other liquids, or the permanent storage or disposal of any liquids or solids.
- (b) Use the Leased Premises or any portion thereof, surface or subsurface, for gas or oil storage purposes.
- (c) Use any water from the Leased Premises, surface or subsurface, or drill any well to take water from or inject any substance into the Leased Premises
- (d) Install or dig any pits other than drilling pits (not permanent storage pits) on the Leased Premises.

**Pipelines and Utility Lines:** In the event that pipeline is necessary then Lessor and Lessee shall enter into a separate pipeline right of way agreement which is consistent with the terms and conditions of this Lease including location approval. In addition to the restrictions set forth in this Lease, Lessee agrees to bury any pipelines constructed on the Leased Premises at a depth, which shall in all cases be below tillage and drainage tile depth (at least 36 inches). Lessee agrees to restore the surface as near as practicable to the condition it was in prior to such installation. Lessee shall comply with all applicable rules, regulations, and statutes regarding pipeline construction, maintenance, and operation. Absent a separate right of way agreement Lessee's right to use said pipelines terminates when Lessee's production from the Leased Premises or lands unitized with the Leased Premises permanently ceases. Any utility lines used by Lessee in its Operations shall be buried upon the written request of Lessor. Such utility lines shall be removed upon termination of this Lease, unless Lessor agrees in writing to have such utility lines kept in place. Lessee shall provide Lessor a plat map showing the location and depth of all buried utility lines and pipelines.

**Fencing:** Upon Lessor's written request, Lessee is required, at its sole cost and expense, to fence all wells, well sites, tank batteries, pits, separators, drip stations, pump engines, or other equipment permanently located on the Leased Premises. All fences must be kept in good repair by the Lessee.

**Gates:** Upon Lessor's written request, Lessee is required, at its sole cost and expense, to construct gates on all access roads and provide an access key or double lock system allowing access by both Lessor and Lessee. Gates must be closed and locked at all times when equipment is not being accessed and when Lessee's personnel are not on the Leased Premises.

**Roads:** Roadways or drives constructed by Lessee on the Leased Premises during its Operations shall not exceed fifty (50) feet in width or a minimum width required to perform required Operations. After the completion of all planned operations on the Leased Premises, in the event of a producing well on the Leased Premises, any permanent access road for well servicing purposes shall be a maximum of twenty (20) feet or a minimum width required to perform maintenance or other Operations. Lessee agrees to improve, construct or maintain all roads used by it in good repair utilizing shale, gravel, or crushed stone, culverts and supports as necessary to provide a smooth, rut-free all-weather surface. When such roads are no longer being used, Lessee agrees, upon Lessor's request, to remove toppings and to restore the surface as nearly as practicable to its former condition. Lessee shall not use shale, gravel, or crushed stone sourced from the Leased Premises without the prior written consent of Lessor. Lessee shall prevent its employees, agents and contractors from operating vehicles in a negligent manner or at speeds in excess of twenty-five (25) miles per hour while on the Leased Premises.

**Pits:** Any pit permitted under this Lease will conform to all applicable regulatory requirements (state, local, and federal) and will conform to the best industry practices. Lessee will immediately notify all applicable regulatory authorities and Lessor of any damage to such facilities.

**Soil Testing:** For areas within the Limits of Disturbance upon Lessor's written request, Lessee shall, at its sole cost and expense, have Lessor's current soil tested by an independent third party agreed upon by Lessor and Lessee: (1) prior to the commencement of spudding any well on the Leased Premises, (2) twelve (12) months from the date of completion of any well on the Leased Premises, (3) twenty-four (24) months from the date of completion of any well on the Leased Premises, and (4) within sixty (60) days following the completion of drilling Operations on the Leased Premises. All tests provided for herein must meet all applicable EPA requirements and Lessor shall be provided complete copies of any and all testing results and data. If such test results reflect a material adverse change in the Lessor's soil quality, then Lessee shall use its best efforts to return the soil to its pre drilling condition.

**Timber:** Lessee shall notify Lessor in writing at least forty-five (45) calendar days prior to any removal by Lessee of marketable timber (marketability to be within the reasonable discretion of a certified professional forester). At Lessor's option, Lessor may choose to harvest timber, which shall be complete by the end of the 45 day period, or Lessor may require an appraisal on the timber by a qualified independent certified, professional forester, at Lessee's expense, and Lessee shall pay Lessor the appraised value for the timber identified prior to its removal by Lessee.

**Firewalling and Maintenance of Production Equipment:** Dikes, firewalls or other methods of secondary containment must be constructed and maintained at all times around all tanks, separators and receptacles so as to contain a sufficient volume of liquid to accomplish the intended purposes.

**Maintenance and Repair:** Maintenance and repair of roadways and all other facilities used by Lessee in connection with this Lease shall be the sole responsibility of the Lessee. If Lessor sends written notice to Lessee informing Lessee of any repairs or other maintenance to roads or other facilities that the Lessee has failed to address and the Lessee fails to initiate the repair or other maintenance within thirty (30) days of the written notice being sent or fails to complete the repairs or other maintenance within sixty (60) days of the notice being sent (if the repairs are capable of being completed within the 60 day period) then Lessor reserves the right to repair and maintain the roadways and the Lessee agrees to fully reimburse Lessor for the cost of the maintenance or repair undertaken by the Lessor.

**Hydraulic Fracturing:** Lessee shall not use, dispose of or release on the Leased Premises or permit to exist or to be used, disposed of or released on the Leased Premises as a result of its Operations any substances (other than those Lessee has been licensed or permitted by applicable public authorities to use on the Leased Premises) which are defined as "hazardous materials," toxic substances" or "solid wastes" in federal, state or local laws, statutes or ordinances. Should any pollutant, hazardous material, toxic substances, contaminated waste or solid waste be accidentally released on the Leased Premises, Lessee shall promptly notify Lessor and any applicable governmental body of such event. Lessee shall be responsible for and timely pay all costs of clean-up, remediation, and other costs related to and arising from the event, including but not limited to penalties. Lessee represents and warrants that during any hydraulic fracturing process it will not use any chemicals it has not been permitted to use by an applicable governmental, regulatory, state or federal agency, for the purposes of fracturing or pumping the same into any formation in and/or under the Leased Premises. Upon Lessor's written request Lessee will provide Lessor with all Material Safety Data Sheets (MSDS) available for any chemicals used by Lessee in its hydraulic fracturing process on the Leased Premises.

#### **ARTICLE VII. TAXES AND ASSESSMENTS**

**Taxes:** Lessee shall pay all taxes and/or assessments on Leased Products, and any increase in other taxes attributable to Lessee's operations imposed by any local, state, or federal entity or governmental unit attributable to, or resulting from Lessee's operations under the tax and assessment structure in effect at the time of the execution of this lease. Lessee shall, in addition, pay all severance taxes or other excise or personal property taxes arising out of or relating to this Lease and/or the Leased Products under the tax and assessment structure in effect at the time of the execution of this lease. In the event Ad Valorem and/or other real property taxes pertaining to or attributable to the Leased Premises, or any property associated therewith, are increased in any manner by reason of the Operations of Lessee relating to the Leased Premises, Lessee shall be responsible for the amount of any such tax increase and shall reimburse Lessor for the amount of such increase within thirty (30) days after Lessor provides Lessee with written documentation reflecting such increase and the basis thereof. Subsequent to the execution of this Lease, in the event there is a change in Ohio tax code that provides for an increase in ad valorem taxes or severance tax or any other tax attributable to or resulting from the assessment of oil and gas due to oil and gas production from the leased premises, Lessor and Lessee agree to abide by the law and pay their proportional share accordingly.

**Agricultural Programs:** In the event the Leased Premises are subject to any federal, state, local and/or agricultural program (e.g. CAUV, CREP, CRP, Forest Land Program, etc.), and any roll-back or reimbursement or recoupment or retroactive assessment (including interest and penalties therefrom) is made against the Leased Premises on account of, arising out of, or relating to the Operations of Lessee on the Leased Premises, Lessee shall be responsible for paying Lessor any and all such amounts, but only insofar as such amounts imposed result from operations on the portion of the Leased Premises actually utilized by Lessee's Operations.

#### **ARTICLE VIII. TITLE AND WARRANTIES**

**Lessor Limited Warranty:** It shall be Lessee's burden and obligation to assure itself of the quality of title to the Leased Premises.

**Title Curative:** Lessor agrees to cooperate with the Lessee in resolving title issues.

**Monies Paid:** Any monies paid to Lessor under the terms of this Lease are nonrefundable and under no circumstances will Lessee initiate any kind of action to recover any monies paid to Lessor.

**Lessor Encumbrances:** Any mortgage, lease, easement, or other interest granted by Lessor voluntarily after the Effective Date of this Lease shall be subject to this Lease. If Lessor defaults on any obligation secured by any lien or encumbrance on the Leased Premises during the term of this Lease, Lessee may, in its sole discretion, pay and discharge such obligation on behalf of Lessor but only if Lessee gives Lessor at least forty-five (45) calendar days prior written notice of such intention to pay and after receipt of said notice Lessor makes no arrangements to address the amount in default. If Lessee makes such payment in compliance with the terms outlined above, the Lessee shall be entitled to recover from Lessor by deduction from any future payments to Lessor, with interest at Ohio's legal rate for judgments, amounts actually paid by Lessee to discharge such obligations.

**Liens Against Lessee:** If any lien or encumbrance is filed against the Leased Premises arising out of or pertaining to any Operations by Lessee or anyone contracting with Lessee, Lessee shall, within forty-five (45) calendar days following the date such lien or encumbrance is recorded, cause such lien or encumbrance to be released from record, and Lessee shall provide Lessor written evidence of such release. Lessee's contention that the lien or encumbrance arises from a bona fide dispute shall not be grounds for Lessee's failure or refusal to remove the lien or encumbrance as required herein.

**Lessor Interest:** If Lessor owns an interest in the Leased Premises that is less than the entire fee simple estate, then all royalties, rentals, and other payments provided for under this Lease shall be paid in the proportion that Lessor's interest in the Leased Premises bears to the entire undivided fee simple estate.

#### **ARTICLE IX. TERMINATION AND RELEASE**

**Termination:** Upon termination of this Lease or any portion thereof for any reason, or upon expiration of this Lease, Lessee shall provide Lessor with a surrender or other written cancellation of this Lease in recordable form, cause such document to be promptly recorded and deliver such document to Lessor within sixty (60) calendar days after the date of termination or expiration. In the event that the Lessee does not comply with the terms of this provision, and there is no bona fide dispute as to the termination or expiration of the lease, Lessee grants to Lessor the right and authority, to take any other steps to evidence the said termination or expiration of this Lease, including but not limited to following the Ohio Affidavit of Forfeiture statute and/or initiating proceedings to quiet Lessor's title, and Lessee shall be obligated to pay all of Lessor's costs, including but not limited to reasonable attorneys' fees as well as any damages accruing to Lessor from Lessee's non-compliance therewith.

**Removal of Equipment:** The Lessee, upon expiration or other termination of this Lease, is obligated to remove all fixtures, improvements, pumps, tanks, tubing, casing, machinery, unused pipelines, rubbish, debris and all other property it has placed on the Leased Premises. This duty must be performed within six (6) months after expiration or other termination of this Lease, or the release of any lands covered by this Lease, or Lessor may claim the property, in whole or in part, or have property and fixtures removed, in whole or in part, at Lessee's sole expense including all of Lessor's reasonable attorneys' fees. This provision may not apply if the Lessee sells equipment to Lessor in a separately negotiated agreement.

**Plugging:** In the event Lessee deems a well is not producing in commercial quantities Lessee shall promptly, properly and effectively plug all wells on the Leased Premises in accordance with the regulations of the State of Ohio.

#### **ARTICLE X. LESSOR'S INFORMATION RIGHTS, ETC.**

**Information Rights:** Lessee grants to Lessor or Lessor's authorized agent, the right to annually inspect, examine and make copies of the Lessee's books, accounts, contracts, and all other records pertaining to production, transportation, sale, and marketing of Leased Products from the Leased Premises at any time during normal business hours. In exercising this right Lessor shall give reasonable notice to Lessee of its intended audit and such audit shall be conducted during normal business hours at the office of Lessee. If as a result of such inspection Lessor discovers a deficiency in payment of royalties or other amounts due to Lessor under this Lease, Lessee will be liable for the amount of the deficiency plus interest at the maximum rate allowed by law. In the event that the deficiency exceeds 125% of the amount actually owed to Lessor, then Lessee shall pay all reasonable costs incurred by Lessor in conducting the inspection that led to discovery of the deficiency.

#### **ARTICLE XI. ASSIGNMENT OR TRANSFER OF LESSEE INTEREST**

**Assignment of Lease:** The rights of either party hereunder may be assigned or otherwise transferred, in whole or in part and as to any horizon, and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto. Each assignee of all or any portion of the rights of Lessee hereunder agrees to be bound by the provisions of this Lease to the same extent as if such assignee were an original party to this Lease. Lessee and any assignee shall provide to Lessor a true copy of any assignment with recording information reflected thereon (if recorded) and addresses of all assignees within thirty (30) days of making such assignment. Failure by Lessee to satisfy any of the above stated obligations shall constitute a default and be subject to the default provisions of this Lease.

#### **ARTICLE XII. LESSEE COMPLIANCE**

**Laws:** Lessee agrees that everything done by it in connection with this Lease shall be done in a good and workmanlike manner and in accordance with all applicable laws, orders, rules, and regulations, including, without limitation, all applicable environmental rules and regulations. Lessee's failure to comply with any applicable law, regulation, or order shall be a default under this Lease subject to the default provisions in this Lease. In addition to other requirements herein provided, in all instances, Lessee shall undertake the restoration of the Leased Premises to the condition required under the applicable laws of the State of Ohio prior to or within three (3) months following expiration or other termination of this Lease. Lessee shall also use the best industry practices, and all reasonable safeguards to prevent its operations from: (i) causing or contributing to soil erosion, (ii) polluting or contaminating any environmental medium, (iii) decreasing the fertility of the soil, (iv) damaging crops, native or cultivated grasses, trees, or pastures, (v) harming or in any way injuring persons or animals, and (vi) damaging buildings, roads, structures, improvements, farm implements, gates or fences. Lessee shall dispose of salt water, frac water or liquid waste oil and other waste in accordance with the rules and regulations of the Ohio Department of Natural Resources and all other applicable governmental authorities.

**Insurance:** At any and all times the Lessee or any person acting on Lessee's behalf is on or about the Leased Premises, Lessee agrees that it will carry at least the following insurance coverage with one or more financially sound insurance carriers: a.) Commercial General Liability of \$6,000,000 minimum coverage for bodily injury, property damage, contractual liability, products/completed operations and personal injury for all Operations on the Leased Premises, b.) Umbrella Liability Insurance of \$6,000,000 minimum coverage, c.) Workers Compensation and Employer's Liability Insurance in the form prescribed by laws of the state of Ohio, d.) Environmental Liability Insurance of \$5,000,000 minimum coverage, and e.) Business Auto and Umbrella Liability Insurance of \$5,000,000 minimum coverage. Such insurance policies shall waive all rights of subrogation against Lessor. Upon request, in the event the pad location is located on the Leased Premises, Lessee shall furnish Lessor, prior to drilling, with a Certificate of Insurance naming Lessor as an additional insured. Any Certificate of Insurance under this section shall not be reduced or canceled until at least thirty (30) days after Lessor receives written notice of such change or cancellation.

**Indemnity:** Lessee agrees to indemnify, defend, and hold harmless Lessor and Lessor's heirs, successors, agents, assigns, and any other person acting under Lessor's direction and/or control against any and all claims, damages, costs, losses, liabilities, expenses (including but not limited to any reasonable attorneys' fees, expert fees, and court costs) arising out of, incidental to or resulting from the Lessee's Operations and actions, and the Operations and actions of Lessee's servants, agents, employees, guests, licensees, invitees, independent contractors, assigns, or any other person acting under Lessee's direction and control. Lessee's obligations hereunder shall survive the termination of this Lease.

#### **ARTICLE XIII. FORCE MAJEURE**

**Force Majeure:** In the event the Lessee is unable to perform any of the acts to be performed by the Lessee (except payment of money as required under the terms of this lease or required by a court of law) by reason of force majeure, including but not limited to events outside the control of Lessee, acts of God, strikes, riots, and governmental restrictions or any other cause which makes performance of the Lessee's duties unreasonable or impossible, the Lessee shall provide written notice to Lessor within thirty (30) days of the force majeure event. This Lease shall nevertheless remain in full force and effect until the Lessee can perform said act or acts and in no event shall the within Lease expire for a period of one hundred twenty (120) days after the termination of any force majeure. Any delay by a governmental agency beyond ninety (90) days from the date of application to obtain any required permit to drill, complete or re-work a well shall be grounds to invoke force majeure until the permit is granted. If this Lease is the subject matter of any lawsuit, arbitration proceeding or action, then this Lease shall not expire during the pendency of such lawsuit, proceeding or action, or any appeal thereof, and the time period of the lawsuit, arbitration proceeding or action, or any appeal thereof, shall be added to the term of this Lease, absent such lawsuit, proceeding or action or any appeal thereof. A force majeure event as set forth above shall not exceed a period of thirty six months.

**Coal Force Majeure:** If, after using all its best efforts to obtain a drilling permit should Lessee's operations be delayed, postponed or interrupted as a result of any coal, stone or other mining related operation under any existing and effective lease, permit or authorization covering such operations on the Leased Premises or on other lands affecting the Leased Premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption. In the event a coal force majeure event is declared Lessee shall, upon termination of the conditions which caused the force majeure event or at least once every 12 months, use its best efforts to obtain a drilling permit to develop the Leasehold Acreage.

#### **ARTICLE XIV. NOTICES AND DEFAULT**

**Notice of Default:** This lease shall not be subject to civil action or other proceeding to enforce a claim of default or forfeiture due to Lessee's alleged failure to perform as specified herein, unless Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy Lessor's demand within sixty (60) days from receipt of the notice or such longer time as may be reasonably necessary under the

circumstances to satisfy Lessor’s demand, but shall not exceed 180 days unless agreed upon by Lessor and Lessee. Any notices required under this Lease shall be deemed sufficiently given if personally delivered or mailed by certified mail, return receipt requested, to the Lessor and/or the Lessee, whichever is applicable, at their respective addresses recited above Article I, or to such other address as either shall notify the other in writing. In the event Lessee assigns all or any part of this Lease without properly providing Lessor with a copy of such recorded assignment which includes the assignee’s address, the Lessee shall be jointly and severally liable for all of assignee’s obligations under this Lease notwithstanding any language to the contrary.

**Default on Payment Terms:** Failure of Lessee to timely pay Lessor any amounts required under this Lease shall, at Lessor’s option, be deemed a default by Lessee subject to the default notice requirements set forth in this Lease.

**Execution and Recording:** The Lessor and Lessee shall execute two copies of this Lease and Memorandum of Lease. The Memorandum of Lease will be recorded and a copy provided to Lessor within 30 days of receipt of the recorded document by Lessee

**Reports and Documents:** Upon written request by Lessor, a copy of all documents Lessee files with the Ohio DNR Division of Oil and Gas Resources Management, pertaining to this Lease shall be delivered to the Lessor within forty-five (45) days of filing with the Ohio DNR Division of Oil and Gas Resources Management and Lessee shall give Lessor at least ten (10) days advance written notice of the spud date and commencement date of any drilling on the Leased Premises. Lessee shall provide Lessor written notice of any judicial proceedings brought to the attention of Lessee affecting the Leased Premises.

**ARTICLE XV. LESSEE COVENANTS**

**Lessee Covenants:** Any and all duties and obligations Lessee has are under implied covenants to benefit landowners and covenants under this lease. The Lessee will utilize current and future technologies to develop the property as operator sees fits after drilling an initial well, as a prudent operator all reasonable efforts to maximize the development of the resources associated with the Leased Premises in a prudent and efficient manner will be employed with the intent and purpose to cause all of Lessor’s acreage to be included in one or more units of production, primarily implementing horizontal drilling techniques, but not excluding vertical techniques so as to maximize production recovery of all the oil and gas resources and to minimize or eliminate any “orphan” acreage. It is mutually agreed and understood that the operator, but for force majeure or government prohibitions, will use its best efforts as a prudent operator to fully produce and include all of Lessor’s acreage in one or more operating units.

**ARTICLE XVI. ACTIONS AND PROCEEDINGS**

**No Arbitration:** Arbitration shall not be a remedy for dispute resolution under this Lease.

**Governing Law and Ohio Courts:** This Lease shall be governed in accordance with the laws of the State of Ohio. Any actions or proceedings arising in connection with this Lease or performance thereunder shall be ascertained and determined by the Ohio state court in the county where the Lease is recorded.

**ARTICLE XVII. HEADINGS and MISCELLANEOUS**

**Section Headings:** The Section Headings contained herein are inserted for convenience only and shall not control or affect the meaning or construction of any provision.

**Entire Contract:** The entire agreement between Lessor and Lessee is embodied in this Lease, Memorandum, and Order of Payment attached hereto. In the event of an inconsistency the Order of Payment shall control. No oral warranties, representation, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

**Severability:** If any portion of this Lease is held invalid or unenforceable, the other provisions shall remain in full force and effect.

**ARTICLE XVIII. DEFINITIONS**

**Commercial Quantities:** “Commercial Quantities” shall mean production of quantities of Leased Products sufficient to yield a profit to the Lessee over operating, marketing and related overhead expenses.

**Operations:** “Operations” shall mean any action done by Lessee (or by Lessee’s servants, agents, employees, guests, licensees, invitees, independent contractors, assigns, or any other person acting under the Lessee’s direction or control) related to or in connection with the activities contemplated by this Lease.

**Commence Operations:** Commencement of operations shall be defined as Lessee having secured a drilling permit from the State and further entering upon the herein described premises with equipment necessary to build any access road(s) for drilling of a well subsequently followed promptly by a drilling rig for the spudding of the well to be drilled.

**Completion of Operations:** “Completion of Operations” shall mean the completion of all planned drilling operations as to equipment and facilities relating to drilling, including any associated pits, tanks, or other facilities no longer needed for production, or in the event of a dry hole, all such facilities.

**Affiliate:** An “Affiliate” is any entity in which Lessee, or any parent company, subsidiary, or affiliate of Lessee, owns an interest of more than ten percent (10%) or exercises any degree of control, directly or indirectly, by ownership, interlocking directorate, or in any other manner; and any corporation or other entity which owns an interest in or exercises any degree of control, directly or indirectly, over Lessee.

**Pad:** “Pad” is defined as any construction designed to facilitate one or more wells in a concentrated surface area.

**Production Unit:** “Production Unit” is defined as a unit of one or more tracts which are brought together by the Lessee for the purpose of forming a drillsite complying with the state requirements for drilling one well in order to develop the lands as if they were under a single lease.

**Pooled Unit:** “Pooled Unit” is defined as land described in this Lease which Lessee has pooled, prior to drilling, with contiguous land covered with other leases so as to establish one or more pooled development units. A Pooled Unit may also be a production unit.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date set forth above.

**LESSOR:**

**Belmont County Board of Commissioners**

Ginny Favede /s/

**Ginny Favede, President**

Matt Coffland /s/

**Matt Coffland, Vice President**

**Charles R. Probst, Jr., Commissioner**

**LESSEE:**

**Rice Drilling D, LLC**

Toby Z. Rice  
Chief Executive Officer

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Absent

APPROVED AS TO FORM:

Chris Berhalter /s/

PROSECUTING ATTORNEY

September 18, 2013

**IN THE MATTER OF ADJOURNING  
COMMISSIONERS MEETING AT 3:00 P.M.**

Motion made by Mrs. Favede, seconded by Mr. Coffland to adjourn the meeting at 3:00 p.m.

Upon roll call the vote was as follows:

Mrs. Favede	Yes
Mr. Coffland	Yes
Mr. Probst	Absent

Read, approved and signed this 25th day of September, 2013.

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\_\_\_\_\_ COUNTY COMMISSIONERS

\_\_\_\_\_

We, Ginny Favede and Jayne Long, President and Clerk respectively of the Board of Commissioners of Belmont County, Ohio, do hereby certify the foregoing minutes of the proceedings of said Board have been read, approved and signed as provided for by Sec. 305.11 of the Revised Code of Ohio.

\_\_\_\_\_ PRESIDENT

\_\_\_\_\_ CLERK