

ARTICLE IV

PAYMENTS BY CINCINNATI TO RECIPIENT

SECTION 4.01. Payments to be Made by Cincinnati. In consideration of the application of the Grant Funds to defray the Cost of the Project (the "Loan"), Cincinnati absolutely and unconditionally agrees to pay to the Recipient the total amount disbursed to or at the direction of Cincinnati together with interest thereon computed at the rate of 11% per annum. Cincinnati shall make interest payments annually commencing on June 1, 1982, and shall pay interest, at the rate set forth above, accrued on the principal amount of all advances from the date of each advance. On June 1, 1987, and each June 1 thereafter until the Loan has been satisfied by payment in full, Cincinnati shall also pay one-twentieth of the total amount of the Grant Funds disbursed to it or at its direction. Cincinnati may prepay the Loan without penalty or premium of any kind upon the occurrence of any of the events described in Section 10.01(a) hereof upon ten days' written notice to the Recipient and the payment of the principal amount then outstanding plus the interest accrued through to the date of prepayment. If for any other reason Cincinnati elects or is required to prepay the Loan, it shall pay the principal amount then outstanding plus interest accrued thereon plus a premium equal to 10% of the principal amount prepaid through June 1, 1991, and declining 1/2 percentage point per year in each year thereafter. All such payments shall be made directly to the Clerk-Treasurer of the Recipient at the address specified herein by check or other appropriate medium.