

COMMUNITY REINVESTMENT AREA COMPENSATION AGREEMENT

This agreement between the City of Shelby, a municipal corporation with its offices at 43 West Main Street, Shelby, OH 44875, and the Pioneer Career and Technology Board of Education, a joint vocational school district with its principal offices at 27 Ryan Road, Shelby, OH 44875 and R. Chandat, LLC, a limited liability corporation with its principal offices at 719 Earick Road, Mansfield, OH 44903 specifies the manner and procedure to be used pursuant Ohio Revised Code (ORC) Section 5709.82 authorizing (requiring) general compensation and income tax revenue sharing on new municipal income tax revenues relating to the R. Chandat, LLC's Community Reinvestment Area project.

Whereas, the Ohio Community Reinvestment Area Program, pursuant ORC Sections 3735.66 authorizes municipalities (with the consent of the board of county commissioners) to grant real property tax exemptions on eligible new investments; and

Whereas, the City of Shelby, by Ordinance No. 66-98 adopted November 16, 1998, amended by Ordinance 9-2008 on May 19, 2008, designated an area within the municipality as an Community Reinvestment Area;

Whereas, effective January 15, 1999 and subsequently amended on June 12, 2008, the Director of the Ohio Department of Development determined the area designated by the municipality within Ordinance No. 9-2008 contains the characteristics set forth in Section 3735.66 of the ORC and certified the area as an Community Reinvestment Area;

Whereas, the City of Shelby provided the Shelby City School Board of Education and the Pioneer Career & Technology Center Board of Education notice of the project prior to formal as required within ORC section 3735.671 (A) (1) or 5709.83;

Whereas, the City of Shelby has acted pursuant ORC Section 3735.65 - .70 within Resolution No. __ adopted __ (date) __ to grant a tax exemption to R. Chandat, LLC and entered into a formal Community Reinvestment Area Agreement on __ (date) __; and

Whereas, the City of Shelby and the Pioneer Career and Technology Center Board of Education pursuant to ORC section 5709.82 elect to enter into a Revenue Sharing/Compensation Agreement concerning the benefits relating to the aforementioned project.

Now Therefore, in consideration of the foregoing and of the mutual promises, covenants and agreements hereinafter set forth the municipality and the board of education agrees as follows:

Section 1. Definitions. as used in this agreement. The following shall have the

meanings set forth below:

"Annual Payment Amount" shall mean the amount paid directly by the applicant to the board of education under Section 2 of this agreement.

"Exemption Year" shall mean any calendar year in which the Project would be taxable but for the municipal authorization and finalization of an Community Reinvestment Area Agreement Ohio Revised Code Sections 3735.67 (B) & (D).

"New Employee" shall include all employees who are first employed at the project site and who have not been subject to the City of Shelby municipal income tax within the previous two years on income derived from employment from R. Chandat, LLC prior to being employed at the project site. "New employee" does not include any person hired to replace a person who is not a new employee. "

"Base Employment" shall be the number of employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

"Base Payroll" shall be the annualized salary of all employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

Section 2. Contributions. R. Chandat, LLC shall make an annual cash contribution of **\$360.00.**

By December 31, 2019
By December 31, 2020
By December 31, 2021
By December 31, 2022
By December 31, 2023
By December 31, 2024
By December 31, 2025
By December 31, 2026
By December 31, 2027
By December 31, 2028
By December 31, 2029
By December 31, 2030
By December 31, 2031
By December 31, 2032
By December 31, 2018

To the Pioneer Career and Technology Center Board of Education by December 31 of each year indicated in schedule of payment in which the business received a personal property tax incentive benefit. The annual payment is based upon an investment of \$375,000.00 in personal and real property. In the event this investment is less, such payment shall be reduced at

a prorated amount. Failure to make annual cash contribution as set forth herein shall be grounds for termination of the underlying Community Reinvestment Area Agreement entered into between the City of Shelby and R. Chandat, LLC.

The amount of such payment shown above has been agreed to by the parties to this Agreement as a result of negotiations base upon the Ohio school funding formula and it is the intent of the parties that if any changes made to Ohio's school funding formula reduces the value of this payment then the payment shall be adjusted accordingly.

Section3. Approval of this agreement by the Pioneer Career and Technology Center Board of Education removes the ORC 5709.82 requirement of revenue sharing. This Agreement serves as the full complete compensation to the Pioneer and Career Technology Center Board of Education.

Section 4. Entire Agreement This Agreement sets for the entire agreement and understanding between the parties as to the subject matter contained herein and merges and supersedes all prior discussion, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement.

Section 5. Notices. All payments, certificates, reports and notices which are required to or may be given pursuant to the provisions of the Agreement shall be sent by regular mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

CITY OF SHELBY, OHIO
Mayor Steven L. Schag
43 West Main Street
Shelby, OH 44875

PIONEER CAREER AND TECHNOLOGY CENTER BOARD OF
EDUCATION
Douglas Theaker, President
27 Ryan Road
Shelby, OH 44875

R. CHANDAT, LLC
Raj Chandat, President
719 Earick Road
Mansfield, OH 44903

Any party may change its contact or address for receiving notices and reports by giving written notice of such changes to the other parties.

Section 6. Severability of Provisions The invalidity of any provisions of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be constructed in all respects as if any invalid portions were omitted.

IN WINESSS THEREOF, the parties have caused this Agreement to be executed as on this ____ day of _____, 2017.

WITNESSES:

R. CHANDAT, LLC
By _____
Raj Chandat, President

PIONEER CAREER AND TECHNOLOGY
CENTER BOARD OF EDUCATION

Douglas Theaker, President

Linda Schumacher, Treasurer

CITY OF SHELBY

Steven L. Schag, Mayor

APPROVED AS TO FORM:

Gordon M. Eyster, Law Director