

## **COMMUNITY REINVESTMENT AREA AGREEMENT**

This agreement ("Agreement") is made and entered into by and between the City of Hudson, Ohio, a municipal corporation with its main offices located at 115 Executive Parkway Suite 400, Hudson, Ohio 44236 (hereinafter referred to as "Hudson") and Manneschi & Benedetti Properties, LLC, an Ohio limited liability company with its main offices located at 9155 Dutton Drive, Twinsburg, Ohio 44087 (hereinafter referred to as "M&B"), and CEIA USA, Ltd., an Ohio limited liability company with its main offices at 9155 Dutton Drive, Twinsburg, Ohio 44087 (hereinafter referred to as "CEIA" or "Employer"), (hereinafter "M&B" and "CEIA" are referred to collectively as the "Applicant").

### WITNESSETH

WHEREAS, Hudson has encouraged the development of real property located in the area designated as Community Reinvestment Area #3A;

WHEREAS, Applicant is desirous of building a large national corporate headquarters on Parcel #6 at Hudson Crossing Parkway, Hudson, Ohio 44236, hereinafter referred to as the "PROJECT," within the boundaries of the City's Community Reinvestment Area #3A, provided that the appropriate development incentives are available to support the economic viability of the PROJECT;

WHEREAS, the Council of Hudson, Ohio by Resolution No. 10-28, adopted February 3, 2010, designated the area within which the PROJECT is located as "Community Reinvestment Area #3A", pursuant to Chapter 3735 of the Ohio Revised Code ("ORC");

WHEREAS, effective March 17, 2010, the Director of Development of the State of Ohio determined that the aforementioned area designated in Resolution No. 10-28 contained the characteristics set forth in ORC Section 3735.66 and confirmed said area as a Community Reinvestment Area under ORC Chapter 3735;

WHEREAS, Hudson, having the appropriate authority for the stated type of PROJECT, is desirous of providing Applicant with incentives available for the development of the PROJECT in Community Reinvestment Area #3A under ORC Chapter 3735;

WHEREAS, Applicant has submitted a proposed CRA agreement application (attached hereto as "Exhibit A") to Hudson (hereinafter referred to as "Application");

WHEREAS, Applicant has remitted the required State application fee of \$750.00 made payable to the Ohio Treasurer with the Application to be forwarded to the Ohio Department of Development with a fully-executed copy of this Agreement;

WHEREAS, the City Manager of Hudson has investigated the Applicant's Application and has recommended the same to the Council of Hudson on the basis that Applicant is qualified by financial responsibility and business experience to create and preserve employment opportunities in Community Reinvestment Area #3A and to improve the economic climate of Hudson;

WHEREAS, the PROJECT site as proposed by Applicant is located in the Hudson City School District ("School District") and the Board of Education of the School District has been notified in

accordance with ORC Section 5709.83 and been given a copy of the Application and the Agreement;

WHEREAS, Hudson and the School District are entering into an agreement to share income tax revenues from the PROJECT over the life of this Agreement.;

WHEREAS, in accordance with ORC Section 3735.673, Hudson has notified the legislative authority of the City of Twinsburg, Ohio of the fact that the Applicant will be moving its national corporate headquarters facility to Hudson and that Hudson is providing development incentives to the Applicant pursuant to ORC Chapter 3735; and

WHEREAS, pursuant to ORC Section 3735.67(A) and in conformance with the format required under ORC Section 3735.671(B), the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

1. Applicant shall use commercially reasonable efforts to develop and cause the construction of an approximate 100,000 square foot national corporate headquarters facility on Parcel #6 at Hudson Crossing Parkway in Hudson, Ohio.

The PROJECT will involve a total investment by the Applicant of at least Seventeen Million Five Hundred Thousand Dollars (\$17,500,000.00).

The PROJECT will begin during year 2018 and will be completed during the year 2019.

2. CEIA USA, Ltd. (hereinafter "CEIA"), agrees to transfer 37 existing fulltime equivalent ("FTE") jobs from its existing facility in Twinsburg, Ohio to the PROJECT site in 2019.

Within one hundred and twenty (120) months after the date of completion of the PROJECT, CEIA shall create twenty (20) new FTE jobs ("New Jobs").

Employer's anticipated schedule for hiring the New Jobs is as follows: create two (2) new FTE jobs in the first year after the date of PROJECT construction completion, two (2) new FTE jobs in the second year after PROJECT completion, two (2) new FTE jobs in the third year after PROJECT completion, two (2) new FTE jobs in the fourth year after PROJECT completion, two (2) new FTE jobs in the fifth year after PROJECT completion, two (2) new FTE jobs in the sixth year after PROJECT completion, two (2) new FTE jobs in the seventh year after PROJECT completion, two (2) new FTE jobs in the eighth year after PROJECT completion, two (2) new FTE jobs in the ninth year after PROJECT completion, and two (2) new FTE jobs in the tenth year after PROJECT completion. The job creation period begins on the date of PROJECT construction completion and all jobs will be in place within one hundred and twenty (120) months thereafter.

At the PROJECT site, Employer currently has no fulltime permanent employees, no part-time permanent employees, no fulltime temporary employees, and no part-time temporary employees.



The annual payroll for the Transferred Jobs is approximately \$2,900,000.00 and the creation of the 20 new FTE jobs by the tenth year after PROJECT construction completion will result in \$1,400,000.00 of annual payroll for permanent employees.

3. Applicant shall provide to the proper Tax Incentive Review Council any information reasonably required by that Council to evaluate the Applicant's compliance with the Agreement, including returns filed pursuant to ORC Section 5711.02, if requested by that Council.
4. Hudson hereby grants Applicant a tax exemption for the assessed value of the PROJECT pursuant to ORC Section 3735.67, which shall be in the following amount: Fifty Percent (50%) of the assessed value of the PROJECT, for a period of fifteen (15) full tax years. The exemption commences the first tax year for which the improvements that comprise the PROJECT situated on the real property would first be taxable were that property not exempted from taxation. No exemption shall commence after tax year 2019 (not due and payable until year 2020) nor extend beyond tax year 2033 (not due and payable until year 2034).

Years of Tax Exemption

Tax Exemption Amount

15 years

50%

Applicant must file the appropriate tax forms with the Summit County Fiscal Officer to effect and maintain the exemptions covered in this Agreement.

5. Applicant shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered and received under this Agreement or Five Hundred Dollars (\$500.00); provided, however, if the incentives exceed Two Hundred Fifty Thousand Dollars (\$250,000.00), the fee shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00).

The fee shall be paid to Hudson's Finance Director once per year for each year this Agreement is effective and shall be paid on or before the anniversary date of the Effective Date of this Agreement (as defined in Section 12 below) and in the form of a check made payable to the "City of Hudson." This fee shall be deposited by Hudson into a special fund created for such purpose and shall be used exclusively for the purpose of complying with ORC Section 3735.671(D) and by the Tax Incentive Review Council created under ORC Section 5709.85 exclusively for the purposes of performing the duties prescribed under that section.

6. Applicant shall pay such real and tangible personal property taxes as are not exempted under this Agreement and are charged against the entire property at which the PROJECT is located and shall file all tax reports and returns as required by law. If Applicant fails to pay such taxes or file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter. Notwithstanding anything to the contrary, Applicant shall have the right to contest and/or appeal any such real and tangible personal property taxes, and the incentives granted under this Agreement shall not be rescinded so long as such contest or appeal is conducted substantially in the manner provided by



applicable laws and upon the final, non-appealable conclusion of such contest or appeal, Applicant timely pays all amounts determined to be due and payable.

7. Hudson shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.
8. If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Department of Development revokes certification of the CRA area/zone, or Hudson revokes the designation of the area/zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless Applicant materially fails to fulfill its obligations under this Agreement and Hudson terminates or modifies the exemptions from taxation granted under this Agreement.
9. If Applicant materially fails to fulfill its obligations under this Agreement, or if Hudson determines that the certification as to delinquent taxes required by this Agreement is fraudulent, Hudson may terminate or modify the exemptions from taxation granted under this Agreement.
10. Applicant hereby certifies that at the time this Agreement is executed, Applicant does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which Applicant is liable under ORC Chapters 5733, 5735, 5739, 5741, 5743, 5747 or 5753, or, if such delinquent taxes are owed, Applicant currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against Applicant. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.
11. Applicant affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; and (3) any other moneys to the State, a State agency or a political subdivision of the State that are past due, whether or not the amounts owed are being contested in a court of law.
12. Applicant and Hudson acknowledge that this Agreement must be approved by formal action of the legislative authority of Hudson as a condition for this Agreement to take effect. The "Effective Date" of this Agreement shall be the date upon which the formal approval of this Agreement by the Hudson City Council takes effect.
13. Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Applicant, any successor property owner, or any related member (as those terms are defined in ORC Section 3735.671) has violated the prohibition against entering into this Agreement under division (E) of ORC Section 3735.671 or ORC Sections 5709.62 or 5709.63 prior to the time prescribed by that division or either of those sections.
14. Applicant affirmatively covenants that it has made no materially false statements to the State or local political subdivisions in the process of obtaining approval of the Community

Reinvestment Area incentives. If any representative of Applicant has knowingly made a materially false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, Applicant shall be required to immediately return all benefits received under this Community Reinvestment Area Agreement pursuant to ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any State agency or a political subdivision pursuant to ORC Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to ORC Section 2921.13(D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

15. Transfer and Assignment. This Agreement is not transferable or assignable without the express, written approval of Hudson and any such assignment shall operate to release the transferring Applicant from any and all liability hereunder. Hudson acknowledges that it would be unreasonable to withhold such consent in the event of a proposed transfer or assignment to any parent, subsidiary, or affiliate of the Applicant or to any third party so long as with respect to all or any part of such proposed transfer or assignment, the proposed transferee or assignee adequately and sufficiently demonstrates to Hudson, to Hudson's reasonable satisfaction, its financial ability, business experience and intentions.
16. Termination or Modifications of Incentives.
  - A. If the Applicant fails to retain the Transferred Jobs and to meet 75% of the New Jobs as set forth in Section 2 of this Agreement in any given tax year (except for any temporary cessation of operations arising out of the damage, destruction, renovation or restoration of the PROJECT), the tax exemption set forth in Section 4 shall not be awarded for that tax year.
  - B. If the PROJECT does not proceed as set forth in Section 1 of this Agreement or within any approved extension period, Hudson may terminate the Agreement upon recommendation of the Tax Incentive Review Committee.



The City of Hudson, Ohio, by Jane Howington, its City Manager, and pursuant to City Council Resolution No. \_\_\_\_-\_\_\_\_, has caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 2018, and Manneschi & Benedetti Properties, LLC, by \_\_\_\_\_, its \_\_\_\_\_, and CEIA USA, Ltd., by \_\_\_\_\_, its \_\_\_\_\_ have caused this instrument to be executed on this \_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF HUDSON, OHIO

By: \_\_\_\_\_  
Jane Howington, City Manager

MANNESCHI & BENEDETTI PROPERTIES, LLC

By: Bruno Carano  
(Signature)

BRUNO CARANO, DIRECTOR OF FINANCE  
(Print Name and Title) AND ADMINISTRATION

CEIA USA, Ltd.

By: [Signature]  
(Signature)

LUCA CECILU, DIRECTOR OF OPERATIONS  
(Print Name and Title)

APPROVED AS TO FORM.

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Matthew J. Vazzana, City Solicitor