

## COMMUNITY REINVESTMENT AREA AGREEMENT

This agreement made and entered into by and between the City of North Royalton, Ohio, a municipal corporation, with its main office located at 14600 State Road, North Royalton, Ohio (hereinafter referred to as "City") and Winkler Enterprise LLC, an Ohio limited liability company with its main offices located at 11699 York Road, North Royalton, Ohio, (hereinafter referred to as "property owner") and Royalton Architectural Fabrication, Inc. an Ohio corporation with its main offices located at 13134 York Road, North Royalton, Ohio 44133 (hereinafter referred to as "tenant").

WITNESSETH;

WHEREAS, City of North Royalton has encouraged the development of real property and the acquisition of personal property located in the area designated as a Community Reinvestment Area; and

WHEREAS, Winkler Enterprise LLC is desirous of constructing a new office warehouse facility to facilitate Royalton Architectural Fabrication, Inc.'s expansion of services and products, see exhibit A, attached and incorporated herein, (hereinafter referred to as the "PROJECT") within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said PROJECT; and

WHEREAS, the Council of North Royalton, Ohio by Ordinance No. 15-34 adopted on March 3, 2015, designated the area as an "Community Reinvestment Area" pursuant to Chapter 3735 or the Ohio Revised Code; and

WHEREAS, effective June 9, 2015, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance 15-34 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735; and

WHEREAS, the City of North Royalton having the appropriate authority for the stated type of project, is desirous of providing Winkler Enterprise LLC with incentives available for the development of the PROJECT in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Winkler Enterprise LLC submitted a proposed agreement application (herein attached as Exhibit B) to the City of North Royalton said application (hereinafter referred to as "APPLICATION"); and

WHEREAS, Winkler Enterprise LLC has remitted the required state application fee of \$750.00 made payable to the Ohio Department of Development with the application to be forwarded to said department with a copy of the final agreement; and

WHEREAS, the City of North Royalton has investigated the application of Winkler Enterprise LLC and has recommended the same to the Council of City of North Royalton on the basis that that it is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of North Royalton; and

WHEREAS, the project site as proposed by Winkler Enterprise LLC is located in the North Royalton School District and the Cuyahoga Joint Vocational School District and the Board of Education of the North Royalton School District and the Cuyahoga Joint Vocational School District has been notified in accordance with Section 5709.83 and been given a copy of the APPLICATION; and

WHEREAS, pursuant to Section 3735.67(A) and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, 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 herein agree as follows:

1. Winkler Enterprise LLC shall construct a new facility at 13134 York Road, North Royalton, Ohio to house and expand its office and fabrication operation. Said facility shall be constructed as specifically set forth in exhibit A, or as may be modified and approved by the North Royalton Planning Commission. A copy of the legal description of the property attached and incorporated herein, exhibit C.

The PROJECT will involve a total investment by Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. of Three Million Two Hundred Thousand Dollars (\$3,200,000.00) plus or minus 10% at 13134 York Road in new construction.

The PROJECT will begin September 30, 2018 and all acquisition, construction and installation will be completed by September 30, 2019.

2. Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. shall create within a time period not exceeding 24 months after the conclusion of construction of the aforesaid facility, thirteen (13) new full-time permanent job opportunities.

Winkler Enterprise LLC and Royalton Architectural Fabrication, Inc. will retain the 13 existing full-time jobs currently located on York Delta Drive, North Royalton at the project facility.

Winkler Enterprise LLC and Royalton Architectural Fabrication, Inc. currently have 13 full-time permanent employees at York Delta Road, North Royalton. In total Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. have 13 full-time permanent employees, no part-time permanent employees, no full-time temporary employees, and no part-time temporary employees in the State of Ohio.

This increase in the number of employees will result in approximately Four Hundred Thirty-Eight Thousand Dollars (\$438,000.00) of additional annual payroll for Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. for new full-time permanent jobs. The retention of the existing jobs will maintain the current annual payroll of Seven Hundred Seventy-Four Thousand Dollars (\$774,000.00).

3. Winkler Enterprise LLC shall provide to the proper Tax Incentive Review Council any information reasonably required by the council to evaluate the property owner's compliance with the agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code if requested by the council.

4. The City of North Royalton hereby grants Winkler Enterprise LLC a tax exemption for real property improvements made to the PROJECT site pursuant to Section 3735.67 of the Ohio Revised Code in the following amounts:

Exemption Term-15 years	Percentage of Exemption-49%
-------------------------	-----------------------------

Each identified project improvement will receive a 15-year exemption period. The exemption commences the first year for which the Real Property exemption would first be taxable were that property not exempted from taxation. No exemption shall commence after January 1, 2020 nor extend beyond December 31, 2034.

5. Winkler Enterprise LLC shall pay an annual fee equal to the greater of one percent of the dollar value of incentives offered under the agreement or five hundred dollars: provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars.

The fee shall be made payable to the City of North Royalton once per year for each year the agreement is effective by certified check. The fee is to be paid to finance director and made out to the City of North Royalton. This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with section 3735.671(D) of the revised code and by the tax incentive review council created under section 3735.671(D) of the revised code exclusively for the purposes of performing the duties prescribed under that section.

6. Winkler Enterprise LLC shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If Winkler Enterprise LLC 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.

7. City of North Royalton 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 zone, or the City of North Royalton revokes the designation of the zone, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless Winkler Enterprise LLC materially fails to fulfill its obligations under this agreement the City of North Royalton terminates or modifies the exemptions from taxation granted under this agreement.

9. If North Royalton materially fails to fulfill its obligations under this agreement, or if the City of North Royalton determines that the certification as to delinquent taxes required by this agreement is fraudulent, the City of North Royalton may terminate or modify the exemptions from taxation granted under this agreement.

10. Winkler Enterprise LLC hereby certifies that at the time this agreement is executed, Winkler Enterprise LLC 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 Winkler Enterprise LLC is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, or, if such delinquent taxes are owed, Winkler Enterprise LLC 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 Winkler Enterprises LLC. 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 Revised Code governing payment of those taxes.

11. Winkler Enterprises LLC 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 the amounts owed are being contested in a court of law or not.

12. Winkler Enterprise LLC and City of North Royalton acknowledge that this agreement must be approved by formal action of the legislative authority of the City of North Royalton as a condition for the agreement to take effect. This agreement takes effect upon such approval.

13. The City of North Royalton has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operations. By executing this agreement, Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. is committing to following non-discriminating hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

14. Exemptions from taxation granted under this agreement shall be revoked if it is determined that Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc., any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Section 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

15. Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. affirmatively covenants that it has made no 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 Winkler Enterprise LLC and/or Royalton Architectural Fabrication, Inc. has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, Winkler Enterprise LLC shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant 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.

16. This agreement is not transferable or assignable without the express, written approval of The City of North Royalton.

IN WITNESS WHEREOF, the City of North Royalton Ohio, by Mayor Robert Stefanik, its Mayor, and pursuant to Ordinance No.18 has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2018 and Winkler Enterprise LLC by \_\_\_\_\_, its Owner/President has caused this instrument to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2018 and Royalton Architectural Fabrication, Inc., by \_\_\_\_\_, its Owner/President has caused this instrument to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Approved as to form:

\_\_\_\_\_  
Law Director

City of North Royalton

By: \_\_\_\_\_  
Mayor Robert Stefanik  
The Mayor

Winkler Enterprise LLC

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

Royalton Architectural Fabrication Inc.

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

Note: A copy of this agreement must be forwarded to the Ohio Department of Development within fifteen (15) days of finalization.