

## COMMUNITY REINVESTMENT AREA AGREEMENT

**THIS COMMUNITY REINVESTMENT AREA AGREEMENT** (this “Agreement”) is made and entered into by and between the **CITY OF PATASKALA, OHIO** (the “City”), an Ohio municipal corporation, with its principal office located at Suite 2-B, 621 West Broad Street, Pataskala, Ohio 43062, and **MEYER SHANK RACING, INC.**, an Ohio corporation with its principal office located at Refugee Road and Etna Parkway East, Pataskala, Ohio 43062 (the “Developer”), under the following circumstances:

**WHEREAS**, the City, through the adoption of Ordinance No. 2000-3345 on August 11, 2000 (the “CRA Ordinance”), designated the area within which the Project (hereinafter defined) will be located as a Community Reinvestment Area (the “CRA”) to encourage the development of real property in the CRA, pursuant to Sections 3735.65 through 3735.70 of the Ohio Revised Code (the “Act”); and

**WHEREAS**, in accordance with the Act, the Director of the Ohio Development Service Agency (“ODSA”) has forwarded to the City the Director’s determination, dated November 29, 2000, stating that the findings contained in the CRA Ordinance are valid and that the CRA is a “community reinvestment area” under the Act; and

**WHEREAS**, the Developer has acquired the real property set forth on *Exhibit A* attached hereto (the “Project Site”), which Project Site is within the boundaries of the CRA; and

**WHEREAS**, the Developer has proposed to construct a race car manufacturing facility on the Project Site, within the boundaries of the City, as more fully described in Section 1 hereof (the “Project”), provided that the appropriate development incentives are available to support the economic viability of the Project; and

**WHEREAS**, the City, having appropriate authority under the Act for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Developer with the tax exemption incentives stated herein, available under the Act, for development of the Project Site; and

**WHEREAS**, the Developer has submitted a proposed application for this Agreement (which is attached hereto as *Exhibit B*) to the City (the “Application”) and remitted to the City the required state application fee of \$750.00, which fee shall be forwarded to ODSA together with this Agreement upon execution hereof; and

**WHEREAS**, upon completion of construction of the Improvements (as defined herein) and issuance of an occupancy permit, the Housing Officer of the City (the “Housing Officer”) will verify the construction of the Improvements (as defined below) and the facts asserted in the Application and will determine if said construction meets the requirements for an exemption under the Act; and

**WHEREAS**, the Project Site is located in the Southwest Licking Local School District (the “School District”) and Career and Technology Centers of Licking County (C-TEC) joint vocational school district (the “JVSD”), and the Boards of Education of each of the School District and the JVSD have been notified in accordance with Section 5709.83 of the Ohio Revised Code and been provided a copy of the Application; and

**WHEREAS**, the Developer, the City and the School District have entered into a Development and Compensation Agreement effective as of August 10, 2020 (the “DC Agreement”) pursuant to which the Developer and the City will make certain payments to the School District as compensation to the School District (the “School Compensation Payments”); and

**WHEREAS**, in determining to authorize this Agreement, the City Council of the City has acted in material reliance on the Developer's representation in the Application and herein regarding the Improvements, including, but not limited to, the number of jobs to be created, the development of the Project Site, and the Project's effect in promoting the general welfare of the people of the City by, for example, encouraging the development of real property located in the CRA and thereby promoting economic growth and vitality in the City; and

**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:

**SECTION 1.** The Developer currently intends to construct a race car manufacturing facility on the Project Site as the Project, which Project shall consist generally of an approximately 40,000 square foot building containing manufacturing workspace and associated office and storage areas and related furniture, fixtures, equipment, infrastructure and site improvements (collectively, the "Improvements"), which Improvements shall be constructed at an aggregate estimated cost of approximately \$4,050,000, to commence after execution of this Agreement. The Improvements are expected to be completed no later than January 1, 2022.

**SECTION 2.** Subject to the satisfaction of the conditions set forth in this Agreement and actual construction of the Improvements, the City approves the exemption from real property taxation, pursuant to the Act and the CRA Ordinance, of one hundred percent (100%) of the amount by which the Improvements increase the assessed value of the Project Site (together, the "Development Property") as determined by the Licking County Auditor, for a period of fifteen (15) years. Upon receipt of a notice of completion of the Improvements, to be provided by the Developer and receipt of an occupancy permit, the Housing Officer shall verify the construction of the Improvements and the facts asserted in the Application and shall determine whether the construction of the Improvements meets the requirements for the exemption authorized by this Agreement. If so verified, the Housing Officer shall forward this Agreement to the Licking County Auditor with the necessary direction by the Housing Officer to exempt the Improvements from real property taxation. Subject to the conditions set forth in this Agreement and the actual construction of the Improvements, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2021 nor extend beyond the end of the 15th year of the exemption.

**SECTION 3.** The Developer shall use the Improvements, if constructed, solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Improvements throughout the period of tax exemption authorized herein. The Developer authorizes the Housing Officer or the Housing Officer's designee, to enter upon the Development Property as reasonably required to perform inspections of the Improvements in accordance with Section 3735.68 of the Ohio Revised Code.

**SECTION 4.** As a condition of the tax exemption authorized under this Agreement and the actual construction of the Improvements, the Developer agrees to comply with its obligations under the DC Agreement to make certain payments to the School District (the "School Compensation Reimbursement"). Failure of the Developer to comply with such obligations at any time during the term of this Agreement shall be basis for revocation of the tax exemption under Section 11 hereof; provided, that the Developer, upon any such failure, may request the School District to negotiate and approve a mutually agreeable deferred payment schedule with the Developer relating to any School Compensation Reimbursement not paid when due, which amounts shall not bear or accrue interest during the period which they remain unpaid, and which request the City shall consider in good faith prior to undertaking actions to revoke the tax exemption.

**SECTION 5.** As required by Section 3735.671(C)(2) of the Ohio Revised Code, the Developer shall pay such real property taxes as are not exempted under this Agreement and are charged against the Development Property and shall file all tax reports and returns as required by law. If the Developer fails to pay such taxes or file such returns and reports, exemptions from taxation granted or authorized under this Agreement are rescinded beginning with the year for which such unpaid taxes are charged or such reports or returns are required to be filed and continuing thereafter.

**SECTION 6.** As required by Section 3735.671(C)(3) of the Ohio Revised Code, the Developer certifies that at the time this Agreement is executed, the Developer does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio (the “State”), and does not owe delinquent taxes for which the Developer is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or if such delinquent taxes are owed, the Developer currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State 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 the Developer. For the purposes of this 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.

**SECTION 7.** In accordance with Section 9.66 of the Ohio Revised Code, (a) the Developer affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (b) the Developer authorizes the City and/or the State to inspect the personal and/or corporate financial statements of the Developer, including tax records and other similar information not ordinarily open to public inspection; and (c) the Developer authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements. As provided by statute, a knowingly false statement under this section may be prosecuted as a first degree misdemeanor under Section 2921.13 of the Ohio Revised Code, may render the Developer ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Developer’s repayment of any assistance provided by the City in connection with the Project.

**SECTION 8.** As required by Section 3735.671(C)(4) of the Ohio Revised Code, upon specific request from the Developer, the City 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.

**SECTION 9.** As provided in Section 3735.671(C)(5) of the Ohio Revised Code, if for any reason the City revokes the designation of the CRA as a “community reinvestment area” under the Act, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Developer materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement. The City agrees to provide the Developer with advance written notice of its intention to revoke the designation of the CRA as a “community reinvestment area” under the Act and the City further agrees not to formally make such revocation until the expiration of any applicable Cure Period as a result of a Default (both as hereinafter defined).

**SECTION 10.** The Developer acknowledges that this Agreement is subject to the review of the ODSA for purposes of enforcing Section 3735.671(E) of the Ohio Revised Code. The Developer acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Developer agrees that in no event shall the Developer seek to hold the City liable in any way in the event such exemption is not granted or implemented, including, without limitation, as a result of a determination by the ODSA that there has been a violation of Section 3735.671(E) of the Ohio Revised Code.

**SECTION 11.** As provided in Section 3735.671(C)(6) of the Ohio Revised Code, if the Developer materially fails to fulfill its obligations under this Agreement (after written notice to the Developer by the City and the expiration of the Cure Period), or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent (any of the aforesaid events shall hereinafter be referred to as a “Default”), the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Developer prior to finding the Developer in Default under this section. The notice shall provide the Developer with thirty (30) days (plus a reasonable time thereafter, not to exceed 120 days, if 30 days is not reasonably sufficient to cure and the Developer is diligently pursuing such cure) to cure the Default (the “Cure Period”) prior to City termination or modification of the exemptions under this Agreement. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. Amounts due and not paid when due under this Section 11 shall bear interest at the rate specified in Section 1343.03(A) of the Ohio Revised Code (as in effect on the date of the City’s payment demand).

**SECTION 12.** As required by Sections 3735.671(C)(7) and 5709.85 of the Ohio Revised Code, the Developer shall provide to the City’s Tax Incentive Review Council (or to the City Administrator if so requested by the City) any information reasonably required by the City Council or the City Administrator to evaluate the Developer’s compliance with this Agreement, including returns filed pursuant to Section 5711.02 of the Ohio Revised Code, if requested by the City Council or City Administrator. The performance of the Developer’s obligations stated in this Agreement shall be subject to annual review by the City’s Tax Incentive Review Council (the “Annual Review and Report”). The Developer shall submit information to the City in writing for the Annual Review and Report to the City no later than March 1 of each year.

**SECTION 13.** Pursuant to Section 3735.68 of the Ohio Revised Code, the Housing Officer shall make annual inspections of the properties within the CRA upon which are located structures or remodeling for which an exemption has been granted under Section 3735.67 of the Ohio Revised Code. If the Housing Officer finds that the Development Property has not been properly maintained or repaired due to the neglect of the Developer, the Housing Officer may revoke the exemption at any time after the first year of exemption with respect to future years in the event such failure is not cured within the Cure Period. If the Developer has materially failed to fulfill its obligations under this Agreement and not cured such failure within the Cure Period, or if the owner is determined to have violated Section 3735.671(E) of the Ohio Revised Code (see paragraph below), City Council, subject to the terms of this Agreement, may revoke the exemption at any time after the first year of exemption with respect to future years. The Housing Officer or City Council shall notify the Licking County Auditor and the Developer that the tax exemption no longer applies. If the Housing Officer or City Council revokes a tax exemption, the Housing Officer shall send a report of the revocation to the CRA Housing Council and to the Tax Incentive Review Council established pursuant to Sections 3735.69 or 5709.85 of the Ohio Revised Code, containing a statement of the findings as to the maintenance and repair of the Development

Property, failure to fulfill obligations under this Agreement, or violation of Section 3735.671(E) of the Ohio Revised Code, and the reason for revoking the exemption.

The Developer represents and warrants to the City that it is not prohibited by Section 3735.671(E) of the Ohio Revised Code from entering into this Agreement. As required by Section 3735.671(C)(9) of the Ohio Revised Code, exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Developer, any successor to the Developer or any related member (as those terms are defined in Section 3735.671(E) of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Section 3735.671(E) of the Ohio Revised Code or under Sections 5709.62 or 5709.63 of the Ohio Revised Code prior to the time prescribed by either of those sections.

**SECTION 14.** As required in connection with Section 9.66(C) of the Ohio Revised Code, the Developer affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Developer has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Developer fails to provide any information expressly required under the application for the exemption authorized by this Agreement, the Developer shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Developer shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Section 9.66(C)(1) of the Ohio Revised Code. Amounts due and not paid under this Section 14 shall bear interest at the rate of eight percent (8%) per annum. Any person who provides a false statement to secure economic development assistance (as defined in Section 9.66 of the Ohio Revised Code) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Section 2921.13(F)(1) of the Ohio Revised Code, which is punishable by fine of not more than \$1,000 and/or a term of imprisonment of not more than six (6) months.

**SECTION 15.** The Developer covenants that, to the best of the Developer's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Developer agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

**SECTION 16.** As authorized by Section 3735.671(D) of the Ohio Revised Code, the Developer shall pay an annual fee of the greater of \$500 or one percent (1%) of the annual taxes exempted under this Agreement, but not to exceed \$2,500 per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

**SECTION 17.** As provided in Section 3735.671(E) of the Ohio Revised Code, if, prior to the expiration of the term of this Agreement, the Developer discontinues operations at the Project Site so that the Development Property is no longer being used for the purposes described in Section 1 hereof, then the Developer, its successors, and any related member shall not enter into an agreement under Sections 3735.671, 5709.62, 5709.63 or 5709.632 of the Ohio Revised Code, and no legislative authority shall enter into such an agreement with the Developer, its successors or any related member prior to the expiration of five (5) years after the discontinuation of operations. As used in this Section 17, "successors" and "related member" shall have the meanings set forth in Section 3735.671(E) of the Ohio Revised Code.

**SECTION 18.** Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Pataskala  
Suite 2-B  
621 West Broad Street  
Pataskala, Ohio 43062  
Attn: City Administrator

With a copy to:

Isaac Wiles Burkholder & Teetor, LLC  
Suite 700  
Two Miranova Place  
Columbus, Ohio 43215-5098  
Attn: Brian M. Zets, Esq., Director of Law

To the Developer:

Meyer Shanks Racing, Inc.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Ohio \_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, Ohio \_\_\_\_\_

**SECTION 19.** The Developer agrees to acknowledge the support of the City on construction signs located on the Project Site if so requested by the City.

**SECTION 20.** This Agreement and the exhibits attached hereto constitute the entire agreement between the City and the Developer with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

**SECTION 21.** This Agreement is entered into and is to be performed in the State. The City and the Developer agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

**SECTION 22.** The City's waiver of any breach by the Developer of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

**SECTION 23.** This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

**SECTION 24.** This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

**SECTION 25.** As required by Section 3735.671(C)(8) of the Ohio Revised Code, except as hereinafter set forth, this Agreement is not transferable or assignable by the Developer without the express written approval of the City Administrator of the City; provided, that as a condition to the City Administrator approving any such assignment, the assignee of this Agreement shall expressly assume the Developer's remaining obligations under Section 4 hereof relating to the School Compensation Reimbursement. Failure to assign or otherwise perform the Developer's obligations hereunder upon transfer of the Development Property during the term of the tax abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 11 hereof.

**SECTION 26.** At its election, the City may record this Agreement at the City's expense in the Licking County Recorder's Office.

**SECTION 27.** As provided in Section 3735.671(C)(10) of the Ohio Revised Code, the Developer and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

**SECTION 28.** The Developer represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Developer.

**SECTION 29.** Pursuant to Section 3735.70 of the Ohio Revised Code, a person aggrieved under the Act or this Agreement may appeal to the CRA Housing Council, which shall have the authority to overrule any decision of the Housing Officer. Appeals may be taken from a decision of the City Council to the Court of Common Pleas of Licking County.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City and the Developer have caused this instrument to be executed on this \_\_\_\_ day of \_\_\_\_\_, 2020.

**CITY OF PATASKALA, OHIO,**  
the City

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

Name: Timothy Hickin

Title: City Administrator

**MEYER SHANK RACING, INC.,**  
the Developer

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

Name: \_\_\_\_\_

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

Approved as to Form:

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

16816234



**EXHIBIT A**  
**DESCRIPTION OF PROJECT SITE**

**EXHIBIT B**  
**CRA EXEMPTION APPLICATION**

