

ORDINANCE NO. 2022-26

Introduced by Mark Claus

AN ORDINANCE TO CREATE TWO NEW TAX INCREMENT FINANCING DISTRICTS ENCOMPASSING CERTAIN PARCELS OF REAL PROPERTY; DECLARING IMPROVEMENTS TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE, DESCRIBING THE IMPROVEMENTS AND PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE TO DIRECTLY BENEFIT SUCH PARCELS, REQUIRING THE OWNER OF THE IMPROVEMENTS ON SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING AN URBAN RENEWAL TAX INCREMENT EQUIVALENT FUND (SAWMILL CREEK IMPROVEMENT FUND) AND A PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SERVICE PAYMENTS (THE SAWMILL CREEK PUBLIC INFRASTRUCTURE FUND) FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS, APPROVING COMPENSATION AGREEMENTS, AND PROVIDING RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40, 5709.41, 5709.42 AND 5709.43; AUTHORIZING A SERVICE PAYMENT AGREEMENT IN CONNECTION WITH THE SAME; AND DECLARING AN EMERGENCY.

WHEREAS, Ohio Revised Code Sections 5709.40, 5709.41, 5709.42 and 5709.43 (the “Act”) provide that this Council, by ordinance, may create TIF districts within the corporate boundaries of the City of Huron, Ohio (“City”) and that this City Council may (i) describe improvements to be made which directly benefit certain parcels, (ii) declare Improvements (as defined in Ohio Revised Code Section 5709.41(A)(2) and hereinafter referred to as the “.41 Improvements”) with respect to such parcels of real property located in the City to be a public purpose, thereby authorizing the exemption of those .41 Improvements from real property taxation for a period of time, (iii) declare Improvements (as defined in Ohio Revised Code Section 5709.40(A)(4) and hereinafter referred to as the “.40 Improvements”) with respect to such parcels of real property located in the City to be a public purpose, thereby authorizing the exemption of those .40 Improvements from real property taxation for a period of time, (iv) provide for the making of service payments in lieu of taxes by the owner of such parcels, and (v) establish tax increment equivalent funds into which such service payments shall be deposited; and

WHEREAS, Sawmill Creek LLC (collectively, with its various affiliates, the “Developer”) desires to construct or cause to be constructed certain private .41 Improvements (the “Project”) on certain parcels of real property described and depicted on Exhibit A attached hereto (with each of those parcels referred to herein individually as a “.41 TIF Parcel” and collectively as the “.41 TIF Parcels”) and is pursuing the annexation of the .41 TIF Parcels into the City; and

WHEREAS, the Developer has requested that the City enact this Ordinance pursuant to the Act to assist the Developer with the development of the Project;

WHEREAS, Section 5709.41 of the Ohio Revised Code requires the City to have held title to each Parcel while engaged in urban redevelopment and prior to the passage of an ordinance declaring the improvements to the .41 TIF Parcels to be a public purpose and, as authorized by Ordinance No. 2021-30, passed August 24, 2021, by limited warranty deed dated March 8, 2022, the current owners of the .41 TIF Parcels have conveyed fee title to the .41 TIF Parcels to the City, and by quitclaim deed dated March 11, 2022, the City has conveyed fee title to the .41 TIF Parcels

back to the current owners of the .41 TIF Parcels, and the aforementioned deeds have been recorded in the records of the Erie County Recorder; and

WHEREAS, the City has implemented several planning initiatives to further its economic development efforts, including, but not limited to, the Vision 2020 Plan (the “Development Plan”) and, as evidenced by the Development Plan, the City is “engaged in urban redevelopment” as provided in Ohio Revised Code Section 5709.41; and

WHEREAS, in connection with the Project, the Developer desires to construct certain private improvements (the “Developer Improvements”) as defined and described in Exhibit B attached hereto; and

WHEREAS, in furtherance of the development efforts described herein, the City desires to pass this Ordinance to assist the Developer with the Project and the Developer Improvements; and

WHEREAS, Developer has also identified certain additional parcels within the City for development (as depicted and described in Exhibit C attached hereto and incorporated herein by this reference (with each of those parcels referred to herein individually as a “.40 TIF Parcel” and collectively as the “.40 TIF Parcels,” and together with the .41 TIF Parcels, the “Parcels”), which .40 TIF Parcels the City intends to be subject to a tax increment financing program in accordance with Ohio Revised Code Sections 5709.40, 5709.42, and 5709.43 (together with related provisions of the Ohio Revised Code, the “TIF Act”); and

WHEREAS, the City is in receipt of a proposed Service Payment Agreement with respect to the Project (the “Service Payment Agreement”) between the City and the Developer, which Service Payment Agreement is on file with the City and attached hereto as Exhibit E, and sets forth the terms regarding payment of service payments in accordance with this Ordinance; and

WHEREAS, by providing public infrastructure improvements, as that term is defined in Ohio Revised Code Sections 5709.40(A)(8) (as more fully described on Exhibit D attached hereto and incorporated herein by this reference, the “Public Infrastructure Improvements”), the City may facilitate the development of commercial properties for the benefit of the .40 TIF Parcels, including, without limitation, by facilitating the financing, acquisition, and construction of the Public Infrastructure Improvements; and

WHEREAS, the TIF Act provides for the use of municipal tax increment financing to pay the costs of Public Infrastructure Improvements, which costs may include, without limitation: (i) the payment for or reimbursement of costs of the Public Infrastructure Improvements (which costs may include, without limitation, the payment for or reimbursement of costs of the Public Infrastructure Improvements incurred by the City, or any other public or private party in cooperation with the City), and (ii) payment of debt service (the “Debt Service”) on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements; and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to provide for service payments in lieu of taxes with respect to the .41 TIF Parcels

and the .40 TIF Parcel to be made pursuant to Ohio Revised Code Section 5709.42 (the “Service Payments”) to pay for costs of the .41 Improvements and the .40 Improvements, respectively; and

WHEREAS, the Parcels are located in the Huron City School District (the “School District”), and the Board of Education of the School District has approved the real property tax exemption provided for in this Ordinance and has waived certain notice requirements on the condition that the City enter into the compensation agreement described in Section 6 providing for certain payments to be made by the City to the School District from Service Payments received (the “School Compensation Agreement”) as well as a compensation agreement (the “JVSD Compensation Agreement”) with the EHOVE Joint Vocational School District (the “JVSD”); and

WHEREAS, an emergency exists in that, for the immediate preservation of the public peace, property, health and safety, it is necessary that this ordinance be immediately effective in order to provide for the necessary improvements, and by reason thereof, this ordinance shall take effect forthwith upon its passage,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HURON, OHIO, that:

Section 1. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.41, and, in particular, Section 5709.41(C), this City Council hereby finds and determines that one hundred percent (100%) of the increase in the assessed value of each .41 TIF Parcel after the date that the City obtained fee title to the .41 TIF Parcels (each of which increase in assessed value is an “Improvement” as defined in Ohio Revised Code Section 5709.41) shall be a public purpose and shall be exempt from real property taxation commencing on the first day of the tax year beginning after the effective date of this Ordinance in which there is an Improvement with respect to the .41 TIF Parcel and ending for each .41 TIF Parcel on the earlier of (a) thirty (30) years after such commencement, or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the Act.

Section 2. Pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.40, this Council hereby finds and determines that one hundred percent (100%) of the increase in assessed value of each .40 TIF Parcel subsequent to the date of this Ordinance (each of which increase in assessed value is an “Improvement,” as defined in Ohio Revised Code Section 5709.40(A)(4)) is declared to be a public purpose, and shall be exempt from real property taxation commencing on the first day of the tax year beginning after the effective date of this Ordinance in which an Improvement with respect to the .40 TIF Parcel appears on the tax list and duplicate of real

and public utility property and ending for each .40 TIF Parcel on the earlier of (a) thirty (30) years after such commencement, or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the Act.

Section 3. As provided in Ohio Revised Code Section 5709.42, the owner or owners of an Improvement, whether it be a .41 Improvement or a .40 Improvement, are hereby required to and shall pay the Service Payments to the County Treasurer semi-annually with respect to the applicable period of exemption on or before the final dates for each payment of real property taxes, which Service Payments, together with any associated rollback payments and related interest and penalty payments, shall be deposited in the applicable tax increment equivalent fund established in Section 4 hereof. This City Council hereby authorizes the City Manager, Finance Director and Law Director, and other appropriate officers of the City, to provide such information and certifications, to make such filings, and execute and deliver or accept delivery of such instruments, as are necessary and incidental to provide for the collection of those Service Payments, and to make such arrangements as are necessary and proper for payment of the Service Payments.

Section 4. This City Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Sawmill Creek Improvement Tax Increment Equivalent Fund (the “.41 TIF Fund”), into which shall be deposited all of the Service Payments and any associated rollback payments and related interest and penalty payments distributed to the City with respect to the .41 Improvements on the .41 TIF Parcels by or on behalf of the County Treasurer as provided in Ohio Revised Code Section 5709.42, and this City Council hereby provides that all of the moneys deposited in the Fund shall be used for any or all of the following purposes:

- (i) to pay any and all planning, engineering, legal, acquisition, construction, installation, and financing costs, and any and all other direct and indirect costs of the public or private improvements, including those costs set forth in Ohio Revised Code Section 133.15(B) as costs of permanent improvements;

- (ii) to pay the interest and premium on and principal of bonds or notes, including refunding or additional bonds or notes or other obligations issued or loans entered into by the City or other governmental entity to finance costs of the .41 Improvements until such notes or bonds or other

obligations or loans are paid in full, and to pay trustee and other costs related to servicing the obligations and providing and replenishing a reserve fund and to pay any costs charged by the issuer of the obligations;

(iii) to reimburse the City or other governmental entity or a private entity under contract with the City for any funds used to pay costs of the .41 Improvements, or to pay interest, principal, or premium, and related costs on any of the aforesaid notes, bonds, loans or other obligations, prior to receipt of Service Payments; and

(iv) to pay the School District any amount owed under the School Compensation Agreement and the JVSD any amount owed under the JVSD Compensation Agreement.

The Fund shall remain in existence so long as the Service Payments are collected and used for the aforesaid purposes, after which said .41 TIF Fund shall be dissolved in accordance with said Section 5709.43.

Section 5. This City Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Sawmill Creek Public Infrastructure Tax Increment Equivalent Fund (the “.40 TIF Fund”), into which shall be deposited all of the Service Payments and any associated rollback payments and related interest and penalty payments distributed to the City with respect to the .40 Improvements on the Parcels by or on behalf of the County Treasurer as provided in Ohio Revised Code Section 5709.42, and this City Council hereby provides that all of the moneys deposited in the Fund shall be used for any or all of the following purposes:

(i) to pay any and all planning, engineering, legal, acquisition, construction, installation, and financing costs, and any and all other direct and indirect costs of the public or private improvements, including those costs set forth in Ohio Revised Code Section 133.15(B) as costs of permanent improvements;

(ii) to pay the interest and premium on and principal of bonds or notes, including refunding or additional bonds or notes or other obligations issued or loans entered into by the City or other governmental entity to finance costs of the .40 Improvements until such notes or bonds or other obligations or loans are paid in full, and to pay trustee and other costs related to servicing the

obligations and providing and replenishing a reserve fund and to pay any costs charged by the issuer of the obligations;

(iii) to reimburse the City or other governmental entity or a private entity under contract with the City for any funds used to pay costs of the .40 Improvements, or to pay interest, principal, or premium, and related costs on any of the aforesaid notes, bonds, loans or other obligations, prior to receipt of Service Payments; and

(iv) to pay the School District any amount owed under the School Compensation Agreement and the JVSD any amount owed under the JVSD Compensation Agreement.

The Fund shall remain in existence so long as the Service Payments are collected and used for the aforesaid purposes, after which said .40 TIF Fund shall be dissolved in accordance with said Section 5709.43.

Section 6. The City Manager is hereby authorized and directed to sign on behalf of the City (i) the School Compensation Agreement between the City and the School District pursuant to Ohio Revised Code Section 5709.82, and the JVSD Compensation Agreement between the City and the JVSD, each in substantially the form on file with the Clerk of the City Council, and (ii) the Service Payment Agreement, each together with such revisions as are approved by the City Manager and Law Director consistent with the objectives and requirements of this Ordinance, which approval shall be conclusively evidenced by the signing of the applicable agreement.

Section 7. Pursuant to Ohio Revised Code Sections 5709.40 and 5709.41, the Clerk of the City Council is hereby directed to deliver a copy of this Ordinance to the Director of the Department of Development of the State of Ohio within fifteen days after its passage. On or before March 31 of each year that any exemption set forth in Section 1 hereof remains in effect, the City Manager or other authorized officer of this City shall prepare and submit to the Director of the Department of Development of the State of Ohio the status report required under Ohio Revised Code Sections 5709.40 and 5709.41.

Section 8. The City has created or will create a Tax Incentive Review Council (the "TIRC") with the membership of that Council constituted in accordance with R.C. Section 5709.85. The TIRC shall, in accordance with its statutory charge, review annually all exemptions from

taxation resulting from the declarations set forth in this Ordinance and any other such matters as may properly come before that Council.

Section 9. Pursuant to Ohio Revised Code Sections 5709.40(I) and 5709.41(E), the City Manager is hereby directed to deliver a copy of this Ordinance to the Director of the Ohio Department of Development (“ODOD”) within fifteen (15) days after its passage. On or before March 31 of each year that the exemptions set forth in Section 1 and Section 2 hereof remains in effect, the City Manager or other authorized officer of this City shall prepare and submit to the Director of ODOD the status reports required under Ohio Revised Code Sections 5709.40(I) and 5709.41(E).

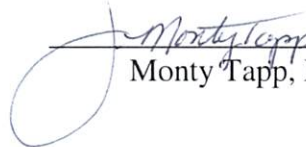
Section 10. This Ordinance, and the approvals of the City Council hereunder, shall go into effect immediately upon the annexation of the Parcels to the City. In the event that the .41 TIF Parcels and the .40 TIF Parcels are not annexed to the City by December 31, 2022, this City Council intends to terminate this Ordinance and instruct the City Manager to take such actions as shall be necessary in connection with the same.

Section 11. This City Council finds and determines that all formal actions of this City Council concerning and relating to the passage of this ordinance were taken in an open meeting of this City Council and that all deliberations of this City Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

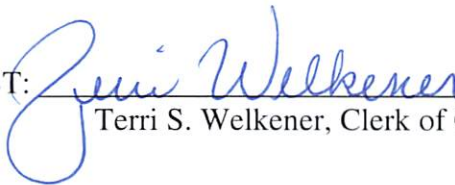
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Section 12. That, for the reasons set forth in the last preamble hereto, this ordinance is hereby declared to be an emergency measure and shall take effect immediately upon its passage and due authentication by the Mayor and the Clerk of the City Council.

PASSED: 30 AUG 2022



Monty Tapp, Mayor

ATTEST: 

Terri S. Welkener, Clerk of Council



EXHIBIT A
.41 TIF PARCEL LIST

Permanent Parcel Nos. 39-01076.029, 39-01076.000, 39-01076.005, 39-00553.000, 39-00827.000, 39-00859.000, 39-00864.000, and 39-00864.001.

EXHIBIT B

DEVELOPER IMPROVEMENTS

The Developer Improvements consist of all capital improvements and costs on the .41 TIF Parcels associated with the rehabilitation of the resort, hotel, and conference center including but not limited to refurbished guest rooms including furniture and fixtures, common area/guest amenity upgrades, enhancements to dining spaces and conference center meeting spaces, building envelope repairs (and replacement where needed), life safety upgrades and site improvements including upgraded utility service, parking lot enhancements, landscaping and signage.

EXHIBIT C

.40 TIF PARCEL LIST

Permanent Parcel No. 39-01076.004

EXHIBIT D

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements consist generally of acquiring and constructing the infrastructure described below. Any of the items contained in this Exhibit D that are identified by the City as consistent with the City's Vision 2020 Plan, as such plan is maintained on file with the City, shall be considered Public Infrastructure Improvements.

- Construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, bridges (both roadway and pedestrian), traffic calming devices, sidewalks, bikeways, medians and viaducts accessible to and serving the public, and providing lighting systems, signalization, and traffic controls, the continued maintenance of public roads and highways, and all other appurtenances thereto;
- Construction, reconstruction or installation of improvements (including any underground utilities), storm and sanitary sewers (including necessary site grading therefore), police equipment and police station buildings and improvements, fire equipment and fire buildings and improvements, water and fire protection systems, continued maintenance of water and sewer lines, and all other appurtenances thereto;
- Construction, reconstruction or installation of gas, electric, and communication service facilities, and all other appurtenances thereto;
- Construction or reconstruction of one or more public parks, including grading, trees and other park plantings, park accessories and related improvements, and all other appurtenances thereto;
- Construction or installation of streetscape and landscape improvements including trees and shrubs, landscaping mounds and fencing, tree grates, planting beds, signage, curbs, sidewalks, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, and all other appurtenances thereto;
- Construction of one or more public parking facilities, including public surface parking, public parking structures and related improvements, off-street parking facilities, including those in which all or a portion of the parking spaces are reserved for specific uses when determined to be necessary for economic development purposes, and all other appurtenances thereto;
- Demolition and excavation, including demolition and excavation on private property when determined to be necessary for economic development purposes;
- Acquisition of real estate or interests in real estate (including easements) necessary for economic development purposes, including but not limited to acquisition of real property from a blight elimination purpose to benefit the Parcels;
- Any on-going administrative expenses relating to the Public Infrastructure Improvements and maintaining the TIF revenues, including but not limited to engineering, architectural, legal, TIF administration, and other consulting and professional services; and
- All inspection fees and other governmental fees related to the foregoing.

The Public Infrastructure Improvements specifically include the costs of financing the Public Infrastructure Improvements, including the items of "costs of permanent improvements" set forth in

Ohio Revised Code Section 133.15(B), and incurred with respect to the Public Infrastructure Improvements, which “costs” specifically include any reimbursement payments for the reimbursement of the costs of the Public Infrastructure Improvements and the Debt Service on, and other expenses relating to the issuance of, any bonds, notes, or other obligations issued to finance the Public Infrastructure Improvements.

All of the Public Infrastructure Improvements described above are hereby determined to be “public infrastructure improvements” (as defined in Ohio Revised Code Sections 5709.40(A)(8)) and are intended to directly benefit the real property described in Exhibit C.

EXHIBIT E
SERVICE PAYMENT AGREEMENT

[Attached]

SERVICE PAYMENT AGREEMENT

THIS SERVICE PAYMENT AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 2022, by and among the **CITY OF HURON, OHIO**, a municipal corporation organized and existing under the constitution and the laws of the State of Ohio and its Charter (the "City"), and **SAWMILL CREEK LLC** an Ohio limited liability company (the "Developer").

WITNESSETH:

WHEREAS, the Developer is pursuing the development of several parcels of land as a mixed-use development (the "Development"), consisting of (i) an approximately 74.89-acre site currently identified as Parcel ID Nos. 39-01076.029, 39-01076.000, 39-01076.005, 39-00553.000, 39-00827.000, 39-00859.000, 39-00864.000, and 39-00864.001, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the ".41 TIF Site"); and (ii) an approximately 96.52-acre site currently identified as Parcel ID No. 39-01076.004 and more particularly described in Exhibit B attached hereto and incorporated herein by this reference (the ".40 TIF Site" and together with the .41 TIF Site, the "TIF Site"); and

WHEREAS, the TIF Site is located within the municipal corporate boundaries of the City, the territorial boundaries of the County of Erie, Ohio (the "County"); and

WHEREAS, upon completion, the Development would significantly increase the assessed valuation of the TIF Site; and

WHEREAS, the Developer, in its capacity as owner of the fee simple interest in the TIF Site, may in the future convey all or any portion of or interest in any of the real property comprising the TIF Site to subsequent owners of all or any portion of or interest in any of the real property comprising the TIF Site (singularly an "Owner" and collectively the "Owners"); and

WHEREAS, pursuant to Ohio Revised Code ("O.R.C.") Sections 5709.40 through 5709.43 (together with related provisions of the Ohio Revised Code, the "TIF Act"), and Ordinance No. [_____] passed by the Council of the City (the "Council") on [____], 2022, a copy of which is attached as Exhibit C attached hereto and incorporated herein by this reference (the "TIF Ordinance"), the City has, among other actions: (1) declared 100% of the improvement to the real property (the ".41 Improvement") included in the .41 TIF Site to be a public purpose and exempt from real property taxation for the Exemption Period (as defined herein) (the ".41 TIF Exemption"); (2) declared 100% of the improvement to the real property (the ".40 Improvement" and together with the .41 Improvement, the "Improvement") included in the .40 TIF Site to be a public purpose and exempt from real property taxation for the Exemption Period (as defined herein) (the ".40 TIF Exemption" and together with the .41 TIF Exemption, the "TIF Exemption"); (3) provided for service payments in lieu of taxes (the "Service Payments"), as an obligation running with the land for the Exemption Period (as defined herein) payable with respect to the real property comprising the TIF Site; (4) authorized the use of the Service Payments for such uses by the City as permitted under Ohio law, including, without limitation, payment of the costs of any improvements for urban redevelopment purposes with respect to the .41 TIF Site, public infrastructure improvements, as that term is defined in Ohio Revised Code Sections 5709.40(A)(7) (the "Public Infrastructure Improvements"), with respect to the .40 TIF Site, and other purposes described in the TIF Ordinance related to the TIF Site as authorized in O.R.C. Sections 5709.40 and 5709.41; and (5) determined to enter into this Agreement with the Developer, as initial Owner of the entire TIF Site during the term of construction of the Development, to provide for, among other things, the payment of the Service Payments by the Owners with respect to the TIF Site; and

WHEREAS, pursuant to the TIF Act, the TIF Ordinance, and this Agreement, the Developer desires to agree, for itself and for each of its successors and assigns as Owners of all or any portion of any of the real property comprising the TIF Site, to pay Service Payments in an amount equal to the amount of real property taxes that would have been paid with respect to the real property comprising the TIF Site had the TIF Exemption not been granted by the City under the TIF Act and the TIF Ordinance and applied for and allowed thereunder and in certain circumstances, to pay minimum service payments in the event the true value of the TIF Site does not meet certain valuation thresholds; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the City and the Developer covenant, agree, and bind themselves as follows:

SECTION 1. TAX EXEMPTION; PRIORITY OF EXEMPTIONS. In accordance with O.R.C. Sections 5709.40 and 5709.41, the parties hereby agree that the TIF Exemption is a 100% exemption from real property taxation for the Improvement for a period commencing for each parcel on the first day of the tax year beginning after the effective date of the TIF Ordinance in which there is an Improvement with respect to such parcel and ending for each parcel on the earlier of (i) 30 years after such exemption commenced or (ii) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes (the "Exemption Period"). Each Owner shall make Service Payments in an amount equal to the real property taxes that would have been payable with respect to the Improvement owned by that Owner had an exemption with respect to such Improvement not been applied for by the Owner and allowed under O.R.C. Sections 5709.40 and 5709.41. Each Service Payment to be made under this Agreement will be made on a semi-annual basis in an amount equal to one-half of the annual property tax amount that would have been payable had the TIF Exemption not been granted. The Service Payments shall be due and payable on each January 15 and July 15 or such other date as the Treasurer of Erie County, Ohio (the "County Treasurer") determines property taxes are due (such date being hereinafter referred to as a "Service Payment Date") until expiration or termination of the TIF Exemption.

SECTION 2. OBLIGATION TO MAKE SERVICE PAYMENTS. In the event that any Service Payment or any installment thereof, is not paid when due by any Owner on any Service Payment Date, to the extent that the County does not impose a late fee or delinquency charge, the City may impose and collect a late payment charge, payable to the City, in the amount of the charges for late payment of real property taxes, including penalty and interest, which would have been paid pursuant to O.R.C. Section 323.121 on the delinquent amount.

It is intended and agreed that the covenants provided in this Agreement shall be covenants running with the land and that they shall, in any event and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by the City whether or not this Agreement remains in effect. It is further intended and agreed that this Agreement and the covenants therein shall remain in effect for the full period of the TIF Exemption permitted in accordance with the requirements of the TIF Act and the TIF Ordinance enacted pursuant thereto. Each Owner shall only be responsible for making Service Payments that become due and payable during the period of that Owner's ownership of all or any portion of the TIF Site and only with respect to the portion of the TIF Site owned by the Owner. Upon satisfaction of each Owner's obligations under this Agreement and termination of the obligations of the Owners to make the Service Payments, the City shall, upon the request of an Owner, execute an instrument in recordable form evidencing such termination and releasing the covenants running with the land set forth in the deed. The parties acknowledge that the provisions of O.R.C. Section 5709.91, which specify that the Service Payments shall be treated in the same manner as taxes for all purposes of the lien described in O.R.C. Section 323.11, including but not limited to, the priority of the lien and the collection of Service Payments, shall apply to this Agreement. The City and each Owner shall perform such acts as are reasonably necessary or appropriate to effect, claim, preserve and maintain the 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.

Except with respect to the agreed upon Minimum Service Payments described in Section 3 of this Agreement, no Owner shall, under any circumstances, be required to pay both real property taxes with respect to any portion of an Improvement and Service Payments for any tax year with respect to that same portion of an Improvement, whether pursuant to O.R.C. Section 5709.42, the TIF Ordinance, this Agreement or any other applicable law.

SECTION 3. MINIMUM VALUATION; MINIMUM SERVICE PAYMENTS

The parties intend that during the term of this Agreement the true value of commercial use real property land and improvements constituting the TIF Site, including the true value of such real property exempted from real property taxes by any tax increment financing exemption applicable to such real property, but excluding the true value of such real property exempted from real property taxes by tax abatement, use exemptions, or other real property exemptions, applicable to such real property, all as determined in the official tax records of the Auditor of the County (the "Taxable Value"). In addition, the parties intend, and the Owner hereby agrees, that it shall in each year of the TIF Exemption pay a minimum service payment (the "Minimum Service Payment") as set forth below.

The Owner shall make, in addition to the Service Payments, a Minimum Service Payment on each Service Payment Date. Minimum Service Payments shall be payable to the City on each Service Payment Date at the same time as Service Payments are payable in accordance with Section 2 of this Agreement. Minimum Service Payments due hereunder shall constitute minimum service payment obligations under the TIF Act. Each Minimum Service Payment shall be in an amount equal to the amount necessary such that, the Minimum Service Payment, plus the Service Payment, due in each year shall be no less than \$450,000. The Owner acknowledges that any real-property tax exemption applicable to the TIF Site, other than the TIF Exemption, may increase the amount of Minimum Service Payments due since it will reduce the amount of Service Payments.

The City will use its best efforts to deliver, or cause to be delivered, to each Owner a bill for each installment of the Minimum Service Payment no later than thirty (30) days before each payment date. However, any failure to deliver a bill will not relieve the Owner of its responsibility to timely pay the Minimum Service Payment installment then due. Bills must be sent to each Owner at its tax mailing address as shown on the real-property tax duplicate.

It is intended and agreed, and it shall be so provided by each Owner in any future deed conveying the TIF Site or any part of the TIF Site, that the covenants and agreements provided in this Section 3 shall be covenants running with the land and that they, in any event and without regard to technical classification or designation, legal or otherwise, shall be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the City, whether or not such provision is included by the Owner in any succeeding deed to subsequent Owners. It is further intended and agreed that the covenants and agreements provided in this Section 3 shall remain effective only during the term of this Agreement.

SECTION 4. ADDITIONAL OBLIGATIONS.

A. Should any Owner default hereunder, such Owner shall pay in addition to the Service Payments and Minimum Service Payments such amount as is required to reimburse the City for any and all reasonably and actually incurred costs, expenses and amounts (including reasonable attorneys' fees) incurred by the City to enforce the provisions of this Agreement.

B. Within five (5) business days following the effective date of this Agreement, or the Developer's acquisition of title to the TIF Site, whichever occurs later, the Developer shall, at its sole cost and expense, cause this Agreement to be recorded in the real property records of the County, it being understood and agreed that the lien of this Agreement shall, in accordance with O.R.C. Sections 323.11 and 5709.91, be prior to any mortgage, assignment, lease or other conveyance of any part of or interest in the TIF Site, and prior to any security instrument encumbering all or any part of or interest in the Improvement. Nothing contained in this Agreement shall be construed to permit acceleration of the Service Payments and Minimum Service Payments beyond the current year that such Service Payments and Minimum Service Payments are due.

C. The obligation to perform and observe the agreements on the Owners' parts contained herein shall be binding and enforceable against each and every Owner by the County Treasurer, and shall also, to the extent permitted by law, be enforceable by the City.

D. Unless otherwise agreed by the City in writing, the Owner will not take any action that will cause the TIF Site to be classified as a "Parcel(s) that is used or to be used for residential purposes" as described in the TIF Act or claim or assert in any administrative or legal proceeding (including, without limitation, by filing or amending an exemption application) that any portion of the TIF Site is exempt from real-property taxation under any authority other than the TIF Ordinance (including, without limitation, the relevant portions of the TIF Act).

SECTION 5. BINDING NATURE OF OBLIGATIONS; SECURITY FOR PAYMENT. Anything herein to the contrary notwithstanding, upon the effective date of this Agreement, the Owners' obligation hereunder to pay Service Payments and Minimum Service Payments and to perform and observe any other agreements on their part contained herein, shall be absolute and unconditional and shall be covenants running with the land and shall be binding and enforceable by the City against the Owners, but only to the extent of the respective Owners' obligations and only with respect to its or their interest in the TIF Site and the Improvement, or any part thereof or any interest therein. Each Owner's obligation to pay the Service Payments and Minimum Service Payments shall be secured by a lien on its interest in the TIF Site and the Improvement, as provided by law and described in Section 13. In the event that, subsequent to allowance of the exemption under the TIF Ordinance, the same is at any time revoked or suspended or the obligation to make Service Payments becomes unenforceable pursuant to ORC Section 5709.911(D), then the Owner will nevertheless continue to make Minimum Service Payments. Notwithstanding any provision of this Agreement to the contrary, Developer's and each Owner's liability under this Agreement shall be limited its right, title and interest in the Development. In no event shall Developer, any other Owner, or any of their respective employees, officers, managers, directors, partners, beneficiaries, members, joint venturers, shareholders, owners or affiliates be personally liable for any obligations hereunder.

SECTION 6. PAYMENT OF TAXES; CONTESTS. Each Owner shall pay, cause, or require to be paid, as the same become due, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the TIF Site (except as otherwise provided herein) or any personal property or fixtures installed or brought therein or thereon (including, without limiting the generality of the foregoing, and by way of example, any taxes levied against an Owner with respect to the receipts, income or profits from leasing or subleasing space within the Improvement, which, if not paid, may become or be made a lien on all or any portion of the TIF Site).

Notwithstanding the foregoing, the Developer or any individual Owner may, at their own expense and in good faith, contest the amount of any property taxes. Developer intends to consider the effect of changes in property values for all affected parties when participating in valuation challenges related to the TIF Site, as either a complainant or a counter-complainant.

SECTION 7. NOTICES. All notices, designations, certificates, requests or other communications under this Agreement shall be sufficiently given and shall be deemed given on receipt when personally delivered, or 48 hours after being mailed by registered or certified mail, postage prepaid: if to the City, at 417 Main Street, Huron, OH 44839 Attention: City Manager, with a copy to the Law Director at 417 Main Street, Huron, OH 44839, if to the Developer, at One Cedar Point Drive, Sandusky, OH 44870 Attention: Bryan Witherow, and, if to the Owners, at their address or addresses of record on file in the office of the County Auditor of Erie County, Ohio. The City, the Developer, and any individual Owner may, by notice given under this Agreement, designate any further or different addresses to which subsequent notices, designations, certificates, requests or other communications shall be sent, and shall provide copies of all such communications to any of the others to all of the others.

SECTION 8. EXEMPTION APPLICATIONS. Promptly upon the execution of this Agreement, the Developer or the City, with the Developer's written consent which is hereby granted, shall file the required DTE form (or any other applicable or required forms) to evidence the City's application for exemption from real property taxation with respect to the TIF Site pursuant to O.R.C. Section 5709.911(B)(1). The City, the Developer, and any individual Owner shall cooperate with each other, and execute such further documents and provide such further information as are reasonably required in connection with the filing and processing of such applications. The parties hereto intend that such exemption from real property taxation will apply initially on the date on which the TIF Ordinance is effective and shall use due diligence and commercially reasonable efforts to that end. The Developer and any individual Owner shall continuously use due diligence and employ commercially reasonable efforts to keep such exemptions in force, not permitting the same to lapse or be suspended or revoked for any reason within the Developer's or any individual Owner's control.

SECTION 9. EFFECTIVE DATE; DURATION OF AGREEMENT. This Agreement shall become effective only after its execution and delivery by the parties. Unless sooner terminated pursuant to the terms hereof, this Agreement shall expire at the end of the Exemption Period. Upon expiration or termination of this Agreement, the City will cause this Agreement to be cancelled of record at the cost of the Owners.

SECTION 10. APPLICATION OF SERVICE PAYMENTS. The Service Payments and Minimum Service Payments shall be made by or on behalf of the Owners to the County Treasurer on or before the applicable Service Payment Dates. Upon receipt of the Service Payments and Minimum Service Payments from the County Treasurer, the City shall deposit the Service Payments and Minimum Service Payments in the TIF Funds established by or designated in the TIF Ordinance; provided, that all such amounts received by the City shall be allocated for the purposes set forth in the TIF Ordinance, including, without limitation (i) payment of the costs of any improvements for urban redevelopment purposes or other purposes provided in the TIF Ordinance related to the TIF Site as authorized in O.R.C. Section 5709.41; (ii) payment of the costs of any Public Infrastructure Improvements as authorized in O.R.C. Section 5709.40; or (iii) other authorized uses by the City as permitted under Ohio law.

SECTION 11. REIMBURSEMENT OF DEVELOPER. The City shall pay to the Developer in accordance with the terms of this Agreement a maximum of \$2,000,000 in bond proceeds to reimburse the Developer for costs incurred in constructing the Development, including, but not limited to, the items of "costs of permanent improvements" contained in O.R.C. Section 133.15 (with the costs of the Development collectively referred to herein as the "Costs"). Such payment shall be made by the City upon (i) receipt from the Developer of such information as the City shall reasonably require in connection with the completion of the Development in accordance with all City requirements; and (ii) issuance by the City of bonds necessary to secure such funds, which the City shall work in good faith to issue no later than [December 31, 2022].

Notwithstanding any other provision of this Agreement, the City's payment obligations hereunder are limited to the monies in the TIF Funds and do not constitute an indebtedness of the City within the provisions and limitations of the laws and the Constitution of the State of Ohio, and the Developer does not have the right to have taxes or excises levied by the City for the payment of the Costs and interest thereon.

SECTION 12. DEFAULTS AND REMEDIES. The following shall be events of default under this Agreement:

- (a) the failure of the Developer or any individual Owner to pay no later than the thirtieth calendar day following its due date any Service Payment, Minimum Service Payment, or any installment thereof, due by the Developer or any individual Owner, including any applicable late payment charges;
- (b) the failure of the Developer or any individual Owner to perform or observe any other covenant made by it in or pursuant to this Agreement, which failure shall continue for more than 30 days following written notice thereof by the City.
- (c) the failure by the City to provide the statutory service payments generated from the Project (the "Project TIF Revenue") to the Developer or its designee within forty-five (45) days following the deposit of such Project TIF Revenue by the City into the TIF Funds; provided, however, that the Developer has complied with the cost certification requirements of Section 11 hereof.
- (d) the failure of the City to perform or observe any other covenant made by it in or pursuant to this Agreement, which failure shall continue for more than 30 days following written notice thereof by the Developer.

Upon the occurrence and continuation of any event of default, in addition to other rights of enforcement granted hereunder, the City or the Developer shall be entitled to exercise any and all remedies available to it hereunder, including the remedies described in Section 12, or under applicable law. Waiver by the City or the Developer of any event of default shall not be deemed to extend to any subsequent or other event of default under this Agreement. The City and the Developer acknowledge and agree that the timely payment of Project TIF Revenue to the Developer is a material term of this Agreement.

SECTION 13. ENFORCEMENT; FORECLOSURE OF LIEN. The provisions of this Agreement with respect to the obligations of the Developer or any individual Owner may be enforced to the fullest extent permitted by law, by (i) the City, and (ii) the County Treasurer. It is the intention and agreement of the Developer, as an Owner, that this Agreement shall constitute and be deemed to be a lien encumbering and running with the real property comprising the TIF Site to secure the obligations of the Developer and any individual Owners to make Service Payments and make Minimum Service Payments (and, if applicable, pay interest and penalties), which Service Payments and Minimum Service Payments are intended to have the same lien rights as real estate taxes and the same priority in accordance with O.R.C. Sections 323.11 and 5709.91 and the Owner will not contest those lien rights or priority. In furtherance of the foregoing, it is the intention of the Developer, as an Owner, that the City may, upon the occurrence of an event of default set forth in Section 12 hereof, and without limiting any other right or remedy otherwise available to the City, take all such steps as may be legally available to it to foreclose upon such lien pursuant to the procedures and requirements of Ohio law relating to either delinquent real estate taxes or mortgage liens. If the Developer materially fails to fulfill any obligation under this Agreement, the City may, at its option, (i) terminate this Agreement; and (ii) require the repayment by the Developer of any amounts paid to the Developer under Section 11, but in either case only upon 30 days' written notice in accordance with Section 7 ("Default Notice") and, with respect to any non-monetary defaults, reasonable (in light of the

nature of the default) opportunity to cure, which cure period shall be set forth in the Default Notice. For avoidance of doubt, the failure of the Developer to make Minimum Service Payments as and when due shall constitute an event of default hereunder and give rise to the rights of the City described in the immediately preceding sentence. Nothing contained in this Agreement shall be deemed to authorize any acceleration of the Service Payments or Minimum Service Payments due in future years. The provisions of this Agreement shall encumber and run with the real property comprising the TIF Site.

SECTION 14. COUNTERPARTS; CAPTIONS. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement. Captions have been provided herein for the convenience of the reader and shall not affect the construction of this Agreement.

SECTION 15. SEVERABILITY. In case any section or provision of this Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

All illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 16. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. All claims, counterclaims, disputes and other matters in question between the City, its agents and employees; the Developer, its employees, contractors, subcontractors and agents; and any individual Owner, its employees, contractors, subcontractors and agents arising out of or relating to this Agreement or its breach will be decided in a state court of competent jurisdiction within the State of Ohio.

SECTION 17. ENTIRE AGREEMENT. This document (with its exhibits) contains the entire agreement between the parties and supersedes any prior discussions, representations, warranties, or agreements between them respecting the subject matter. No changes or amendments shall be made or be binding unless made in writing and signed by each of the parties.

SECTION 18. NO CITY EXPENDITURES IN YEAR OF EXECUTION. Nothing contained in this Agreement shall be construed to require the City to expend funds in connection with the performance of this Agreement in fiscal year 2022.

SECTION 19. ADDITIONAL DOCUMENTS; AMENDMENT. The parties hereto agree for themselves and their respective successors, assigns and transferees, to execute any further agreements, documents or instruments as may be reasonably necessary to fully effectuate the purpose and intent of this Agreement in compliance with all laws and ordinances controlling this Agreement. Any amendment to this Agreement must be in writing and signed by or on behalf of all parties or their respective permitted successors, assigns, and transferees.

SECTION 20. ASSIGNMENTS. This Agreement shall be binding on the parties hereto and their respective successors and assigns. Except as otherwise discussed below, this Agreement may not be assigned by any party hereto without the written consent of the other party, not to be unreasonably withheld.

[Balance of Page Intentionally Left Blank]

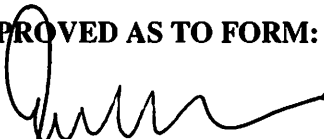
IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed in their respective names by themselves or their duly authorized officers, as applicable, all as of the date hereinbefore written.

CITY OF HURON, OHIO



Matthew Lasko, City Manager

APPROVED AS TO FORM:



Director of Law

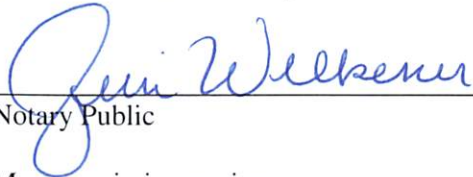
SAWMILL CREEK LLC

By:

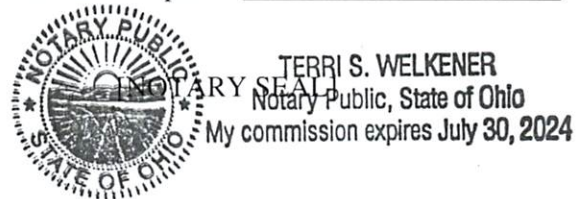
Its:

STATE OF OHIO)
) ss:
COUNTY OF ERIE)

On this 31st day of August, 2022, personally appeared before me, a Notary Public in and for the State of Ohio, City of Huron, Ohio, by Matthew Laska, known to be the City Manager of said City, who acknowledged that he is duly authorized to execute this Agreement and who acknowledged the signing and sealing of the said Agreement on behalf of said City to be a voluntary act and deed, and the voluntary act and deed of said City. The notarial act certified hereby is an acknowledgment. No oath or affirmation was administered to the signer with regard to the notarial act certified to hereby.



Notary Public
My commission expires: _____



STATE OF OHIO)
) ss:
COUNTY OF _____)

On this ____ day of _____, 202__, personally appeared before me, a Notary Public in and for the State of Ohio, by _____, _____ of SAWMILL CREEK LLC, who acknowledged that he is duly authorized to execute this Agreement and who acknowledged the signing and sealing of the said Agreement on behalf of SAWMILL CREEK LLC to be a voluntary act and deed, and the voluntary act and deed of SAWMILL CREEK LLC. The notarial act certified hereby is an acknowledgment. No oath or affirmation was administered to the signer with regard to the notarial act certified to hereby.

Notary Public
My commission expires: _____

[NOTARY SEAL]

This instrument prepared by:
Robert McCarthy, Esq.
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215

EXHIBIT A

Legal Description of the .41 TIF Site

Permanent Parcel Nos.: 39-01076.029, 39-01076.000, 39-01076.005, 39-00553.000, 39-00827.000, 39-00859.000, 39-00864.000, 39-00864.001.

EXHIBIT B

Legal Description of the .40 TIF Site

Permanent Parcel No.: 39-01076.004

EXHIBIT C

City TIF Ordinance

RECEIPT OF THE DIRECTOR OF DEVELOPMENT FOR THE STATE OF OHIO
FOR LEGISLATION DECLARING CERTAIN IMPROVEMENTS TO REAL
PROPERTY TO BE EXEMPT FROM REAL PROPERTY TAXATION PURSUANT TO
OHIO REVISED CODE SECTIONS 5709.40 AND 5709.41

I, _____, the Director of the Ohio Department of Development, hereby certify that a certified copy of Ordinance No. 2022-____, which was duly adopted by the City Council of the City of Huron, Ohio (the "City") on August 23, 2022, and which (i) declared the improvement of certain real property to be a public purpose and declaring a portion of such property to be exempt from real property taxation pursuant to Ohio Revised Code Section 5709.41, and (ii) declared the improvement of certain real property to be a public purpose and declaring a portion of such property to be exempt from real property taxation pursuant to Ohio Revised Code Section 5709.40, was filed in this office on _____, 2022.

WITNESS my hand and official seal at Columbus, Ohio on _____, 2022.

Director,
Ohio Department of
Development