

**KENT-FRANKLIN
JOINT ECONOMIC
DEVELOPMENT DISTRICT
CONTRACT**

_____, 2006

KENT-FRANKLIN JOINT ECONOMIC DEVELOPMENT DISTRICT CONTRACT

This Kent-Franklin Joint Economic Development District Contract (the “Contract”) is made and entered into as of June 27, 2006, by and between the Township of Franklin (the “Township”) and the City of Kent (the “City”) in accordance with the terms and provisions set forth herein.

RECITALS

A. The Township and the City intend to enter into this Contract to create and provide for the operation of the Kent-Franklin Joint Economic Development District (the “District”) in accordance with Sections 715.72 through 715.83 of the Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio (the “State”).

B. The legislative authorities of the Township and the City have each authorized and directed the Township and the City, respectively, to make and enter into this Contract by and through their respective officers in accordance with Ordinance No. 2006-71, passed by the City Council on June 14, 2006, and Resolution No. 2006-08, adopted by the Board of Township Trustees on June 27, 2006.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Contract, the Township and the City agree and bind themselves, their agents, employees and successors, as follows:

Section 1. Creation of District: Name. The Township and the City, by their combined action evidenced by the signing of this Contract, hereby create a joint economic development district in accordance with the terms and conditions of this Contract. The joint economic development district created by and pursuant to this Contract shall be known as the

“Kent-Franklin Joint Economic Development District.” The Board of Directors (the “Board”) of the District may change the name of the District by resolution of the Board.

Section 2. Contracting Parties. The “Contracting Parties” to this Contract are the Township of Franklin, a township existing and operating under the laws of the State, and the City of Kent, a municipal corporation existing and operating under the laws of the State, including the Charter of the City, and their respective successors, in all or in part.

Section 3. Purpose. The Township and the City intend that the creation and operation of the District shall, and it is the purpose of the District, to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the County, the Township, the City and the District.

Section 4. Territory of the District. The territorial boundaries of the District are described in Exhibit A attached to and made part of this Contract. This Contract incorporates and includes all exhibits attached hereto. The territory of the District is located entirely within the County of Portage (the “County”) and does not include any “parcel of land” (as defined in Section 715.73(C) of the Revised Code) that is owned in fee by or is leased to a municipal corporation or township, except land owned by a Contracting Party. Furthermore, no electors reside within the area or areas comprising the District and no part of the area or areas comprising the District is zoned for residential use.

Section 5. Addition and Removal of Areas from District.

(A) Addition to District. The Contracting Parties may amend this Contract from time to time to add to the District any area that was not originally included in the District when this Contract became effective, in accordance with Section 715.761 of the Revised Code. The Contract may be so amended by amending Exhibit A or by adding one or more exhibits to the

Contract. The Township and the City, individually and collectively, fully intend that other areas be added to the District (or other joint economic development districts be created for such areas). Each of the Contracting Parties agrees to cooperate with the other to amend this Contract to add other areas to the District (or to create other joint economic development districts for such areas) in the future.

(B) General JEDD Area. In general, it is intended by the Contracting Parties that the District will include (originally or as expanded) both all undeveloped land and all land zoned Commercial or Industrial that is located generally along State Route 59 from the City's easterly boundary line to the Township's easterly boundary line (with Ravenna Township) and along Rhodes Road and Powder Mill Road (the "General JEDD Area").

It is further intended by the Contracting Parties that land within the General JEDD Area that is not included in the District upon its initial creation shall become part of the District through amendments to this Contract in accordance with Section 715.761 of the Revised Code. The Contracting Parties shall endeavor to obtain signed petitions from property owners and owners of businesses within the General JEDD Area in order to achieve a majority of each of such class of owners sufficient to create the District or, as applicable, to add areas to the District.

(C) Special Agreements. For those situations in which a property owner or an owner of a business within the General JEDD Area has determined not to sign a regular petition to be included in the District (or an addition to the District), the Township may enter into the special agreements as described in this subsection. The Township will enter into agreements with the owners of such property pursuant to which those property owners shall petition to include their property to the District under the following circumstances:

(i) the sale or other transfer of that property (so that the current property owner shall petition for such property to be included in the District and the succeeding property owner shall be so bound); or

(ii) the business currently located on that property ceases operation; or

(iii) the business currently located on that property is sold or transferred or there is otherwise a change in the ownership of that business; or

(iv) a new business is located on that property.

Under the circumstances set forth in (iii) and (iv) above, the property owner, pursuant to its agreement with the Township, shall cause the owner of the business located on the property to sign a petition for inclusion of the property in the District.

The Township will enter into agreements with the owners of businesses located on the land within the General JEDD Area pursuant to which those business owners shall petition to be included in the District under the following circumstances:

(i) the sale or other transfer of that business or there is otherwise a change in the ownership of that business (so that the current business owner shall petition to be included in the District and the succeeding business owner shall be so bound); or

(ii) the business currently located on that property ceases operation.

The Township agrees to pay all costs and expenses associated with entering into such special agreements with those property owners and business owners.

(D) Removal from District. The Contracting Parties may also amend this Contract from time to time to remove an area from the District in accordance with the procedure set forth in Section 14 of this Contract.

Section 6. Term. The initial term of this Contract shall commence on the date of this Contract and shall terminate on December 31, 2016, unless otherwise terminated prior to that date as provided herein. The effective date of this Contract, however, shall be the thirty-first day after its approval, in accordance with Section 715.77(A)(4) of the Revised Code.

This Contract shall be renewed and extended without further action by the Contracting Parties for four successive 10-year periods (each a “Renewal Period”) if, at the commencement of each Renewal Period, there is in effect a Fire/EMS Service Agreement between the City and the Township with a term concurrent with this Contract as renewed and extended. If there will not be any such Fire/EMS Service Agreement in effect for a Renewal Period, this Contract shall not be renewed and extended unless the Township waives this provision and agrees that this Contract shall be renewed and extended for the next Renewal Period; provided, however, that if there will not be a Fire/EMS Service Agreement in effect for a Renewal Period because the Township has determined not to enter into any such Fire/EMS Service Agreement (or extension thereof) as offered by the City, this Contract shall be renewed and extended once for a five-year period. After such five-year period, the provisions of this paragraph will remain in effect and continue.

The Fire/EMS Service Agreement shall provide defined terms and conditions for the continuation of that service and the means of assessing cost for the service.

In addition to the provisions for extending this Contract in the first paragraph of this Section, this Contract may also be extended by mutual agreement of the Contracting Parties for a period of years as agreed to by the Contracting Parties. On or before one year prior to the expiration of the term of this Contract or any extension thereof, the Contracting Parties shall determine whether to extend the Contract and the period for such extension. If the Contracting

Parties mutually agree to an extension of the Contract, they shall enter into an agreement to extend the Contract for the period of years set forth in that agreement on or before 180 days prior to the expiration of the Term of this Contract or any extension thereof.

This Contract may be terminated at any time by mutual consent of the Township and the City as authorized by their respective legislative authorities as provided herein. In order for such termination to be effective, the legislative actions of the Contracting Parties that terminate this Contract must occur and be effective within a period of 90 days of each other.

The provision herein for the initial term and any extension of this Contract recognizes that the accrual of benefits to the parties from this Contract may take decades and that the construction of utility facilities and other possible capital improvements provided for herein is of permanent usefulness and duration.

Notwithstanding Section 14 hereof, this Contract may also be terminated by the City if it is determined at any time, for any reason, by a court of competent jurisdiction that (i) this Contract could not be entered into, cannot be implemented or is invalid or (ii) the income tax provided for in Section 10 hereof is not legal or valid or the District, for any reason, may not levy, collect or distribute that income tax in accordance with this Contract. The determination to so terminate this Contract shall be evidenced by a written notice of such termination from the City to the Township. The termination shall occur on the date set forth in that notice. If this Contract is terminated upon the exercise of this option, the Contracting Parties shall have no further obligation under this Contract.

In the process of termination of this Contract but prior to final termination, any real or personal property, assets or funds of the District and any obligations, debts or liabilities of the District shall be distributed between the Township and the City as follows: the Township

50% and the City 50%, provided that, prior to incurring any obligation, debt or liability exceeding \$10,000, the Board shall have obtained the approval of the Contracting Parties. Before any such distribution, the District shall first use any such property, assets or funds to pay, reduce or settle any obligations, debts or liabilities of the District in accordance with the terms under which such obligations, debts or liabilities were originally incurred. Obligations of the District include, but are not limited to, obligations of the District to one or more of the Contracting Parties under this Contract or separate agreements for the provision of money, services, facilities, capital improvements or other contributions to the District or otherwise. To the extent permitted by law, obligations of the District to a Contracting Party shall take precedence over other obligations, debts or liabilities of the District.

Pursuant to Section 715.74(D) of the Revised Code, this Contract shall continue in existence throughout its term and shall be binding on the Contracting Parties and on any entities succeeding the Contracting Parties, whether by annexation, merger or otherwise. Any portion of the territory of the District (not now in a municipal corporation) that is included within a municipal corporation by annexation, merger or otherwise, after the date of this Contract, shall continue to be a part of the District subject to the terms of this Contract and to the income tax provided for in Section 10 hereof.

Section 7. Contributions to the District. In accordance with Section 715.74 of the Revised Code, the Township and the City each agree to contribute to the development and operation of the District as set forth herein.

(A) Utility Service. The Contracting Parties have not entered into separate contracts with each other for utility service. The Contracting Parties shall cooperate with each

other, the County, the District and with utility service users in the District in obtaining access to sanitary sewer service and water service.

(1) Water Service. Access to water service from the City's water system shall be made available to users in the District. In order to contribute to the availability of water service, the City may acquire, construct and install certain water service facilities in the District as requested by users and in accordance with applicable water service agreements, subject to engineering, legal and economic feasibility. The City shall enter into water service agreements with water service users within the portion of the District that is not in the City for the provision of water service at rates that are equal to the rates charged to comparable users within the City as those water service rates (the "City Water Rates") are revised from time to time, plus a surcharge of 25% of the City Water Rates (the "Surcharge"); provided that the Surcharge shall not apply to property owners or owners of businesses that sign a petition to be included (originally or as amended) in the District in accordance with Section 5(B) hereof. Those water service agreements may also provide for a tap-in fee or other charge to be charged at the time of connection to the water system or at a later time, which may be paid at one time or over a ten-year period, all as set forth in those agreements. To the extent permitted by law, the Township, the City or the County, may establish special assessment procedures for the levy and collection of special assessments to pay costs of such improvements.

(2) Sanitary Sewer Service. Access to sanitary sewer service from the City's sanitary sewer system shall be made available to users in the

District. In order to contribute to the availability of sanitary sewer service, the City may acquire, construct and install certain sanitary sewer service facilities in the District as requested by users and in accordance with applicable sanitary sewer service agreements, subject to engineering, legal and economic feasibility. The City shall enter into sanitary sewer service agreements with sanitary sewer service users within the portion of the District that is not in the City for the provision of sanitary sewer service at rates that are equal to the rates charged to comparable users within the City as those sanitary sewer service rates (the “City Sewer Rates”) are revised from time to time. Those sanitary sewer service agreements may also provide for a tap-in fee or other charge to be charged at the time of connection to the sanitary sewer system or at a later time, which may be paid at one time or over a ten-year period, all as set forth in those agreements. To the extent permitted by law, the Township, the City or the County, may establish special assessment procedures for the levy and collection of special assessments to pay for costs of such improvements.

(3) Water service facilities and sanitary sewer service facilities shall only be extended upon petition of a majority of property owners within the prescribed area to be served, requesting water service or sanitary sewer service. The Township agrees to support the levying of special assessments by the County when a majority of property owners petition for water service or sanitary sewer service to be provided by the City. If the County does not levy special assessments under such conditions, the Township agrees to bargain in good faith with the City to offer alternative revenues for the City to recover its costs to

extend water service or sanitary sewer services into a designated service area in the Township, regardless whether or not the area to be served is inside the District.

(4) All water service facilities and sanitary sewer service facilities that are acquired, constructed or installed by the City pursuant to this Contract shall be owned, operated and maintained by the City, unless otherwise determined by the City.

(5) The Contracting Parties shall cooperate with each other, the District, the County and the State in the acquisition, construction and installation of water service facilities and sanitary sewer service facilities as provided in this Contract, including, but not limited to, granting easements, rights-of-way and street opening permits at no more than the usual and customary cost.

(B) Infrastructure; Financing. In accordance with Section 715.81 of the Revised Code, (i) the City may exercise all of the powers of a municipal corporation and perform all of the functions and duties of a municipal corporation within the District and (ii) the Township may exercise all of the powers of a township and perform all the functions and duties of a township within the District, relating to: (1) the acquisition, construction and improvement of public streets and roads and other public improvements located in the District and the financing thereof, (2) the levy and collection of special assessments or the establishment of other charges (including tap-in fees) to pay all or a portion of the costs of the facilities and improvements described in subsection (A) above and in this subsection (B), (3) those powers, functions and duties provided in Sections 5709.40 through 5709.43 of the Revised Code, and (4) those powers, functions and duties provided in Chapter 133 and other sections of the Revised

Code authorizing the financing of capital improvements, which all such exercise and performance shall be deemed to be pursuant to and consistent with this Contract. The City and the Township shall also cooperate in obtaining grants and other funding sources for such infrastructure within the District.

(C) Other Services. The Township and the City shall provide services to assist the District with planning, marketing, promotion and related activities to facilitate economic development in the District. In addition, the City agrees to assist in the marketing of available properties in the District to prospective commercial or green (environmentally friendly) industrial enterprises. The Township and the City may provide secretarial services and other staffing as each Contracting Party, in its sole discretion, determines, at no cost to the District. In addition, the Board may contract for such services with either or both of the Contracting Parties on such terms as the Board and the respective Contracting Parties may agree.

The City shall hold all records or documents of the District for safekeeping. The City shall maintain those records and documents as are public records of the City and shall provide copies of those records and documents to the Contracting Parties in accordance with the public records laws of the State.

For the term of this Contract but only so long and to the extent to which the area within the District remains unincorporated, the Township shall provide the same services to the unincorporated portions of the District that it provides to other unincorporated areas of the Township, including but not limited to, police and fire protection services. The City shall provide the same services to the portions of the District within the City, if any, that it provides to other areas of the City.

The City shall prepare, or cause to be prepared, all documents of the City and the District relating to the formation of the District including, but not limited to, this Contract, notices, forms of City, Township, County and District legislation and election proceedings. Any costs incurred and paid by the City in preparing such documents or otherwise incurred by the City in assisting in the establishment of the District shall be reimbursed to the City from revenues of the District income tax prior to the distributions of such revenues as set forth in Section 10 hereof. Any costs incurred and paid by the Township in connection with such preparation or in identifying property owners and businesses within the District, describing the District boundaries and obtaining signatures on petitions for the creation of the District (but not including costs and expenses of the Township incurred pursuant to Section 5 hereof) shall be reimbursed to the Township from those revenues of the District prior to the distributions set forth in Section 10 hereof.

(D) Financial Contributions. At the request of the Board, the Contracting Parties shall contribute an aggregate amount not to exceed \$1,000 to the District to pay initial administration and other costs generally identified in the request. The contribution amount shall be allocated among the Contracting Parties as follows: the Township 50% and the City 50%. This initial contribution shall be made within 45 days of receipt of the request of the Board. The Contracting Parties may, but are not required to, make other financial contributions to the District. The Contracting Parties shall cooperate with the Board in obtaining financial assistance, both public and private, for economic development projects, but shall not be required to assume any financial obligation in doing so.

Section 8. Board of Directors. The Board of Directors shall be established in accordance with Section 715.78(A) of the Revised Code. If there are businesses located and

persons working within the area or areas to be included in the District, the Board shall be composed of the following members:

- (a) one member representing the City, to be appointed by the Mayor with the approval of the City Council;
- (b) one member representing the Township, to be appointed by the Township Trustees;
- (c) one member representing the owners of businesses located in the District, to be appointed (i) by the Township Trustees for the initial such appointment and for each alternate succeeding appointment thereafter and (ii) by the Mayor with the approval of the City Council for the second such appointment and for each alternate succeeding appointment thereafter;
- (d) one member representing the persons working within the District, to be appointed (i) by the Mayor with the approval of City Council for the initial appointment and for each alternate succeeding appointment thereafter and (ii) by the Township Trustees for the second such appointment and for each alternate succeeding appointment thereafter;
- (e) one member selected by the above-described other members.

If there are no businesses located or persons working within the area or areas to be included in the District, the Board shall be composed of the members as set forth in (a), (b) and (e) above. If the Board is originally composed of the members as set forth in (a), (b) and (e) above and, subsequently, one or more businesses are located, or persons begin working, in the District, the Board shall be increased to five members by the appointment of the members as set

forth in (c) and (d) above in accordance with the procedure for such appointment as set forth above.

The terms of service of each member shall be established in accordance with Section 715.78(A) of the Revised Code. The members of the Board shall serve without compensation as such members. Necessary and authorized expenses incurred by members on behalf of the District shall be reimbursed from District funds in accordance with procedure established by the Board. Each member shall attend all meetings unless excused by action of the other members. A member who is absent without being excused from three consecutive meetings shall be deemed to have resigned as a member of the Board. In the event of the death, disqualification, removal or resignation of any member of the Board, a new member shall be appointed in the same manner as set forth above to serve as successor for the unexpired term of such member.

A member of the Board may be removed by the appointing party for "cause," which shall mean: willfully failing to perform a duty expressly imposed by this Contract or by law with respect to his or her office; or willfully performing any act forbidden by law with respect to his or her office; or failing to achieve the faithful, efficient and intelligent administration of his or her duties of office as required by this Contract or by law; or engaging in conduct unbecoming to such office. Removal shall be effective upon receipt of written notice of removal and the reasons therefore by the Board member being removed.

The Chairperson of the Board shall be the Board member as provided in Section 715.78(A) of the Revised Code. The Board shall elect the following officers (who along with the Chairperson shall constitute the Officers of the Board) from among its members: a Vice Chairperson, a Secretary and a Treasurer. The Officers (except the Chairperson) shall be elected

at the first meeting of the Board and thereafter every year for a one-year term and shall serve until their respective successors take office. The Board shall establish a procedure for conducting those elections. The Officers shall perform such duties as provided herein and such additional duties as may be provided from time to time by the Board.

Section 9. Powers, Duties, Functions. The Board shall meet at least once each calendar quarter on a date determined by the Board, provided that the first meeting of the Board shall be within 30 days after this Contract becomes effective, on a date agreed to by the Contracting Parties. The Board shall adopt procedures for holding and conducting regular and special meetings. The Board shall establish a mailing address and shall hold its meetings at the City Building unless otherwise determined by the Board from time to time.

For the purpose of conducting a Board meeting, the attendance of at least four members shall be required and shall constitute a quorum; provided that if the Board is composed of less than five members, at least three of those members shall constitute a quorum. The Board shall act through resolutions adopted by the Board. A resolution must receive the affirmative vote of at least four members of the Board to be adopted; provided that if the Board is composed of less than five members, a resolution must receive the affirmative vote of at least three members of the Board to be adopted. A resolution adopted by the Board shall be immediately effective unless otherwise provided in that resolution or by Sections 715.72 through and 715.83 of the Revised Code.

The Board may adopt Bylaws for the regulation of the affairs of the Board and the conduct of the business of the Board consistent with this Contract. The Bylaws shall be in substantially the form as attached as Exhibit B hereto. The Bylaws may be amended or supplemented from time to time by the Board.

The Chairperson shall preside over and conduct the meetings of the Board in accordance with its Bylaws or other procedures adopted by the Board. The Chairperson may call special meetings of the Board by giving notice of such meeting, as provided in the Bylaws, to each member delivered to his or her residence or place of business. Any three members of the Board may also call a special meeting by providing the same notice.

The Vice Chairperson shall act as Chairperson in the temporary absence, incapacity, resignation or removal of the Chairperson.

The Secretary shall be the records officer of the Board and shall have those duties as set forth in the Bylaws.

The Treasurer shall be the fiscal officer of the Board and shall have those duties as set forth in the Bylaws.

The Bylaws shall designate those Officers who may sign documents on behalf of the Board and those Officers who are required to obtain a fiduciary bond in connection with their duties to the District.

The Board shall adopt an annual budget for the District. The fiscal year of the District shall be the same as the fiscal year of the City. The budget shall estimate the revenues of the District and expenses of the District. The Board shall provide a copy of the annual budget to the Contracting Parties promptly after its adoption. The Board shall establish an appropriations procedure to provide for payment of the expenses of the District and the distribution of income tax revenues pursuant to and consistent with this Contract.

The Board is authorized to take such necessary and appropriate actions, or establish such programs, to facilitate economic development in the District in accordance with

the purposes of this Contract and the funds appropriated or available for such actions or programs.

The Board shall contract with or through the City for all services. The Board may enter into an agreement with the City to administer and implement employment and discharge of, and salaries, benefits and work rules established for, employees of the District. All costs of employment, including but not limited to, compensation, salaries, benefits, taxes and insurance, shall be paid from revenues of the District. The City shall not be the employer and shall have no responsibility or liability for any costs of employment or any other costs, expenses or liabilities arising from such employment.

This Contract grants the Board the power and authority to adopt a resolution to levy an income tax within the District in accordance with Section 715.74 of the Revised Code and Section 10 hereof.

The Board is authorized to do all acts and things necessary or convenient to carry out the powers granted in this Contract.

In accordance with Section 715.81 of the Revised Code, the City may exercise all of the powers of a municipal corporation, and may perform all of the functions and duties of a municipal corporation, within the District, including but not limited to, those powers, functions and duties set forth elsewhere in this Contract, as well as such others that are determined by the City to be necessary to carry out the purposes of this Contract, all of which such exercise and performance shall be deemed to be pursuant to and consistent with this Contract.

In accordance with Section 715.81 of the Revised Code, the Township may exercise all of the powers of a township, and may perform all of the functions and duties of a township, within the District, including but not limited to, those powers, functions and duties set

forth elsewhere in this Contract, as well as such others that are determined by the Township to be necessary to carry out the purposes of this Contract, all of which such exercise and performance shall be deemed to be pursuant to and consistent with this Contract.

Section 10. Income Tax. In accordance with Section 715.74 of the Revised Code, the Board, at its first meeting, shall adopt a resolution to levy an income tax in the District at a rate of 1.0% until December 31, 2011, inclusive, and thereafter at a rate of 2.0% until December 31, 2016, inclusive. This income tax shall go into effect within 60 days of the adoption of that resolution, as provided therein. On and after January 1, 2017, the rate of the income tax shall remain at 2.0% unless and until it is changed by the Board through a resolution providing for the new rate of the income tax. The Board shall promptly notify the Contracting Parties and the administrator of the income tax of such a change. The revenues of the District income tax shall be used for the purposes of the District and the Contracting Parties pursuant to this Contract.

The Board shall adopt, by resolution, all of the provisions (other than the rate) of the income tax legislation of the City, as that legislation may be amended from time to time, as applicable to the District income tax. The income tax levied by the Board pursuant to this Contract and Section 715.74 of the Revised Code shall apply in the entire District throughout the term of this Contract, notwithstanding that all or a portion of the District becomes subject to annexation, merger or incorporation.

The Board shall enter into an agreement with the City to administer, collect and enforce the income tax on behalf of the District, provided that such agreement may be assigned or subcontracted to another agency by the City to perform those functions for the District (the "Tax Agreement").

Pursuant to Section 715.74(C)(3) of the Revised Code, and at the discretion of the Board, the District shall annually set aside an amount equal to not less than one-half of one percent (0.5%) of the amount of the income tax collected (*i.e.* all amounts collected from the levy of the income tax each year) for long-term maintenance of the District. Long-term maintenance of the District shall mean providing for the administration of the District, which may include but is not limited to the administration and collection of the District income tax. The Board shall use its revenues to meet the current obligations of the District, including but not limited to, obligations of the District to one or more of the Contracting Parties under this Contract (including but not limited to the Tax Agreement) or under separate agreements for the provision of money, services, facilities, capital improvements or other contributions to the District, in accordance with the terms under which such obligations, debts or liabilities were originally incurred. To the extent permitted by law, obligations of the District to a Contracting Party shall take precedence over other obligations, debts or liabilities of the District. The Board shall then distribute the remaining income tax revenues to the Contracting Parties. The distribution of such portion of the income tax revenues (the “Distributable Revenues”) shall be made annually on or before December 1 of each year and shall be allocated to the Contracting Parties as follows:

55% of the Distributable Revenues to the City and 45% of the Distributable Revenues to the Township.

The income tax revenues are to be used by the District, the Township and the City to encourage and promote economic development in the District and/or in the Township and/or in the City, including, but not limited to, maintaining and improving the infrastructure facilities of the District and the Contracting Parties (including paying debt charges related thereto), providing safety and health services within the District and within the Contracting Parties,

providing urban and economic development planning, engineering, counseling, consulting, marketing and financing services for the District and for the Contracting Parties, and generally improving the environment for those working and residing in the District and in the Contracting Parties, and for all other purposes as permitted by law.

The Treasurer of the District shall make a quarterly report to the Board regarding the receipt and distribution of the income tax of the District and the operating income and expenses of the District for the preceding quarter and projections for the next quarter. The Treasurer's report shall be provided to the Contracting Parties.

Section 11. Annexation. In accordance with Section 715.79(B) of the Revised Code, the City shall not annex any territory from within the District during the term of this Contract without the consent of the Township. In addition, the City agrees that it will not support petitions for annexation of property in the remaining portion of the Township unless such petitions are signed by property owners representing more than 85% of the property to be annexed. The Township agrees to support those petitions that are signed by property owners representing more than 85% of the property to be annexed. The City also agrees that any prior agreements with or commitments from property owners in the Township that obligate those property owners to sign an annexation petition when their property becomes part of contiguous annexation boundary to the City limits shall be deemed voided and cancelled by the City. The City also agrees to discontinue its pursuit of annexation petitions involving the State Route 59 corridor and all residential areas of the Township.

Section 12. Zoning; Planning; Building Standards. The Township shall be the zoning and planning authority for the District. The Township agrees to consider rezoning certain property within the District from Commercial to Industrial, as appropriate. The Township agrees

to establish and maintain, to the extent permitted by law, the zoning of the property as business, commercial or industrial uses within the District. The County shall be the building permit issuing and enforcing authority for the District. The provisions of this Section 12 constitute an agreement by the Contracting Parties pursuant to Section 715.80 of the Revised Code, provided that the City and the Township may enter into other agreements in accordance with Section 715.80 of the Revised Code.

Section 13. Defaults and Remedies; Mediation. A failure to comply with the terms of this Contract shall constitute a default hereunder. The Contracting Party in default shall have 60 days after receiving written notice from the other Contracting Party of the event of default to cure that default. If the default is not cured within that time period, the nondefaulting Contracting Party may sue the defaulting Contracting Party for specific performance under this Contract or for actual damages or both. Other than as provided in Section 6 hereof, this Contract may not be canceled or terminated because of a default unless the Township and the City agree to such cancellation or termination.

In the event that the Township and the City have a dispute under this Contract whether related to breach of or default under this Contract by a Contracting Party or otherwise, and prior to filing any litigation in connection with such dispute, the Contracting Parties and the District shall participate in non-binding mediation (the “Mediation”) for a period of 90 days (or more if so determined by the Contracting Parties and the District). The Mediation shall be conducted by the County’s Director of Economic Development (or other official having substantially the same responsibilities that the County’s Director of Economic Development has as of the effective date of this Contract) or such third party as designated by the County’s Economic Development Director pursuant to mediation procedures established by the County’s

Economic Development Director or his designee. In the event that (i) the County's Economic Development Director position (or similar position) is not in existence or (ii) the County's Economic Development Director is unwilling or unable to serve or designate a mediator, the Presiding Judge of the County's Court of Common Pleas shall appoint a mediator and such mediator shall establish the procedures for such mediation.

Section 14. Amendments. In addition to the amendments provided for in Section 5 hereof, this Contract may be amended by the Township and the City only in a writing approved by the respective legislative authorities of each of the Contracting Parties by appropriate legislation authorizing that amendment. In order for such amendment to be effective, the legislative actions of the Contracting Parties that amend this Contract must occur and be effective within a period of 90 days of each other.

Section 15. Binding Effect; Mandamus. This Contract shall inure to the benefit of and shall be binding upon the District, the Township and the City and their respective permitted successors, subject, however, to the specific provisions hereof. This Contract shall not inure to the benefit of anyone other than as provided in the immediately preceding sentence. All of the obligations and duties of the Board, the City and the Township under this Contract are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Board, the City and the Township within the meaning of Section 2731.01 of the Revised Code.

Section 16. Support of Contract. The Township and the City agree to cooperate with each other and to use their best efforts to do all things necessary for the creation and continued operation of the District, including, but not limited to, promoting the approval by the electors of the Township of the resolution authorizing this Contract. In the event that this

Contract or any of its terms, conditions or provisions is challenged by any third party or parties in a court of law, the Township and the City agree to cooperate with one another and to use their best efforts in defending this Contract with the objective of upholding this Contract. The Township and the City shall each bear its own costs in any such proceeding challenging this Contract or any term, condition or provision thereof, provided that the Board shall reimburse the Township and the City for such costs to the extent funds of the District are available and appropriated therefor. In the event that District funds are not available and appropriated therefor, the costs of any such proceeding shall be allocated among the Contracting Parties as follows: the Township 50% and the City 50%.

Section 17. Signing Other Documents. The Contracting Parties agree to cooperate with one another and to use their best efforts in the implementation of this Contract and to sign or cause to be signed, in a timely manner, all other necessary instruments and documents, and to take any and all actions, in order to effectuate the purposes of this Contract.

Section 18. Severability. In the event that any section, paragraph or provision of this Contract, or any covenant, agreement, obligation or action, or part thereof, made, assumed, entered into or taken, or any application thereof, is held to be illegal or invalid for any reason:

(a) that illegality or invalidity shall not affect the remainder hereof or thereof, any other section or provision hereof, or any other covenant, agreement, obligation or action, or part thereof made, assumed, entered into or taken, all of which shall be construed and enforced as if the illegal or invalid portion were not contained herein or therein,

(b) the illegality or invalidity of any application hereof or thereof shall not affect any legal and valid application hereof or thereof, and

(c) each section, paragraph, provision, covenant, agreement, obligation or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law.

Section 19. Governing Law. This Contract shall be governed exclusively by and construed in accordance with the laws of the State, and in particular Sections 715.72 through 715.83 of the Revised Code. In the event that Sections 715.72 through 715.83 of the Revised Code are amended or supplemented by the enactment of a new section or sections of the Revised Code relating to joint economic development districts, the Contracting Parties may agree at the time to follow either the provisions of Sections 715.72 through 715.83 existing on the date of this Contract or the provisions of Sections 715.72 through 715.83 as amended or supplemented, to the extent permitted by law. Nothing in this Contract shall limit the ability of the District, the City or the Township to aggregate to acquire preferential rates for telecable, telephone, gas, electric or other utility services.

Section 20. Miscellaneous. The captions and headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections hereof. When using the phrase “to the extent permitted by law” herein, “law” means statutes of the State as interpreted by the courts of the State or the federal courts.

[Remaining portion of this page left blank intentionally.]

IN WITNESS WHEREOF, the Township and the City have caused this Contract to be duly signed in their respective names by their duly authorized officers as of the date hereinbefore written.

TOWNSHIP OF FRANKLIN

By: _____
Mark Beckwith
Trustee

By: _____
Keith Benjamin
Trustee

By: _____
Gary Falstad
Trustee

CITY OF KENT

By: _____
Dave Ruller
City Manager

Approved as to legal form and correctness:

By: _____
Legal Advisor
Township of Franklin

By: _____
James R. Silver, Law Director
City of Kent