

RESOLUTION NO. 06-12
CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER Doug Cline ON THE 20th
DAY OF February, 2012.

**A RESOLUTION AUTHORIZING AND DIRECTING THE CITY
MANAGER TO ENTER INTO AN AMENDMENT TO THE
ECONOMIC DEVELOPMENT (PIR) GRANT AGREEMENT
WITH HUFFY CORPORATION.**

WHEREAS, in 2007, Huffey Corporation relocated its headquarters within the City of Centerville on the real property commonly known as the IKON Building; and

WHEREAS, the relocation and operation of Huffey created jobs and employment opportunities and improved the economic welfare of the people of the State of Ohio and the residents of the City; and

WHEREAS, the City awarded a Property Investment Reimbursement Grant ("PIR") to Huffey in October, 2007, which is set to expire in October 2012; and

WHEREAS, the City desires Huffey to continue to operate within the City to create jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio and the residents of the City; and

WHEREAS, the City desires to amend the Property Investment Reimbursement Grant ("PIR") to Huffey for an additional five (5) years to offset costs such as architecture, design, construction, as well as one time business expansion costs, such as new employee recruitment, costs for training and costs associated with disruption of revenue related to the Huffey's expansion;

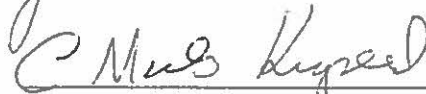
NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY RESOLVES:

Section 1: That the City Manager is authorized and directed to enter into an Amendment to the Economic Development (PIR) Grant Agreement with Huffey Corporation in the form attached hereto as Exhibit "A" and incorporated herein.

Section 2: That the City Manager is hereby authorized and directed to do any and everything necessary to carry out the terms of said Agreement.

Section 3: That this Resolution is to take effect at the earliest time allowed by law.

PASSED THIS 20th day of February, 2012.



Mayor of the City of Centerville,
Ohio

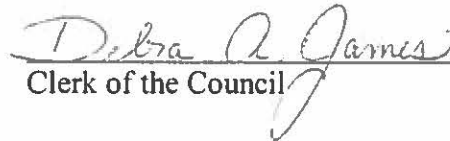
ATTEST:



Clerk of Council
City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Resolution No. 06-12, passed by the Council of the City of Centerville, Ohio on the 20th day of February, 2012.


Clerk of the Council

Approved as to form, consistency
with existing ordinances, the
charter & constitutional provisions
Department of Law
Scott A. Liberman
Municipal Attorney

**FIRST AMENDMENT TO THE ECONOMIC
DEVELOPMENT GRANT AGREEMENT**

BY AND BETWEEN

City of Centerville

AND

Huffy Corporation

Dated as of February 20, 2012

EXHIBIT "A"

**FIRST AMENDMENT TO ECONOMIC DEVELOPMENT GRANT
AGREEMENT DATED OCTOBER 1, 2007**

This First Amendment to the Economic Development Grant Agreement (the "Amendment") is made and entered into as of _____, 2012, by and between the CITY OF CENTERVILLE, OHIO (the "City"), a municipal corporation organized and existing under the constitution and the laws of the State of Ohio, and Huffey Corporation, (the "Company"), an Ohio corporation, under the circumstances summarized in the following recitals:

WITNESSETH:

WHEREAS, the City and the Company entered into an Economic Development Grant Agreement (the "Agreement") on October 1, 2007; and

WHEREAS, both parties wish to amend said agreement; and

WHEREAS, the Amendment will assist in the creation of jobs and employment opportunities and will improve the economic welfare of the people of the State of Ohio and the residents of the City; and

WHEREAS, the Company warrants that it is in compliance with all city, county, state and federal laws and ordinances;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants and agreements contained in this First Amendment to the October 1, 2007, Agreement, the City and the Company agree as follows:

Section 1. All terms and conditions of the Agreement shall remain in full force and effect unless specifically modified by this Amendment.

Section 2. The term of the Agreement is hereby extended up to an additional five (5) years from November 2012. The expiration of the previously awarded grant shall now expire ten (10) years from "Commencement of Operations of the Project" as defined in the Agreement. Commencing from November 2012, the City shall annually, on or prior to April 1, pay to the Company an amount equal to 15%, instead of 20%, of the increased annual payroll tax collected from the Company and received by the City in the prior year. For calculation purposes, the Federal Bureau of Labor Statistics Consumer Price Index will be used to determine each subsequent year's baseline payroll tax collection level in order to identify true payroll growth adjusted for inflation. The \$100,000.00 aggregate grant payment limitation is hereby eliminated.

Section 3. PIR grant funds received by the Company shall be used by the Company to offset one time business expansion costs, such as new employee recruitment, costs for training, cost for equipment and office furnishings related to employee hiring, and costs associated with disruption of revenue related to the Company's expansion.

Section 4. From the date of execution of this Amendment until terminated, the Company shall hereby annually or upon request release to the City of Centerville Income Tax Administrator, City Manager, Finance Director, Economic Development Administrator, or their respective designees, any and all reasonable financial information required by the Tax Administrator in order to verify that Company qualifies for the grant payment. Additionally, the Company grants City the authority to verify proper payment of taxes (non-delinquency) to other applicable governmental jurisdictions referenced under Section 6 of this Amendment.

Section 5. The Company agrees to comply with all federal, state and local laws with regards to its operations and with the Project, including but not limited to prevailing wage requirements of ORC Chapter 4115, if applicable.

Section 6. In the event the Company should become delinquent in paying any city, county, state, or federal taxes, without remedy within 180 days, or if the Company is in violation of any city, county, state or federal law without remedy within 90 days, City shall be able to, at its sole discretion, terminate this Amendment and the Agreement immediately. Any amounts due to Company not yet paid will be forfeited by Company and not paid by City in the event this Amendment and Agreement is terminated under the provisions of this section.

Section 7. In the event the Company should discontinue business operations within the City, this Amendment shall be immediately terminated. Any amounts due to Company not yet paid will be forfeited by Company and not paid by City.

Section 8. This Amendment 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. It shall not be necessary in proving this Amendment to produce or account for more than one of those counterparts.

IN WITNESS WHEREOF, the City and the Company have caused this Amendment to be executed in their respective names by their duly authorized representatives, all as of the date first written above, but actually on the dates by their respective executions.

CITY OF CENTERVILLE, OHIO

Date: _____, 2012

By: Gregory B. Horn
Its: City Manager

HUFFY CORPORATION

Date: _____, 2012

By: _____

Its: _____

FISCAL OFFICER'S CERTIFICATE

The undersigned, Finance Director of the City of Centerville, Ohio under the foregoing Agreement, certifies hereby that the monies required to meet the obligations of the City during the year 2011 under the foregoing Agreement will, upon the issuance of bonds or notes for that purpose, have been lawfully appropriated for that purpose, and will be in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: _____, 2012

Finance Director
City of Centerville, Ohio