

RESOLUTION NO. 59-08
CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER Brooks Compton ON THE 20th DAY OF October, 2008.

**A RESOLUTION AUTHORIZING AND DIRECTING THE CITY
MANAGER TO ENTER INTO AN ECONOMIC DEVELOPMENT (PIR)
GRANT AGREEMENT WITH INNOVA, INC.**

WHEREAS, Innova, Inc. (hereinafter "Innova") desires to expand its business operations located at 130 Westpark road within the City of Centerville; and

WHEREAS, the expansion will consist of making certain leasehold improvements to the facility located at 130 Westpark Road and these expanded operations of Innova will create 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 City desires Innova to make these improvements and 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 award a Property Investment Reimbursement Grant ("PIR") to Innova to offset costs such as architecture, design, construction, as well as one time expansion costs, such as new employee recruitment and training and business operations disruption of revenue;

NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY RESOLVES:

Section 1: That the City Manager is authorized and directed to enter into an Economic Development (PIR) Grant Agreement with Innova, Inc. in a form with terms similar to the Agreement 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.

PASSED THIS 20th day of October, 2008.

C. Mark Kenzler

Mayor of the City of
Centerville, Ohio

ATTEST:

Debra A. James
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. 59-08, passed by the Council of the City of Centerville, Ohio on the 20th day of October, 2008.

Debra A. James
Clerk of the Council

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

ECONOMIC DEVELOPMENT GRANT AGREEMENT

BY AND BETWEEN

City of Centerville

AND

Innova, Inc.

Dated as of October 20, 2008

EXHIBIT "A"

ECONOMIC DEVELOPMENT GRANT AGREEMENT

This Economic Development Grant Agreement (the "Agreement") is made and entered into as of October 20, 2008, 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 Innova Inc. (the "Company"), an Ohio corporation under the circumstances summarized in the following recitals:

WITNESSETH:

WHEREAS, the Company desires to expand its business operations (the "Project") located at 130 Westpark Road within the City of Centerville; and

WHEREAS, the Project will create 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 City desires the Company to expand its business operations by making certain leasehold improvements to the facility located at 130 Westpark Road and creating jobs and employment opportunities and improve the economic welfare of the people of the State of Ohio and the residents of the City; and

WHEREAS, the City desires to award a Property Investment Reimbursement Grant ("PIR") to the Company to offset costs such as architecture, design, construction, as well as one time business expansion costs, such as new employee recruitment and training and business operations disruption of revenue;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants and agreements contained in this Agreement, the City and the Company agree as follows:

Section 1. The Company agrees to expand its business operations for the Project at 130 Westpark Road. The expansion will include, but may not be limited to, constructing certain leasehold improvements to the building leased by the Company located at 130 Westpark Road, hiring new employees to operate the expanded business operations, and providing training to said new employees.

Section 2. Annually, for each of five consecutive years unless earlier terminated, commencing with the first calendar year after the Company realizes a net increase in annual payroll of at least \$1,500,000.00, the City shall, on or prior to April 1, pay to the Company an amount equal to 25% of the increased annual payroll tax collected from the Company and received by the City in the prior year using the amount collected in 2008 as a baseline. 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.

Section 3. The annual PIR grant will expire on the earlier of five (5) years from qualifying for the grant or payment of \$50,000.00, whichever occurs first.

Section 4. In the event that the Company fails to qualify for the PIR grant by 2011, the grant award provided herein shall become null and void.

Section 5. The PIR grant shall be used by Company to offset one time costs associated with expansion of its business operations.

Section 6. All amounts to be paid by the City pursuant to this Agreement are payable solely from Non-tax Revenues available in the year any payment is due. If sufficient Non-tax Revenues are not available in any year to pay the amount due in that year, the City has no obligation to pay in that year any amount in excess of the amount of Non-tax Revenues available for payment; provided, however, (i) nothing in this Agreement shall be deemed to prohibit the City, on its volition, from using, to the extent it is lawfully authorized, any other resources or revenues to fulfill any of its obligations under this Agreement, and (ii) any amount due that is not paid in the year it is due shall be paid by the City in the first succeeding year in which Non-tax Revenues are available to the City to pay the amount not previously paid. For purposes of this Section, "Non-tax Revenues" means all money of the City that is not raised by taxation including, but not limited to: (i) grants from the United States of America and the State of Ohio lawfully available for the purpose; (ii) payments in lieu of taxes now or hereafter authorized by the laws of the State of Ohio and lawfully available for the purpose; (iii) fines and forfeitures that are deposited into the City's general fund; (iv) fees that are deposited into the City's general fund; (v) investment earnings on funds of the City that are lawfully credited to the City's general fund; (vi) proceeds from the sale of assets that are deposited in the City's general fund; (vii) rental income that is deposited in the City's general fund; (viii) gifts and donations that are deposited in the City's general fund; and (ix) charges for services and payments received in reimbursement for services that are deposited in the City's general fund.

Section 7. Company agrees to comply with all Federal, State and local laws with regards to the Project, including but not limited to prevailing wage requirements of ORC Chapter 4115, if applicable.

Section 8. Except as otherwise specifically set forth in this Agreement, all notices, demands, requests, consents, or approvals given, required, or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given if actually received or if hand-delivered or sent by recognized, overnight delivery service or by certified mail, postage prepaid and return receipt requested, addressed to the City or the Company, as appropriate, at the appropriate Notice Address or to such other address as that recipient shall have previously notified the sender of in writing as provided in this Section. The City or the Company, by notice giver hereunder, may designate any further addressee or different Notice Address to which subsequent notices, certificates, requests, or other communications shall be sent.

For purposes of this Section, Notice Address Means:

- (a) As to the City: City of Centerville
100 West Spring Valley Road
Centerville, OH 45458-3759

Attention: City Manager

With copy to: Scott A. Liberman
Altick & Corwin Co., L.P.A.
One South Main Street, Suite 1700
Dayton, OH 45402

(b) As to the Company: Innova, Inc.
130 Westpark Road
Centerville, OH 45459
Attention: Nilesen Gokay, President

Section 9. All representations, warranties, covenants, agreements, and obligations of the City under this Agreement shall be effective to the extent authorized and permitted by applicable law. None of these representations, warranties, covenants, agreements, or obligations shall be deemed to be a representation, warranty, covenant, agreement, or obligations of any present or future member, officer, agent, or employee of the City in other than his or her official capacity.

No representation, warranty, covenant, agreement, obligation, or stipulation contained in this Agreement shall be deemed to constitute a representation, warranty, covenant, agreement, obligation, or stipulation of any present or future member, officer, agent, or employee of the City or the Company in an individual capacity. No official executing or approving the City's or the Company's participation in this Agreement shall be liable personally under this Agreement.

Section 10. This Agreement shall inure to the benefit of and shall be binding upon the City and Company and their respective successors and assigns.

The City and the Company shall each observe and perform faithfully at all times all its covenants, agreements, and obligations under this Agreement.

Each covenant, agreement, and obligations of the City under this Agreement is binding upon each officer of the City who may have the authority or duty from time to time under law to take any action which may be necessary or advisable to observe or perform that covenant, agreement, or obligation.

Section 11. 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. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts.

Section 12. In case any section or provision of this Agreement, 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 covenant, agreement, obligations, or action, or part thereof, made, assumed, entered into or taken, all of which shall be construed and enforced as if 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, provision, covenant, agreement, obligation, or action, or part thereof, shall be deemed to be effective, operative, made, assumed, entered into, or taken in that manner and to the full extent permitted by law.

Section 13. This Agreement shall be governed by and construed in accordance with the laws of the State. All claims, counterclaims, disputes, and other matters in question regarding the City and its agents and employees, and the Company and its employees, contractors, subcontractors, and agents arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within the State.

Section 14. All representations and warranties of the Company and the City contained in this Agreement shall survive the execution and delivery of this Agreement and the recording of any deed contemplated hereby.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement 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: _____, 2008

 By: Gregory B. Horn
 Its: City Manager

INNOVA, INC.

Date: _____, 2008

 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 2008 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: _____, 2008

Finance Director
City of Centerville, Ohio