

## Rootstown-Kent Joint Economic Development District Contract

This Rootstown-Kent Joint Economic Development District Contract ("Contract") is entered into this \_\_\_\_\_, 20\_\_\_\_ by and between Rootstown Township, Portage County, Ohio ("Rootstown") and the City of Kent, Portage County, Ohio ("Kent") (collectively the "Contracting Parties").

Whereas, the Contracting Parties enter into this Contract intending to create and operate a joint economic development district under Ohio R.C. 715.72 - 715.81 for their mutual benefit and for the benefit of their residents and the state of Ohio;

Whereas, the legislative authorities of the Contracting Parties have each authorized and directed the undersigned to enter into this Contract per Rootstown Resolution No. \_\_\_\_\_ adopted by the Board of Trustees on \_\_\_\_\_, 20\_\_\_\_, and Kent Ordinance No. \_\_\_\_\_ passed by the City Council on \_\_\_\_\_, 20\_\_\_\_; and

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

*Section 1. Creation of District; Name.* By signing this Contract, the Contracting Parties create a joint economic development district in accordance with the terms and conditions of this Contract, known as the "Rootstown-Kent Joint Economic Development District" (the "District"). The board of directors of the District (the "JEDD Board") may change the name by resolution of the JEDD Board.

*Section 2. Contracting Parties.* The Contracting Parties (as that term is defined in Ohio R.C. 715.72) to the Contract are Rootstown Township, a township existing and operating under the laws of Ohio, and the City of Kent, a municipal corporation existing and operating under its Charter and the laws of Ohio, and their respective successors, in all or in part. The Contracting Parties do not currently have any separate contracts for utility services.

*Section 3. Purpose.* The Contracting Parties create and will operate the District with the purpose to facilitate economic development, to create and preserve jobs and employment opportunities within the District, and to improve the economic welfare of the people in this state and the region.

*Section 4. Territory of the District.* The territorial boundaries of the District are described in attached **Exhibit A**, which is incorporated into this Contract, and includes areas entirely within Rootstown Township, Portage County, Ohio, and does not include any parcel of land (as defined in Ohio R.C. 715.73) that is owned in fee by or is leased to a municipal corporation or township, other than a Contracting Party (see Section 6). The areas include commercial and industrial zoned land and several nonconforming residential parcels of land, which residential parcels are excluded from the District. Therefore, no electors reside in the District and no parcel in the District is zoned for residential use.

*Section 5. Addition and Removal of Areas to and from the District; Amendments.* The Contracting Parties may amend this Contract (a) to add territory to the District (so long as the area is within Rootstown Township, no electors reside in the area, and any parcel of land within the area is not owned in fee by or leased to a municipal corporation or township (see Ohio R.C. 715.73(C)) per Ohio R.C.

715.761 or (b) to remove territory from the District. An amendment adding or removing area to the District shall be approved by the Contracting Parties. 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. The Contracting Parties shall conduct public hearings on an amendment to add territory, provide notice, and deliver a copy of the amendment to the County commissioners all per Ohio R.C. 715.75. The Contracting Parties shall make available for public inspection a copy of such amendment, a description of the area to be added to the District, and a map of that area in sufficient detail to denote the specific boundaries of the area and to indicate any zoning restrictions applicable to the area. After adopting the resolution and ordinance approving the addition of the area, the Contracting Parties shall comply with the process set forth in Ohio R.C. 715.761.

*Section 6. JEDD District area.* The Contracting Parties intend that the territory in the District will initially consist of both developed and undeveloped commercially or industrially zoned land in two areas generally described as the "General Commercial-Industrial District" (along SR 44 north of I-76 to the Township line) and the "Township Center Business District" (at the intersection of SR 44 and I-76 south to Tallmadge Road). The Contracting Parties further intend that land within Rootstown that is now or in the future commercially or industrially zoned not initially included in the District may be included in the District through amendments to this Contract in accordance with Ohio R.C. 715.761. The Contracting Parties will endeavor to obtain signed petitions from property and business owners within any such area(s) to achieve a majority of each such class of owners sufficient to create the District or, as applicable, add to the District.

*Section 7. Term.* The initial term of this Contract shall commence on the date of this Contract and shall terminate on December 31, 2066, unless otherwise terminated before such date as provided in this Contract. The effective date of this Contract shall be the 31st day after it is approved by the Contracting Parties, per Ohio R.C. 715.77. This Contract may be renewed and extended without further action of the Contracting Parties for five (5) successive 10-year periods. The Contracting Parties, through their respective legislative authorities, may terminate this Contract by mutual consent, which consent must occur and be effective between the Contracting Parties within a period of 90 days of each other's resolution or ordinance authorizing such termination, unless modified in the Site Agreement (see Section 11).

In addition, either Contracting Party may terminate this Contract if a court of competent jurisdiction determines that (a) this Contract, in its entirety, is invalid as contrary to law, or (b) any income tax authorized under this Contract is invalid as contrary to law or the District lacks the authority to levy, collect, or distribute such income tax under this Contract. Such termination shall be effective on the date of a final order not subject to appeal, and on such termination neither Contracting Party shall have any further obligation under this Contract.

In the process of terminating this Contract (as set forth in this Section 7) but before 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 Contracting Parties as follows: to Kent equal to the then applicable percentage in the Table shown in Section 11 below and the balance to Rootstown (note see Section 11, before incurring certain obligations, debts, or liabilities, the JEDD Board is obligated to have first obtained the approval of the Contracting Parties). Before any such distribution, the JEDD Board shall first use any such property, assets, or funds to pay, reduce, or settle any obligations, debts, or liabilities of the District per the terms under which such obligations, debts, or liabilities were originally incurred. Obligations of the District include, but are not limited to, obligations to the Contracting Parties

(either under this Contract or separate agreement) 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 the Contracting Parties shall take precedence over other obligations, debts, or liabilities of the District.

Per Ohio R.C. 715.74(D), this Contract shall continue in effect through its term and shall be binding on the Contracting Parties and on any entity succeeding them, whether by annexation, merger, or otherwise, and any portion of the territory of the District that is included within a municipal corporation by annexation, merger, or otherwise after the date of this Contract shall continue to be part of the District and subject to the terms of this Contract and to the income tax provided for in Section 11.

*Section 8. Contributions to the District.* The Contracting Parties recognize that, for the most part, the areas within the District are adequately served with sanitary sewer, storm sewer, potable water, and privately controlled utilities and, therefore, the Contracting Parties will not need to make an initial contribution for these services, though they agree that if any services, facilities, or improvements are required to develop an area within the District in the future, the Contracting Parties will work together to provide such services. The Contracting Parties shall cooperate with each other, the County, and any utility provider within the District in providing such services on such terms as the Contracting Parties may agree at such time.

Kent Contributions. Per Ohio R.C. 715.74, Kent will (a) administer, collect, and enforce any District income tax (per its Income Tax Ordinance, as amended) and provide the necessary support for such service; and (b) assist the JEDD Board in identifying and applying for grants to benefit the District areas; and (c) assist the JEDD Board in marketing the District areas consistent with the Rootstown Township Zoning Resolution.

Rootstown Contributions. Per Ohio R.C. 715.74, Rootstown will (a) provide enhanced EMS/fire protection to the District areas; (b) provide enhanced zoning and comprehensive planning to the District areas; (c) provide enhanced road and ditch maintenance to the Township Roads within the District areas; (d) provide meeting and adequate office space for and as requested by the JEDD Board; and (e) provide legal, accounting, and clerical support to the JEDD Board as requested. For the term of this Contract, but only so long and to the extent to which the District areas remain unincorporated, Rootstown shall provide at least the same services to the District that it provides to other unincorporated areas of the Township.

Rootstown shall hold all records or documents of the District for safekeeping. Rootstown shall maintain those records and documents as public records and provide copies to the Contracting Parties on request and to others per Ohio R.C. 149.43. Further, Rootstown shall prepare, or cause to be prepared, all documents of Rootstown and of the District relating to the formation of the District including but not limited to this Contract, notices, any forms of Rootstown and District legislation and election proceedings, if necessary.

Joint Contributions. Per Ohio R.C. 715.74 and as requested by the JEDD Board, Kent and Rootstown will explore the need for (a) police protection, (b) contributions for sanitary sewer or water extensions (and additional capacity) within the District areas, (c) financing (revolving loan) for new or existing businesses; (d) local school financial assistance; (e) land banking (purchase) for development; (f) new and existing business marketing and promotion; (g) construction of sidewalks and street lighting; and (h) reduced sewer and water rates. In addition, the Contracting Parties shall cooperate in identifying

and applying for grants and other funding sources for any infrastructure within the District. And the Contracting Parties shall cooperate with the JEDD 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.

Infrastructure; Financing. Per Ohio R.C. 715.81, Kent 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 Rootstown may exercise all of the powers of a township and perform all the functions and duties of a township within the District, relating to (a) the acquisition, construction, and improvement of Township roads and other public improvements located in the District and their financing, (b) 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 any facilities and improvements, (c) those powers, functions, and duties provided in Ohio R.C. 5709.40 - 5709.43, and (d) those powers, functions and duties provided in Ohio R.C. Chapter 133 and other sections of the Ohio Revised Code authorizing the financing of capital improvements, which all such exercise and performance shall be deemed to be per and consistent with this Contract.

Financial Contributions. At the request of the JEDD Board, and before the first allocation of Distributable Revenues, the Contracting Parties shall each contribute one-half an aggregate amount not to exceed \$5,000.00 to the District to pay initial administration and other costs generally identified in the request. This initial contribution shall be made within 14 days of receipt of the request of the JEDD Board. The Contracting Parties may, but are not required to, make other financial contributions to the District. Such contributions are not reimbursable.

Costs. Any costs incurred and paid by the Contracting Parties in connection with preparing this Contract 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 shall be reimbursed to the respective Contracting Party from those revenues of the District before the initial distribution of Distributable Revenues as set forth in Section 11 of this Contract.

*Section 9. Board of Directors.* The Board of Directors for the District ("JEDD District") shall be established per Ohio R.C. 715.78 and composed of the following members:

- (a) One member representing Kent, as selected by the Kent mayor with the approval of the Kent council;
- (b) One member representing Rootstown, as selected by the Rootstown board of trustees;
- (c) One member representing the owners of businesses located within the District, as selected by the Kent mayor with the approval of the Kent council;
- (d) One member representing the persons working within the District, as selected by the Rootstown board of trustees;
- (e) One member selected by the members described above.

No member of the JEDD Board shall be affiliated with or a business associate of another member of the JEDD Board. The term "businesses" as used in Section 9(c) above means an entity located within the District who pays or has employees who pay the District income tax. JEDD Board members shall serve without compensation.

Of the members initially appointed to the JEDD Board, the member described in (a) above shall serve a term of one (1) year; the member described in (b) above shall serve a term of two (2) years; the member described in (c) above shall serve a term of three (3) years; and the members described in (d) and (e) above shall serve terms of four (4) years. Thereafter, terms for each member shall be for four (4) years, each term ending on the same day of the same month of the year as did the term that it succeeds. A member may be reappointed to the JEDD Board, but no member shall serve more than two (2) consecutive terms on the JEDD Board. The member described in (e) above shall serve as chairperson of the JEDD Board.

A member of the JEDD Board may be removed by the appointing party for "cause," which means willfully failing to perform a duty expressly imposed by this Contract or by law regarding his or her office; or willfully performing any act forbidden by law regarding 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 on receipt of written notice of removal and the reasons therefore by the JEDD Board member being removed.

The JEDD Board shall elect the following officers from among its members, who along with the chairperson, shall constitute the officers of the JEDD Board: a vice chairperson; a secretary; and a treasurer. The officers shall be elected at the first meeting of the JEDD Board and thereafter every year for a one-year term and shall serve until their respective successors take office. The JEDD Board shall establish a procedure for conducting those elections. The officers shall perform such duties as provided in this Contract, the Bylaws, and such additional duties as may be provided from time to time by the JEDD Board.

*Section 10. Powers, Duties, Functions of the JEDD Board.* The JEDD Board shall meet at least once each calendar quarter on a date determined by the JEDD Board, provided that the first meeting shall be within 30 days after this Contract becomes effective, on a date agreed to by the Contracting Parties. The JEDD Board shall adopt Bylaws for the regulation of the affairs of the JEDD board and the conduct of the business of the JEDD Board consistent with this Contract and in substantially the form attached as **Exhibit B**, and the Bylaws may be amended or supplemented from time to time by the JEDD Board with the approval of the Contracting Parties.

The JEDD Board shall establish a mailing address and shall hold its meetings at the location provided by Rootstown unless otherwise determined by the JEDD Board from time to time. For the purpose of conducting a JEDD Board meeting, the attendance of at least four (4) members shall be required and shall constitute a quorum; provided that if the JEDD Board is composed of less than five (5) members, at least three (3) of those members shall constitute a quorum. The JEDD Board shall act through written resolutions adopted by it and comply with Ohio R.C. 121.22. A resolution must receive the affirmative vote of at least four (4) members of the JEDD Board to be adopted; provided that if the JEDD Board is composed of less than five (5) members, a resolution must receive the affirmative vote of at least three (3) members to be adopted. A resolution adopted by the JEDD Board shall be immediately effective unless otherwise provided in that resolution or by Ohio R.C. 715.72 - 715.83.

The chairperson shall preside over and conduct the meetings of the JEDD Board in accordance with the Bylaws or other procedures adopted by the JEDD Board. The chairperson may call special meetings of the JEDD Board by giving notice of such meetings, as provided in the Bylaws. Any three (3) members of the JEDD 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 JEDD Board and shall have those duties as set forth in the Bylaws. The treasurer shall be the fiscal officer of the JEDD 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 JEDD Board and those officers who are required to obtain a fiduciary bond in connection with their duties to the District.

The JEDD Board shall obtain an EIN and adopt an annual budget for the District. The fiscal year of the District shall be the same as the fiscal year of Kent. The budget shall estimate the revenues of the District and expenses of the District. The JEDD Board shall provide a copy of the annual budget to the Contracting Parties promptly after its adoption. The JEDD Board shall establish an appropriations procedure to provide for payment of the expenses of the District and the distribution of income tax revenues (Distributable Revenues) per and consistent with this Contract.

The JEDD Board is authorized to take such necessary and appropriate actions, or establish such programs, to facilitate economic development in the District per the purposes of this Contract and the funds appropriated or available for such actions or programs, and in doing so the JEDD Board may:

(1) Take such actions and do all acts and things necessary or convenient to carry out the powers granted in this Contract and Ohio R.C. 715.72 - 715.82.

(2) Purchase, receive, hold, lease, or otherwise acquire and sell, convey, transfer, lease, sublease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof including, but not limited to, any real or personal property acquired by the District from time to time in the satisfaction of debts or enforcement of obligations, or otherwise;

(3) Acquire, purchase, construct, reconstruct, enlarge, furnish, equip, maintain, repair, sell, exchange, lease, or rent to others, lease or rent from others, or operate facilities for the District;

(4) Make available the use or services of any District facility to one or more persons, one or more governmental agencies, or any combination thereof;

(5) Apply to the proper authorities of the United States per appropriate law for the right to establish, operate, and maintain foreign trade zones within the area or jurisdiction of the District and to establish, operate, and maintain such foreign trade zones;

(6) Establish and maintain such funds or accounts as it deems necessary, either of its own or in conjunction with or through the Contracting Parties, and such bank accounts as appropriate in its name (and under its EIN) to deposit and manage the Distributable Revenues allocated to the JEDD Board under this Contract;

(7) Promote, advertise, and publicize the District and its facilities, provide information relating to the District and promote the interests and economic development of the District, Rootstown, Kent, Portage County, and the State of Ohio;

(8) Make and enter into all contracts and agreements and authorize one or more officers to sign all instruments necessary or incidental to the performance of its duties and the execution of its powers under this Contract;

(9) Employ employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and such other consultants and independent contractors as are necessary in its judgment to carry out the purposes of this Contract, and fix the compensation thereof, which shall be payable from any available funds of the JEDD Board;

(10) Receive and accept from any federal agency, state agency, or other person grants for or in aid of the construction, maintenance, or operation of any District facility, for research and development regarding District facilities or for programs or other projects of the District, and receive and accept aid or

contributions from any source of money, property, labor, or other things of value, to be filed, used and applied only for the purposes for which such grants, aid, or contributions are made; and

(11) Purchase fire and extended coverage and liability insurance for any District facility and for the office of the JEDD Board (if other than an office provided by Rootstown), insurance protecting the District and the JEDD Board, officers, and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance that the JEDD Board may determine to be reasonably necessary.

However, before incurring any obligation, debt, or liability (a) relative to the acquisition or improvement of real property within the District exceeding \$100,000.00 per transaction, (b) relative to any other transaction, except employment, exceeding \$25,000.00, or (c) relative to the hiring of any employee exceeding \$10,000.00, the JEDD Board shall first obtain the approval of the Contracting Parties. Further, the JEDD Board shall have no other powers beyond those enumerated in this Contract unless, before the exercise of any such powers, the Contracting Parties have approved such additional powers.

*Section 11. Income Tax.* In addition to the above authority, the JEDD Board is authorized to adopt a resolution to (a) levy an income tax at the rate of 2.00% on the income of individuals and net profits of businesses within the District except as otherwise provided in this Section 11 and the Kent Income Tax Ordinance (such resolution shall go into effect 60 days after adoption); and (b) arrange with Kent to administer, collect, and enforce the income tax on behalf of the District, provided that Kent may assign or subcontract such duty to another agency to perform those functions for the District, per the Kent Income Tax Ordinance, Chapter 187.

From the District income tax collected, the JEDD Board shall (a) annually set aside an amount equal to not less than one-half of one percent (0.5%) of the income tax collected (that is, all amounts collected from the levy of the District income tax each year), not to exceed \$5,000.00, for long-term maintenance and administration of the District, as determined by the JEDD Board; (b) on the first distribution only, pay Kent, as tax administrator, the start-up costs associated with the District income tax administration, collection, and enforcement in an amount not to exceed \$3,000.00 and reimburse the Contracting Parties for the start-up costs they respectively incurred as described in Section 8, Costs; and (c) distribute the net income tax collected (“Distributable Revenues”) quarterly as follows:

1. Beginning on the effective date of the District income tax and for a period of five (5) years thereafter, the JEDD Board shall allocate and pay the Distributable Revenues as follows:

59.5% to Rootstown; to Kent per the Table below; and 30.0% to the JEDD Board.

The Distributable Revenues are to be used by Rootstown and Kent to meet their respective and joint contributions to the District as set forth in Section 8, and along with the JEDD Board, to encourage and promote economic development in the District, including but not limited to maintaining and improving the infrastructure and facilities of the District, providing safety and health services within the District, providing urban and economic development planning, engineering, counseling, consulting, marketing, and financing services for the District, and generally improving the environment for those working and residing in the District and in the area, and for all other purposes as permitted by law and as to the Contracting Parties set forth in Section 8. In addition, the JEDD Board shall establish a plan to assist Rootstown-area elementary, secondary, or high school schools in funding approved academic-related programs

by providing limited grant money each year and a plan to promote and encourage private, commercial development within the District and to provide the infrastructure and facilities necessary for such development. Before implementing, such plans shall be approved by the Contracting Parties.

However, if within such 5-year period the Rootstown School District passes a bond levy to fund the construction of new school facilities (K-12) outside the District area ("Bond Levy") and the Contracting Parties and the Rootstown School District enter into an agreement to make the existing school site at 4140 SR 44 (PPN 32-021-10-00-024), as shown in attached **Exhibit C**, available for private, commercial development ("Site Agreement"), then the JEDD Board shall allocate and pay the Distributable Revenues as follows:

Beginning in the first calendar year after the passage of the Bond Levy and in each calendar year thereafter until the Bond Levy expires:

14.5% to Rootstown; to Kent per the Table below; 75.0% to JEDD Board

From the Distributable Revenue allocated to it, the JEDD Board shall deposit \$700,000.00 or 95.0%, whichever amount is less, into a construction account each calendar year until the Bond Levy expires. The funds deposited into the construction account shall be held and paid out to the Rootstown School District under the terms and conditions established by the JEDD Board, which shall include amending the District area to include the area in and around the new school facilities zoned for commercial or industrial use, and approved by the Contracting Parties. If after making the deposit into the construction account the balance held by the JEDD Board from the Distributable Revenues allocated to it in that calendar year exceeds the sum of \$50,000.00, the JEDD Board shall within 30 days reallocate one half (1/2) of such amount to Rootstown, which money shall be used by Rootstown to meet its contributions to the District as set forth in Section 8.

The Site Agreement shall include a commitment by the Contracting Parties to not voluntarily terminate this Contract or decrease the District income tax while the Bond Levy is pending; however, such commitment shall not give the Rootstown School District an interest in this Contract or obligate the Contracting Parties or JEDD Board to any funding other than as set forth in this Contract. The annual deposit by the JEDD Board to the Rootstown School District contemplated under this Contract shall cease when the Bond Levy expires.

‡ If for any reason the Rootstown School District does not pass the Bond Levy or fails to enter into the Site Agreement within such 5-year period (or if such conditions are satisfied, in the first calendar year after the Bond Levy expires), then, at the end of such period, the JEDD Board shall allocate and pay the Distributable Revenues as follows:

45.0% to Rootstown; to Kent per the Table below; and 43.5% to the JEDD Board.

The Distributable Revenues are to be used by Rootstown and Kent to meet their respective and joint contributions to the District as set forth in Section 8 and, along with the JEDD Board, to encourage and promote economic development in the District, including but not limited to maintaining and improving the infrastructure and facilities of the District, providing safety and health services within the District, providing urban and economic development

planning, engineering, counseling, consulting, marketing, and financing services for the District, and generally improving the environment for those working and residing in the District and in the area, and for all other purposes as permitted by law and as to the Contracting Parties set forth in Section 8. In addition, the JEDD Board shall establish a plan to assist Rootstown-area elementary, secondary, or high school schools in funding approved academic-related programs and building maintenance and capital improvement-related programs by providing limited grant money each year and a plan to promote and encourage private commercial development within the District and to provide the infrastructure and facilities necessary for such development. Before implementing, such plans shall be approved by the Contracting Parties.

The income tax levied by the JEDD Board per this Contract and Ohio R.C. 715.74 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.

Table

The Distributable Revenue to Kent shall be as follows:

Initial distribution to 5-year anniversary of effective date of District income tax:	5-year anniversary of effective date of District income tax to 10-year anniversary date of effective date of District income tax:	10-year anniversary of effective date of District income tax until modified by the Contracting Parties:
10%	11%	12%

Provided that at no time during the term of this Contract shall the Distributable Revenues to Kent be less than \$75,000.00 annually unless the Distributable Revenues to Rootstown in that year are less than the Distributable Revenues to Kent, then in such year the Distributable Revenues to Kent will be decreased to equal the Distributable Revenues to Rootstown (if necessary, the Distributable Revenues to the JEDD Board will be adjusted to satisfy this requirement).

Exemption from Income Tax; Credit. No District income tax shall be levied against those individuals (a) who reside but do not work within the District, (b) who work within the District but are under the age of 18 years old, (c) who reside within the District and work as a sole proprietor out of such residence, and (d) who are otherwise exempt under the Kent Income Tax Ordinance. Further, to the extent permitted by law, those individuals subject to the District income tax who work within the District but are otherwise not subject to a municipal income tax and have a gross annual income under the Federal Poverty Level (FPL) for individuals may apply to the JEDD Board for a credit from the District income tax under rules adopted and program administered by the JEDD Board. Annually, the JEDD Board shall provide the Kent tax administrator with a list of those individuals eligible for such credit. The collective amount of such credit shall be paid by the JEDD Board.

Finally, all unencumbered funds of the JEDD Board shall at no time exceed \$1,500,000.00 unless otherwise authorized by the Contracting Parties and any excess shall be distributed as Distributable Revenues to Kent based on the then applicable percentage in the Table shown in this Section 11 above and the balance to Rootstown in addition to their respective quarterly percentages.

*Section 12. Annexation.* Per Ohio R.C. 715.79(B), Kent shall not annex any territory from within the District or support any petition for annexation of any property in Rootstown Township during the term of this Contract without the consent of Rootstown.

*Section 13. Zoning; Planning; Building Standards.* Rootstown shall be the zoning and planning authority for the District. Portage County shall be the building permit issuing and enforcing authority for the District. The provisions of this Section 13 constitute an agreement by the Contracting Parties per Ohio R.C. 715.80, provided that the Contracting Parties may enter into other agreements per Ohio R.C. 715.80.

*Section 14. Defaults and Remedies; Mediation.* A failure to comply with the terms of this Contract shall constitute a default. 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 non-defaulting 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 7, this Contract may not be canceled or terminated because of a default unless Rootstown and Kent agree to such cancellation or termination.

If the Contracting Parties 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 JEDD Board shall participate in non-binding mediation ("Mediation") for a period of 90 days (or more if so determined by the Contracting Parties and the JEDD Board). The Mediation shall be conducted by the Portage County Probate Judge or his or her attorney designee per such mediation procedures established by the Portage County Probate Judge or his or her attorney designee.

*Section 15. Binding Effect; No Third-Party Beneficiaries; Mandamus.* This Contract shall inure to the benefit of and shall be binding on the District, Rootstown, and Kent and their respective permitted successors, subject, however, to its specific provisions. This Contract shall not inure to the benefit of anyone other than the District and the Contracting Parties and their respective permitted successors. All of the obligations and duties of the JEDD Board, Rootstown, and Kent under this Contract are established as duties specifically enjoined by law and resulting from an office, trust, or station on the JEDD Board, Rootstown, and Kent within the meaning of Ohio R.C. 2731.01.

*Section 16. Support of Contract.* The Contracting Parties 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 Rootstown of the resolution authorizing this Contract, if necessary. 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 Contracting Parties agree to cooperate with one another and to use their best efforts in defending this Contract with the objective of upholding this Contract. The Contracting Parties shall each bear its own costs in any such proceeding challenging this Contract or any term, condition, or provision thereof, provided that the JEDD Board shall reimburse the Contracting Parties 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: to Kent based on the then applicable percentage in the Table shown in Section 11 above and the balance to Rootstown.

*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 Ohio R.C. 715.72 - 715.83. In the event that Ohio R.C. 715.72 - 715.83 are amended or supplemented by the enactment of a new section or sections of the Ohio Revised Code relating to joint economic development districts, the Contracting Parties may agree at the time to follow either the provisions of Ohio R.C. 715.72 - 715.83 existing on the date of this Contract or the provisions of those sections as amended or supplemented, to the extent permitted by law. Nothing in this Contract shall limit the ability of the District, Kent, or Rootstown to aggregate to acquire preferential rates for cable, telephone, gas, electric, or other utility services for the District.

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