

The Board of Education of the Kings Local School District, County of Warren, Ohio, met in regular session at 6:30 p.m. on the 15th day of July, 2014, at 1797 King Avenue, Kings Mills, Ohio, with the following members present: Mr. William Russell, Mrs. Bonnie Baker-Hicks, Mr. Todd Overturf

Mrs. Baker-Hicks introduced the following resolution and moved its adoption:

KINGS LOCAL SCHOOL DISTRICT

RESOLUTION NO. 14-135

**RESOLUTION APPROVING AND AUTHORIZING THE
EXECUTION OF AN AMENDED AND RESTATED TAX
INCENTIVE AGREEMENT**

WHEREAS, pursuant to Ohio Revised Code ("O.R.C.") §5709.40, the Board of Education (the "Board") of the Kings Local School District (the "School District"), and the Village of South Lebanon, Warren County, Ohio (the "Village") entered into a Tax Incentive Agreement, dated November 11, 2005, as amended by the Amended and Restated Tax Incentive Agreement, dated May 15, 2008, (the "Agreement") providing for compensation to be paid to the School District in exchange for approval of certain exemptions from real property taxation, for property set forth on Exhibit A attached hereto (the "Exempted Property"); and

WHEREAS, the School District and the Village desire to amend the Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Kings Local School District, County of Warren, Ohio:

SECTION 1. The Board hereby approves an Amended and Restated Tax Incentive Agreement, providing, among other things, for compensation to the School District, commencing with tax year 2013, collection year 2014, and thereafter, during any year or any portion thereof, in which the School District would have received property tax payments derived from the Exempted Property, but for the Village's authorization of the TIF Exemption, solely from the Service Payments in Lieu of Taxes from the Owner of the Exempted Property or from Minimum Service Payments, as defined in the Service Agreement, if applicable, from the Owner pursuant to the Service Agreement between the Owner and the Village, in an amount equal to the greater of (i) the amount of compensation received by the School District in collection year 2013 pursuant to the Prior Amended and Restated Tax Incentive Agreement (\$274,717) or (ii) twenty percent (20%) of the Service Payments in Lieu of Taxes derived from the Exempted Property ("Senior School Compensation") plus an amount equal to one hundred percent (100%) of the remainder of (i) the total Service Payments received by the Village from the Exempted Property less (ii) the Senior School Compensation and total debt service (principal and interest payments) on the TIF Obligations, as defined in the Agreement, (the "Subordinate School Compensation").

SECTION 2. The Amended and Restated Tax Incentive Agreement shall be executed on behalf of this Board by the Treasurer and shall be substantially in the form presented to this Board, with such changes, not inconsistent with this resolution, as shall be agreed to by the

Treasurer, the Treasurer's execution of the Agreement on behalf of this Board shall be conclusive evidence of such approval.

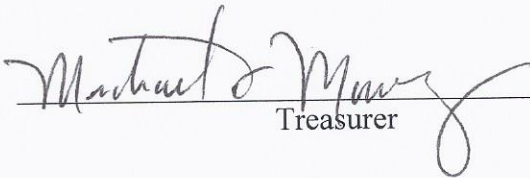
SECTION 3. That it is found and determined that all formal actions of this board of education concerning and relating to the adoption of this resolution were adopted in an open meeting of this board of education, and that all deliberations of this board of education and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Mr. Russell seconded the motion, and the roll being called upon the question of adoption of the resolution, the vote resulted as follows:

AYE: Mr. Russell, Mrs. Baker-Hicks, Mr. Overturf

NAY: None

ADOPTED this 15 day of July, 2014.


Treasurer

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Education of the Kings Local School District, County of Warren, Ohio, on the 15th day of July, 2014.


Treasurer

Exhibit A

Property Description

<u>Parcel Number</u>	<u>Owner</u>
12023510052	Rivers Crossing Power LLC
12023760032	LCNB National Bank
12023760042	Rancho Cincinnati Rivers
12024010102	Rivers Crossing Power LLC
12024010112	Cincinnati Rivers LLC
12024010122	Rivers East Inline LLC
12024010132	Target Corporation
12024010142	Chick-fil-A, Inc.
12024010152	Ingram Family Ltd.
12024010172	Rivers Crossing Power LLC
12024010182	Rivers Crossing Power LLC
12024010192	Rivers MT Outlot LLC
12024010202	Rivers Crossing Power LLC

**AMENDED AND RESTATED
TAX INCENTIVE AGREEMENT**

THIS AMENDED AND RESTATED TAX INCENTIVE AGREEMENT (the "Agreement"), made and entered into as of this 15th day of July, 2014, by and between the KINGS LOCAL SCHOOL DISTRICT, WARREN COUNTY, OHIO, a local school district and political subdivision of the State of Ohio (the "School District"), and the VILLAGE OF SOUTH LEBANON, WARREN COUNTY, OHIO, a municipal corporation and political subdivision of the State of Ohio (the "Village").

WHEREAS, Section 5709.40(B), et seq., of the Ohio Revised Code authorizes municipalities to grant tax increment financing real property tax exemptions ("TIF Exemptions") for improvements declared to be for a public purpose, which exempt from taxation the increase in the true value of the parcel of property after the effective date of the ordinance granting such exemption; and

WHEREAS, Section 5709.42 of the Ohio Revised Code further authorizes a municipality to require owners of improvements subject to a TIF Exemption (the "Owner") to make an annual payment to the municipality in lieu of taxes ("Service Payments in Lieu of Taxes"), which payment is approximately equivalent to the amount of real property tax which would be payable on the increase in the true value of the parcel of property but for the exemption from taxation; and

WHEREAS, Section 5709.43 of the Ohio Revised Code further requires a municipality receiving Service Payments to create a public improvement tax increment equivalent fund for deposit of the entire amount of such payments, to be used to pay the costs of public infrastructure improvements benefiting the parcels subject to the TIF Exemption and, if provided, to make payments to school districts impacted by exemption from taxation; and

WHEREAS, the Village previously notified the School District of its intent to grant a TIF Exemption, as authorized by Section 5709.40(B) of the Ohio Revised Code, for improvements to certain real property located within the boundaries of the Village and the School District, which real property is described in Exhibit A attached hereto and made a part hereof (the "Exempted Property" or the "TIF Parcels"), by using the Service Payments in Lieu of Taxes to pay for or finance the construction of public improvements that are necessary for the development of the Exempted Property (the "Public Improvements") in order to induce the owners to develop the Exempted Property; and

WHEREAS, the Board of Education of the School District passed a resolution on October 24, 2005, (the "School District Resolution") approving the TIF Exemption on the condition that the parties hereto enter into an Agreement covering the Exempted Property as described in Exhibit A attached hereto; and

WHEREAS, the Village has, pursuant to an ordinance of the Village Council of the Village adopted on December 1, 2005, (the "Village Ordinance"), granted the TIF Exemption and authorized the execution of an Agreement with respect to the Exempted Property; and

WHEREAS, Ohio Revised Code Sections 5709.40 and 5709.82 permit the Village Council of the Village and the Board of Education of the School District to enter into this Agreement in order to compensate the School District for property taxes lost as a result of the Tax Incentives; and

WHEREAS, the School District and the Village entered into a Tax Incentive Agreement dated November 11, 2005, as required by Resolution No. 05-157 and an Amended and Restated Tax Incentive Agreement, dated May 15, 2008, (the "Prior Amended and Restated Tax Incentive Agreement") modifying the terms of the Tax Incentive Agreement; and

WHEREAS, the School District and the Village desire to amend the terms of said Amended and Restated Tax Incentive Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter described, the School District and the Village covenant, agree, and bind themselves as follows:

SECTION 1. Approval of the TIF Exemption; Compensation to School District While TIF Exemption is in Effect.

(a) As provided in the School District Resolution, and subject to the conditions stated therein, the School District reaffirms its approval of the TIF Exemption for up to one hundred percent (100%) of the further improvements to the Exempted Property set forth on Exhibit A attached hereto for a period of up to thirty years, commencing with the 2006 tax year and ending no later than December 31, 2035.

(b) (i) Commencing with tax year 2013, collection year 2014, and thereafter, during any year or any portion thereof, in which the School District would have received property tax payments derived from the Exempted Property, but for the Village's authorization of the TIF Exemption, the Village agrees to pay, solely from the Service Payments in Lieu of Taxes from the Owner of the Exempted Property or from Minimum Service Payments, as defined in the Service Agreement, from the Owner pursuant to the Service Agreement between the Owner and the Village, if applicable, to the School District an amount equal to the greater of (1) the amount of compensation received by the School District in collection year 2013 pursuant to the Prior Amended and Restated Tax Incentive Agreement (\$274,717) or (2) twenty percent (20%) of the Service Payments in Lieu of Taxes derived from the Exempted Property ("Senior School Compensation"). Senior School Compensation will be paid prior to any other uses of funds derived from Service Payments in Lieu of Taxes on the Exempted Property. However, nothing in this Agreement shall be constructed to pledge the full faith and credit of the Village.

(ii) Commencing with tax year 2013, collection year 2014, and thereafter, during any year, or any portion thereof, in which the aforementioned TIF Exemption shall apply to the Exempted Property, the Village agrees to pay, solely from the Service Payments of the Owner of the Exempted Property or from Minimum Service Payments, as defined in the Service Payment Agreement, if applicable, an amount equal to one hundred percent (100%) of the remainder of

(1) the total Service Payments received by the Village from the Exempted Property less (2) the Senior School Compensation and total debt service (principal and interest payments) on the TIF Obligations, as defined herein, (the "Subordinate School Compensation").

(iii) As used hereinafter, the term "TIF Compensation" shall mean, collectively, the Senior School Compensation and the Subordinate School Compensation.

Notwithstanding any provision herein to the contrary, total aggregate TIF Compensation shall not exceed the amount of compensation equal to the total aggregate amount of taxes, which would have been payable to the School District if the Improvement were not exempted from taxation, for the thirty year exemption period, (the "Maximum Compensation"). To the extent that TIF Compensation, as provided by application of Sections (1)(b)(i) and (ii) herein exceeds the Maximum Compensation, compensation provided by Section (1)(b)(ii) hereof shall be reduced or eliminated as applicable followed by a reduction or elimination of compensation provided by Section (1)(b)(i) hereof.

(iv) As used herein, the term "TIF Obligations" shall mean any securities issued by the Village which are secured by or intended to be repaid from the Service Payments in lieu of Taxes from the Exempted Property. TIF obligations shall not be issued in excess of \$11,500,000.

(v) The Village has entered into a Service Payment Agreement with the Owners of the Exempted Property, pursuant to which the Owners shall agree to make "Minimum Service Payments" to the Village, which obligation to make Minimum Service Payments shall remain in effect until the termination of this Agreement. The term "Minimum Service Payment" is defined in such existing Service Payment Agreement(s) as the annual debt service requirements for the TIF Obligations issued to finance the Public Infrastructure Improvements (as defined by the Service Payment Agreement) and does not currently include any amounts of School Compensation.

(c) In determining the amount of the Service Payments in Lieu of Taxes required by the Village pursuant to Section 5709.42 of the Ohio Revised Code, it is expressly agreed and relied upon that the value of the Exempted Property which shall be exempt under Sections 5709.40 through 5709.43 of the Ohio Revised Code shall be the increase in value of the parcels from and after the date that the Village Ordinance granting the Tax Increment Exemption was adopted by the Issuer regardless of the date on which the exemption from real property taxation is certified to the Warren County Auditor by the Tax Commissioner of the State of Ohio.

SECTION 2. Certification of the TIF Compensation Amount. Each year during which the TIF Exemption will result in the School District's receipt of less than one hundred percent (100%) of the amount of real property taxes due with respect to the Exempted Property, the Village shall certify to the School District the amount of the TIF Compensation due to the School District and shall provide calculations to show how such amount was derived.

SECTION 3. Payment of the TIF Compensation.

(a) Within fifteen (15) days after the Village receives Service Payments in Lieu of Taxes or Minimum Service Payments with respect to the Exempted Property, but no later than fifteen (15) days after final settlement is received from the County Auditor, the Village shall pay to the School District, by bank or cashier's check or wire the amount of the Senior School Compensation.

(b) Within fifteen (15) days after applicable debt service for TIF Obligations is paid out of Service Payments, the Village shall pay or cause to be paid to the School District, by bank or cashier's check or wire the amount of the Subordinate School Compensation, if any.

SECTION 4. Resolution of Disputes. In the event the School District disputes the amount of the TIF Compensation as certified by the Village, the School District shall certify, within thirty (30) days of receipt of the Village's certification with respect to compensation, the basis for the dispute and the amount that the School District claims is the correct amount of TIF Compensation to be paid to the School District. Within 10 days thereafter, the School District's Treasurer and the Village Administrator shall meet to discuss and resolve the dispute. In the event the School District's Treasurer and the Village are unable to mutually agree on the amount of TIF Compensation, the parties shall next seek and agree on a third party mediator to settle the dispute and determine the amount of the TIF Compensation. The Village shall then pay such amount within 30 days thereafter; provided that nothing contained in this Section 5 shall limit either the School District or the Village's ability, after payment and receipt of such TIF Compensation amount, to seek recovery of amount deemed overpaid or underpaid.

SECTION 5. Late Payments. Any late TIF Compensation payments shall bear interest at the then current rate established under Section 323.121(B) and 5703.47 of the Ohio Revised Code, as the same may be amended from time to time, or any successor provisions thereto, as the same may be amended from time to time.

SECTION 6. Compensation for Future Tax Incentives. The Village hereby agrees not to grant, or consent to the granting of, any additional Tax Incentives ("Future Tax Incentives"), with respect to the Exempted Property unless the ordinance, agreement, or other appropriate document provides for compensation to the School District in an amount equal to the additional amount of real or personal property tax payments which would have been derived from the Exempted Property and received by the School District but for Future Tax Incentives. The Village also agrees, at the time of the granting of such Future Tax Incentives, to enter into a compensation agreement with the School District, which sets forth such compensation. Provided that the provisions of this Section 6 are satisfied, the School District hereby agrees to consent to the granting of such Future Tax Incentives with respect to the Exempted Property.

SECTION 7. **Notices.** All notices, designations, certificates, requests or other communications under this Agreement shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed to the following addresses:

To the School District:

Kings Local School District
1797 King Avenue
PO Box 910
Kings Mills, Ohio 45034
Attn: Treasurer

To the Village

Village of South Lebanon
99 N. High Street
South Lebanon, Ohio 43650
Attn: Mayor

SECTION 8. **Duration of Agreement; Amendment.** This Agreement shall become effective on the date that it is executed and delivered and shall remain in effect for such period as any Tax Exemption pursuant to Section 5709.40 through 5709.43 of the Ohio Revised Code is in effect with respect to the Exempted Property, but not later than December 31, 2039. This Agreement may be amended only by mutual agreement of the parties hereto in writing. No amendment to this Agreement shall be effective unless it is contained in a written document approved through legal process and signed on behalf of all parties hereto by duly authorized representatives.

SECTION 9. **Waiver.** No waiver by the School District or the Village of the performance of any terms or provisions hereof shall constitute, or be construed as, a continuing waiver of performance of the same or any other term or provision hereof.

SECTION 10. **Merger; Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter contained herein, including without limitation all forms of compensation to be paid by the Village to the School District pursuant to Section 5709.82 of the Ohio Revised Code, and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement. The School District, by adoption of the School District Resolution and execution of this Agreement, hereby waives any notice requirements set forth in Sections 5709.40, 5709.83, and 5715.27 of the Ohio Revised Code as may be applicable to the Exempted Property.

SECTION 11. **Binding Nature.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective permitted successors and assigns.

SECTION 12. **Severability.** Should any portion of this Agreement be declared by the courts to be unconstitutional, invalid or otherwise unlawful, such decision shall not affect the entire agreement but only that part declared unconstitutional, invalid or illegal, and this Agreement shall be construed in all respects as if any invalid portions were omitted.


SECTION 13. **Counterparts; Captions.** This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Agreement. Captions have been provided herein for the convenience of the reader and shall not affect the construction of this Agreement.

IN WITNESS WHEREOF, the Village and the School District have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date hereinbefore written.

VILLAGE OF
SOUTH LEBANON, OHIO

By:
Mayor

KINGS LOCAL SCHOOL DISTRICT

By: 
Superintendent

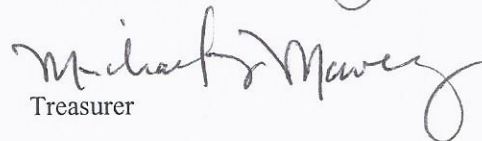
By: 
Treasurer

EXHIBIT A

PROPERTY DESCRIPTION

<u>Parcel Number</u>	<u>Owner</u>
12023510052	Rivers Crossing Power LLC
12023760032	LCNB National Bank
12023760042	Rancho Cincinnati Rivers
12024010102	Rivers Crossing Power LLC
12024010112	Cincinnati Rivers LLC
12024010122	Rivers East Inline LLC
12024010132	Target Corporation
12024010142	Chick-fil-A, Inc.
12024010152	Ingram Family Ltd.
12024010172	Rivers Crossing Power LLC
12024010182	Rivers Crossing Power LLC
12024010192	Rivers MT Outlot LLC
12024010202	Rivers Crossing Power LLC